

ELDER LAW NEWS

Legal power for seniors.

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OAST & HOOK

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Oast & Hook Seminar New Law, New Opportunity



Oast & Hook will host a seminar titled, "Recent Developments In Long-Term Care Planning: New Law, New Opportunity" on Thursday, August 24, 2006, at the Chesapeake Conference Center, 900 Greenbrier Circle in Chesapeake. Registration starts at 8:30 a.m. The workshop begins at 9:00 a.m. and concludes at 12:30 p.m. The seminar will be presented by Oast & Hook attorneys Andrew Hook, Sandra Smith, Jennifer Rossetini, and Letha Sgritta. The seminar will explore the changes the Deficit Reduction Act of 2005 (DRA) and the Virginia implementing rules have made to Medicaid planning, as well as the new opportunities that they provide to obtain assistance in the payment of long-term care while protecting assets.

The registration fee is \$30. A registration form is attached to the end of this newsletter.

A NOT SO SWEET DOUGHNUT HOLE

Oast & Hook has published several articles on the Medicare Part D prescription drug benefit in the *Elder Law News*. Millions of seniors and those with disabilities have enrolled in a Part D plan, and they have shared the costs of their prescriptions with the insurance companies. Many people are now reaching the point where they will have to fully pay for their prescriptions for a period of time until the insurance companies share these costs again. This gap in coverage is nicknamed the "doughnut hole," but this doughnut hole is not sweet. Some people will not fall into the doughnut hole because they are poor, or because they do not spend enough on prescriptions to reach the limit for the coverage gap. Some may avoid the doughnut hole by paying a higher premium for a Part D plan that covers the gap.

Most standard Part D plans have a \$250 deductible; after the deductible is reached, the insurer pays 75% of the drug costs, with the beneficiary paying

the other 25%. Once the total prescription expenditures reach \$2,250, the beneficiary enters the doughnut hole. These total expenditures include the deductible and the money paid by both the beneficiary and the insurer, exclusive of the premiums for the plan. Beneficiaries can carefully track their own costs, but they may not as carefully track what the insurer pays, and, as a result, they may enter the doughnut hole earlier than they expect. Once in the doughnut hole, the beneficiary is fully responsible for prescription costs plus the premiums for the Part D plan, until the beneficiary's total out-of-pocket expenditures total \$3,600. The expenditures include deductibles, earlier co-payments, and the prescription drug costs. They do not include premiums, payments made by the insurer, and purchases of drugs not covered by the Part D plan.

Once the \$3,600 limit is reached, the insurer will pay 95% of the prescription costs, and the beneficiary is responsible for the remaining 5%. This protects against catastrophic expenses. The doughnut hole can be reached each year, although the actual dollar limits may change to reflect increases in drug costs.

Those with low income and resources may qualify for the Extra Help program. This program assists with deductibles, co-payments and premiums. There is no doughnut hole for people in this program. Generally, annual income must be less than \$14,700 for an individual and \$19,800 for a couple. Resources (excluding the home), generally are limited to \$11,500 for an individual or \$23,000 for a couple. Those who might be eligible should call 1-800-772-1213, or go to the Social Security Administration website at www.ssa.gov.

There are other strategies available to minimize the impact of the doughnut hole. Those with high drug costs and those who have money to pay during the coverage gap will want to reach the \$3,600 out-of-pocket cost limit quickly, so they can benefit from the more generous coverage on the far side of the doughnut hole. Those who will reach the doughnut hole late in the year, and therefore will not benefit from the more generous coverage, will want to reduce drug expenses, if possible. These beneficiaries may want to ask their physicians about generics or less costly alternatives; they should not just skip medication to save costs.

Medicare Part D is a complex program, and Oast & Hook can help seniors and those with disabilities understand the program and how to best make it work for them

Ask the Expert

Mark your calendars to listen to the "Ask the Expert" show on WTAR radio (850 AM) from 8:00 a.m. to 9:00 a.m. on Saturday, August 26th. Oast & Hook attorney Sandra Smith and Kevin Shea from CB&H Business Services will be the guest speakers.

Speakers

If you are interested in having an Elder Law attorney from Oast & Hook speak at an event, then please call Vivian Lane at 757-399-7506.

Oast & Hook

Oast & Hook is an elder law firm. We represent older persons, disabled persons, their families, and their advocates. The practice of elder law includes estate planning, investment and insurance advice, estate and trust administration, powers of attorney, advance medical directives, titling of assets and designations of

beneficiaries, guardianships, conservatorships, and public entitlements such as Medicaid, Medicare, Social Security, and SSI, disability planning, income tax planning and preparation, bill paying, account management and reporting, care management, and fiduciary services. We also handle litigation involving these issues, such as will contests and estate administration disputes. For more information about Oast & Hook, please visit our website at www.oasthook.com.

Oast & Hook is the Virginia member of the Special Needs Alliance, a nationwide network of disability attorneys. As members of this alliance, we assist personal injury attorneys in resolving their cases to enhance the judgments and awards of their disabled clients and to maintain the eligibility of these clients for SSI and Medicaid. We are experienced in protecting the public benefits of persons with special needs and in assisting with the management of their assets. For more information about the Special Needs Alliance, visit its website at www.specialneedsalliance.com.

Distribution of This Newsletter

Oast & Hook encourages you to share this newsletter with anyone who is interested in issues pertaining to the elderly, the disabled and their advocates. The information in this newsletter may be copied and distributed, without charge and without permission, but with appropriate citation to Oast & Hook, P.C. If you are interested in a free subscription to the *Elder Law News*, then please e-mail us at eln@oasthook.com, telephone us at 757-399-7506, or fax us at 757-397-1267.

Please visit us on the world wide web at:

www.oasthook.com

Our website contains information about Oast & Hook and an archive of our newsletters and other estate planning, estate administration, and elder law articles in searchable form at.

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OAST & HOOK

Presents:

Recent Developments in Long-term Care Planning: New Laws, New Opportunities

Date: Thursday, August 24, 2006

Location: Chesapeake Conference Center
900 Greenbrier Circle
Chesapeake, Virginia 23320

Schedule: Registration: 8:30 a.m. to 9:00 a.m.
Workshop: 9:00 a.m. to 12:30 p.m.

Presenters: Andrew H. Hook, Jennifer Rossettini, Letha Sgritta and Sandra L. Smith

Tuition: Register on or before August 1, 2006, for an early registration fee of \$15.
The registration fee after August 1, 2006, is \$30.

Space is limited, so please register as soon as possible. Walk-in registrations will not be accepted.
No refunds after August 1, 2006.

Registration Form

Please complete this form and either fax it to Oast & Hook at 757-397-1267 or mail it to Linda Gerber at Oast & Hook, P.C., at 295 Bendix Road, Suite 170, Virginia Beach, Virginia 23452-1294.

Name: _____

Company: _____

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For more information, please telephone Linda Gerber, Vivian Lane or Jennifer Lantz at 757-399-7506.