



The Anchor

ELDER LAW PRACTICE OF TIMOTHY L. TAKACS ♦ 201 WALTON FERRY ROAD, HENDERSONVILLE, TN

Winter 2014 Issue 49

The Affordable Care Act and Medicare

Coming Events

February 10

Tim Takacs takes viewer calls on MorningLine. 8 a.m. Newschannel 5+. (Check your cable provider for channel details.)*

February 20

Medicaid Training Module for Elder Law Practice clients. Reservations required. (615) 824-2571.

March 6

Join other spouses of Elder Law Practice clients for Coffee Connections, educational gatherings held on the first Thursday of every other month. 2 pm. (615) 824-2571.

Dementia Caregiver Support Group

Meets 2:30-4:00 p.m. on the second Tuesday of each month. Park Place, 31 Executive Park Drive, Hendersonville. (615) 822-6002.

Alzheimer's Association Support Groups

Call (800) 272-3900 or (615) 315-5880 for dates, times and locations closest to you.

For more events, visit www.ElderLawEducation.com.

*Dates and times are subject to change. Visit www.TN-ElderLaw.com for the latest information.

What do new cuts and reforms really mean for people on Medicare?

With so much talk about the Affordable Care Act (ACA, also known as Obamacare) and its planned cuts to Medicare, many Medicare beneficiaries are taking a wait and see attitude about the new program. This article answers some of the most common questions about the ACA and its impact on people eligible for Medicare.

Does the ACA replace Medicare?

No. The ACA doesn't replace Medicare, it enhances it. Medicare isn't part of a State's health insurance marketplace so anyone already on Medicare will stay on it. Medicare beneficiaries will receive the new benefits, rights and protections offered by the ACA on their current Medicare plan.

Will Medicare premiums increase? No, at least not now. The ACA may hold the costs of Medicare Part B premiums down, if not lower them. The official formula for determining Medicare Part B premiums was established by

Government officials say that \$716 billion in cuts will be reinvested in Medicare to improve care.

Congress years ago and has not been negatively affected by the ACA.

Will the ACA make Medicare better?

Government officials say yes. Even though the ACA "cuts" Medicare, it isn't really a cut, it's health care reform aimed at improving care.

Will the ACA affect prescription costs?

Yes. The ACA closes the "donut hole" that was causing people on Medicare to have trouble affording their prescriptions. (The Medicare "donut hole" is the Part

D drug coverage limit where Medicare beneficiaries must start paying out of pocket for their prescriptions.) In 2012, people on Medicare got a 50 percent discount

when buying brand name drugs and a 14 percent discount on

generic drugs covered by Medicare Part D. This reform gets stronger every year, increasing coverage and closing the donut hole until it disappears in 2020. From that point on, people on Medicare will only pay usual drug co-pays.

How else will Medicare be changed by the ACA?

The Centers for Medicare and Medicaid Services (CMS) predicts the following changes:

- ♥ Expanded existing coverage for Medicare beneficiaries.

Continued on Page 2

Questions & Answers

Q *Can I stay on my employer's health insurance after age 65?*

A Yes. Federal Law requires that employers (with 20 or more employees) offer to their employees age 65 or over the same coverage offered to employees under age 65.

Q *Am I required to enroll in Medicare if I keep working?*

A If you are still working and covered under your employer's health insurance, you are not required to enroll in Medicare at age 65.

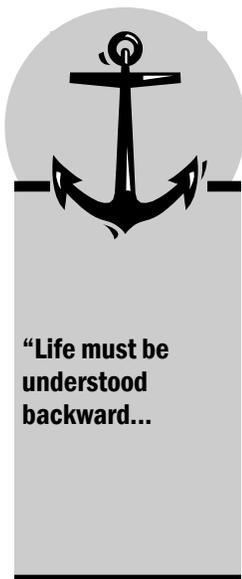
Q *Can I cancel my employer's health insurance and enroll in Medicare instead?*

A You are free to reject the employer plan coverage, in which case Medicare would be primary. When Medicare

is the primary payer, employers cannot offer a supplemental plan that pays for services covered by Medicare.

Q *I've heard there is a penalty if I don't enroll in Medicare when I turn 65.*

A If covered under an employer's group health plan, you will have 8 months from the time your coverage ends to enroll in Medicare Part B without penalty. For Medicare Part D, you will have 63 days.~



"Life must be understood backward..."

The Affordable Care Act's Impact on Medicare

Continued from Page 1

including preventive care and wellness visits without charging the Part B coinsurance or deductible. People on Medicare will no longer need to put off preventive care and check-ups due to costs. This reform has been in place since 2011 and gives people on Medicare better access to cancer screenings, wellness visits, personalized prevention plans, vaccines, flu shots and more.

♥ Initiatives to support care coordination, which means that doctors may get addi-

tional resources to make sure that patient treatments are consistent.

♥ Controls on excess spending on Medicare Advantage. CMS officials say that this program is currently causing a burden on taxpayers that is disproportionate to the amount of people it helps. The ACA rewards providers who increase the quality of their coverage.

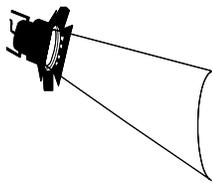
♥ More savings for Medicare beneficiaries. CMS officials expect the average savings to be about \$4,200 over the next

10 years due to lower drug costs, free preventive services and reductions in the growth of health spending.

♥ Less waste for taxpayers. CMS officials say that the life of the Medicare Trust fund will be extended to at least 2029—a 12-year extension—due to reductions in waste, fraud and abuse.

♥ The ACA did not change Medicare choices, rights or protections.

Clients with questions about the impact of the ACA on their Medicare benefits are encouraged to call the Elder Law Practice office at (615) 824-2571.~



GUEST COLUMN

It's Just Stuff

For decades, most of my calls for service began with, "I have my mother's things..." Since 2008, though, a new group of clients have emerged. It is us! The Baby Boomers are downsizing!

Boomers and their parents aren't buying as much as they once did. Their children and grandchildren are setting the trends as they buy and furnish their first homes. They're scouring tag sales, just like we Boomers did, looking for reasonably priced furnishings in vintage and other used stuff.

Buyers under 40 are searching for multi-drawer, metal cabinets used in workshops, parts stores, offices, and other industrial settings. If you've lived in your home for over 20 years, there's a cabinet in the garage or basement that's worth a couple hundred dollars. Wooden work tables like the one your vise is attached to are in demand as kitchen counters. Fresh from the basement, these cabinets and

tables sell from \$110 to \$200. In a shop selling similar things, they can bring over \$500. Think of this category as mid-century industrial.

Clothing kept in the hope of a style revival or that dreamed-of weight loss, takes up a lot of your space. Before donating things in a huff, glance through for good labels and pieces that scream 1960 or 1970.

Although you may not be able to get back into your mini dress or Nehru jackets, the current cool kids can't wait to look like we did. Vintage clothing stores now offer the excitement of discovering a pair of Go-Go boots that fit. Purses with labels from any decade will sell from \$12 to over \$100. Designer labels could add a zero to that price.

Stylish furniture that was purchased in the late 1950's through the 1970's is in demand in its purest

forms, or for painting with the colors of the 1960's – orange, red, avocado, turquoise, and harvest gold. Appliances in these colors

will sell for at least \$100.

Cowboy furniture, café curtains, paisley, and paneled walls have been rediscovered. If you bought and have kept any of the items mentioned in the column,

there will never be a better time to sell them than now. I'd ask your grandkids first, though.

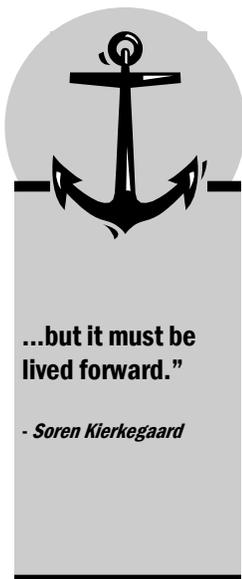
Connie Sue Davenport, ISA AM, is a credentialed antiques and personal property appraiser, and a popular speaker.

Connie Sue writes 48 columns a year, called It's Just Stuff, answering reader's

questions about antiques. Contact her at ConnieSue@ConnieSue.com, (615) 672-1992, or visit www.ConnieSue.com.



Mid-century storage cabinets are coveted by younger buyers. Sellers are asking \$175 for this piece.



How Many CHOICES Are There?

Editor's Note: This is the first of a two-part series about TennCare CHOICES in Long-Term Care.

In Tennessee, the state Medicaid program is known as TennCare. Broken down more specifically for those needing services in a nursing home, assisted living, or home setting, the program is called TennCare CHOICES in Long-Term Care, also referred to as *Long Term Services & Supports*. Under the umbrella of CHOICES, there are three groups an applicant can qualify for: Group 1, Group 2, and Group 3.

What are the standards for qualification?

To qualify for any of the three groups of CHOICES, an applicant must qualify medically and financially. Prior to July 1, 2012, medical qualification could be achieved by having a significant deficiency in one activity of daily living (ADL). To qualify for CHOICES Group 1 or 2 after July 1, 2012, the new pre-admission evaluation (PAE) standards require an applicant to score a 9 out of a possible 26 on a new weighted scale that's made up of

ADL's. CHOICES Group 3, or the "at risk for nursing home care" group, uses the same ADL weighted scale, but an applicant must score below a 9 in certain areas. While the PAE score ranges differ for the three groups, the financial standards are the same across the board. An applicant for benefits under any group must have less than \$2,000 in their name to qualify for the program.

Where can an applicant qualify for CHOICES Group 1?

When an applicant is approved for CHOICES Group 1, they are approved in the nursing home setting. An application for Group 1 can not be approved until the applicant has been institutionalized for at least thirty days. The thirty day clock of institutionalization starts when an applicant enters the hospital or nursing home facility and stays there consistently for the thirty days without returning home. Once the criteria of institutionalization, medical qualification, and financial qualification are met, an applicant's benefits can be approved, and they will be

assigned a managed care organization (MCO). Qualification under Group 1 means that the Medicaid program will assist the applicant in covering their room and board charge at the nursing home facility, charges related to many

prescription drug costs, and various other needs. Because the CHOICES program is a cost-sharing program, the state only covers up to the point that the applicants monthly income is insufficient, as determined by the CHOICES caseworker.

How will the application process work?

As of January 1, 2014, the application process for CHOICES benefits will change. The applications for CHOICES will no longer be handled through the Department of Human Services (DHS). Applications filed January 1, 2014 forward will be handled through the Bureau of TennCare. The State of Tennessee is opening a new service center to help with TennCare called the Tennessee Health Connection. Many facts about the new process are unknown at this time.~



Takacs Tidbits

Each year between late November and the end of January, Tim Takacs spends much of his spare time updating his book *Elder Law Practice in Tennessee*. Since the book was published in 1998, Tim has been under contract with the publisher to produce a supplement that summarizes changes in case law that occurred during the previous year. “I can get a little preoccu-

pied and anxious when the deadline is looming but that’s just part of my process,” says Tim.

Elder Law Practice in Tennessee was originally published as a hardbound book with each year’s supplement produced as a “pocket-part” that subscribers would insert in the back of their books. Attorneys using the book to research legal questions

would look in the main section, and then check the supplements in the back for updates.

Today the book is produced in a binder. Updates are sent to subscribers, who replace obsolete pages with new content. “Since 1998 it seems like I’ve rewritten the book four times,” adds Tim. “I can always see something that can be improved.”~

Helpful News & Resources

Veterans Receive Cost-of-Living Increase

Veterans, their families and survivors receiving disability compensation and pension benefits from the Department of Veterans Affairs received a 1.5 percent cost-of-living increase in their monthly payments beginning January 1, 2014.

No Changes to Medicare Part B Premium

The standard Medicare Part B monthly premium is \$104.90 in 2014, the same as it was in 2013. The premium has either been less than projected or remained the same for the past three years. The Medicare Part B deductible will also remain unchanged at \$147.

The last five years have been among the slowest periods of average Part B premium growth in the program’s history.

2014 Training Module Schedule Announced

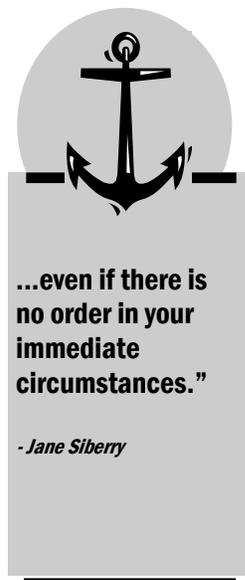
Open to all Life Care Plan clients and their families, Training Modules include a brief presentation by staff members followed by audience Q&A. Upcoming topics include Medicare, Medicaid and Trusts. Workshops are held at locations in the Hendersonville area. Invitations are sent prior to each workshop. Pre-registration is required. View the complete schedule on www.tn-elderlaw.com.

Alzheimer's Quick Tips

Alzheimer’s Caregiving tip sheets offer brief and easy-to-understand information that can help caregivers of people at any stage of the disease. Read, download, or print the tip sheets at www.nia.nih.gov/alzheimers/topics/caregiving.

Managing Someone Else's Money Guides Now Available

The Consumer Financial Protection Bureau’s Office for Older Americans has released four, easy-to-understand booklets to help caregivers. Download the guides at www.consumerfinance.gov/blog/managing-someone-elses-money/.~



...even if there is no order in your immediate circumstances.”

- Jane Siberry



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The Anchor is a quarterly newsletter designed to enhance the service we provide to our clients. We hope you enjoy the publication and welcome your feedback.

Elder Law is a unique specialty of law intended to serve the needs of the elderly, disabled, and their families. The costs of utilizing such services are usually offset by the financial benefits gained as well as peace of mind.

Some clients who seek our services might feel like they are being tossed in a storm. Forces beyond one's control can catch a family off guard and easily drift them into a crisis situation. With professional assistance, including careful analysis and strategic planning, costly mistakes can be avoided while enhancing the quality of life for those involved.

While the Elder Law Practice of Timothy L. Takacs cannot stop the storm, we can provide the necessary anchor to help steady families during their season of turmoil.

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