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INSURANCE GAPS AND UNEXPECTED TRAGEDIES LEAVE MANY FACING IMPOSSIBLE CHOICES

This week's *Elder Law News* was provided by the National Academy of Elder Law Attorneys (NAELA). Established in 1987, NAELA provides a resource of information, education, networking and assistance to those who deal with the many specialized issues involved with legal services to seniors and people with special needs.

Many Americans retire early prior to reaching age 65 and receiving Medicare coverage. If they do not plan carefully, they will not have health care coverage before they can be covered by Medicare. Others become disabled, but have to wait 25 months prior to receiving Medicare coverage. Others are simply the victims of bad luck.

Consider the following:

A 59-year-old man falls from a second-story balcony and sustains severe injuries including brain damage. Unfortunately, he is without health insurance because he decided to retire before he was 65 in order to care for his wife who is stricken with Alzheimer's. How will he pay for his various medical bills?

A 48-year-old woman with two children suffers a stroke. Her employer's health care insurance includes an annual \$50,000 benefit cap. How will she pay for her hospital stay and doctors' bills?

A 23-year-old woman is stricken with a brain aneurysm. She had just changed jobs following a cross-country move. Her recent job change has left her without the necessary insurance to pay for this care.

Many Americans suffer "gaps" in their health insurance coverage. A hospital stay or medical care for cancer or other similar diseases wreaks financial havoc for these families. Unfortunately, many learn too late that they have no health

insurance, inadequate health insurance or very low caps on their insurance benefits. Some of them mistakenly think that Medicare will cover them if they are over the age of 65.

Most of these individuals have been self-supportive and typically paid into either a private health care insurance program or have been involved in an employer-sponsored plan. Their needs are not typically classified as long-term care needs. Often times, hospital/rehabilitation stays exceed \$20,000 per month. According to the U.S. Agency for Healthcare Research and Quality, after adjusting for inflation, the average hospital charge increased by 24 percent from \$13,900 in 1997 to \$17,300 in 2002. Many of these individuals will be able to return to their homes and even to their jobs. Sadly, their lack of health care coverage or caps on benefits leave them in a near bankrupt position. In some cases, they may even be forced to end long-term marriages due to the financial hardship and strain placed on their families. These cases also adversely affect the dependent children of those without coverage.

These cases involve very common people with very uncommon injuries or illnesses. The result will shield companies from liability and shift the cost of care to the state Medicaid programs.

Elder law attorneys regularly recommend the purchase of health insurance for individuals who are considering early retirement or who are not covered by a group health care insurance policy. Many people do not plan ahead and purchase private disability insurance or exercise their COBRA or HIPAA rights to continue their employer sponsored health care insurance. Only if they suffer from an unexpected illness or are involved in an accident do they realize they were uninsured or underinsured.

A recently released U.S. Census Bureau report shows the number of uninsured people rose from 44.8 million in 2005 to 47 million in 2006. A report last year by the Robert Wood Foundation shows one in six adults between the ages of 50-64 are uninsured.

Oast & Hook assist individuals in identifying current or future insurance coverage gaps and in planning for retirement. We can guide older adults, people with disabilities and families through an assessment of resources, needs and goals, so that they can cope with unexpected tragedies or plan ahead to access health care whenever it is needed.

Speakers

If you are interested in having an Elder Law attorney from Oast & Hook speak at an event, then please call Jennifer Lantz 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.

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