

Eye on elder issues

EYE on ELDER ISSUES
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INSURANCE GAPS AND UNEXPECTED TRAGEDIES LEAVE MANY FACING IMPOSSIBLE CHOICES

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

Every **30**
seconds
in the U.S.
someone files for
bankruptcy
in the aftermath

\$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 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.**

Elder law attorneys assist individuals in identifying current or future insurance coverage gaps. Elder law attorneys 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.



Source: Harvard University study



For more information about elder law attorneys and the National Academy of Elder Law Attorneys, visit www.naela.org. 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.

Note to Our Readers: *This e-newsletter, **Eye on Elder Issues**, is presented as a public service by the National Academy of Elder Law Attorneys (NAELA). We are pleased to send you this issue and welcome your comments. You can expect to receive this newsletter monthly as NAELA explores, reports and provides insight on timely topics affecting our nation's seniors and their families. In addition, the growing population of Baby Boomers is addressing issues for themselves and their families that are new and unique. This publication is intended to explore those issues from all sides and to educate consumers, aging network professionals, law makers, and members of the media.*

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