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MEMBER



Special needs require special lawyers.

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LONG-TERM CARE INSURANCE DEVELOPMENTS BY BRADLEY BRICKHOUSE

Recently, the Department of Health and Human Services announced the Community Living Assistance Services and Supports Act (“CLASS Act”) was not viable and would not go into effect. The CLASS Act was enacted as part of the Patient Protection and Affordable Care Act that would have created a long-term care insurance option for the public; however, a nineteen month study concluded that pricing the benefits low enough to attract consumers would not cover the expected claims.

Individuals still need to plan in order to cover the cost of long-term care. The Center for Retirement Research at Boston College says about one-third of Americans turning 65 this year will need at least three months of nursing home care sometime during their lives, and the cost of this care continues to rise. According to Genworth Financial, in 2011, the median annual cost of a private nursing home rose 3.4 percent to \$77,745 and the median cost for assisted living rose 2.4 percent to \$39,135.

Although the CLASS Act may no longer be available, consumers interested in insuring against the potential risks of long-term care costs still have the option of purchasing private long term care insurance. According to the American Association for Long Term Care Insurance, the best time to purchase long-term care insurance is between the ages of 52 and 64. In fact, a 2005 study of long-term care insurance policy applicants found that the percentage of applicants between 50 and 59 who qualify for good health discounts ranged from 42 to 58 percent. The study also revealed that the percentage who qualify for good health discounts drops to 32 percent for those in their 60s and to 19 percent for those who wait to apply until their 70s.

Kevin M. Shea, CFP®, CPA, is a Financial Services Professional with CB&H Wealth Management Services LLC, and advises consumers of few factors to consider when selecting long-term care insurance:

1. Purchase a sufficient daily benefit. In Virginia, a semi-private room currently averages \$190 per day. A policy with inadequate benefits will require using personal funds to fill in the gaps or trying to qualify for public benefits in the future.
2. Understand the “waiver of premium” feature. Typically, once the insured is receiving benefits from the insurance company, the premiums on the policy are “waived.” If the insured’s health improves and he or she is no longer eligible for benefits, then the premiums will resume.
3. Consider policies with an inflation rider. The cost of long-term care insurance continues to increase faster than inflation. With the most recent studies showing the cost of care rising 7% annually, insurance companies are offering policies with riders that provide inflation protection. The decision to select simple or compounded inflation protection can usually be made based on the age of the purchaser.
4. Consider purchasing a “paid up” policy. Because a policy’s premiums may rise, consider purchasing a “paid up” policy that no longer requires a premium once the insured reaches a certain age or after a given number of years.

Given the sector’s complex laws and frequent regulatory changes, it’s best to work with a financial planning professional experienced in the field. Choosing the right policy can reduce family stress and give you greater control over your future care. The professionals at Oast & Hook Financial Services, LLC can assist clients with their long-term care insurance needs. The attorneys at Oast & Hook can also assist clients with their estate, financial, insurance, long-term care, veterans' benefits, and special needs planning issues.

Bradley Brickhouse is an elder law attorney with Oast & Hook, and he practices in the areas of estate planning, guardianships and conservatorships, financial abuse, will contests, estate and trust disputes, and litigation in support of these areas.

Ask Allie

O&H: Allie, we’ve heard about the PetSmart Charities’ Rescue Waggin’. Please tell us about it.

Allie: Sure! The Rescue Waggin’ program started in 2004, and it has formed a network of 60 shelters in 22 states. The program relocates dogs from overcrowded facilities to ones that provide a better chance at finding a new home. The dogs are transported to the new shelter, then they are spayed or neutered and vaccinated, then they are put up for adoption. Dawn, a 7-year-old golden retriever, recently became the 50,000th dog to find a home through the program. What a great program!

I have an update on my column last week regarding Jack, the cat who was lost at John F. Kennedy International Airport over the summer. Jack had several severe wounds that required surgery that was

complicated by his severe malnutrition while he was lost in the airport. I am sad to report that after consulting with several other veterinary experts, Jack's mom and veterinarian decided to end Jack's painful journey, and he is now at the Rainbow Bridge. Our hearts go out to Jack's mom and the veterinary staff that cared for him since he reappeared.

See you next week!

Announcement

Oast & Hook attorney Sandy Smith will give a seminar on veterans benefits at 6:00 p.m., Thursday, November 10th at Georgian Manor Assisted Living, 651 River Walk Parkway, Chesapeake, Virginia 23320. The presentation will include information about veterans benefits and long-term care planning. This presentation is free and open to the public. For more information or to register, please phone 757-436-9618.

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 *Oast & Hook News*, then please e-mail us at mail@oasthook.com, telephone us at 757-399-7506, or fax us at 757-397-1267.

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