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## PREFACE

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The Arkansas Senior Citizens Handbook and the Arkansas Caregivers Handbook display the collective effort of a number of individuals and groups. We are grateful to the Young Lawyers Section members and other individuals who wrote and edited prior editions. Because of their outstanding work, revising this edition was a relatively easy task.

Many young lawyers volunteered their time and expertise to edit this edition. We thank them for their diligence and service.

Kim Cordas	Sarah Cotton
Brian Smith	Pam Haun
Chad Oldham	Karen Talbot Glean
Zane Chrisman	Rebekah Kennedy
Nick Livers	

We are also grateful for the assistance of young lawyers who contributed in other areas. Eddy Doman cannot be thanked enough for his work securing sponsorships. We would also like to thank Michelle Cauley, Derrick Smith, and Amy Dunn Johnson for their ideas and encouragement. A special thanks to Cathy Underwood for turning chapters into handbooks and Michele Glasgow for assisting her in that process.

Herb Sanderson, Scott Holladay, and Susie Keesling of the Arkansas Department of Health and Human Services deserve thanks for their help as well. Finally, we appreciate the support of our sponsors, and we hope you will show them your appreciation as well.

By the time these handbooks are printed, Judith Gray of the Arkansas Bar Association will be days away from her much deserved retirement. Her retirement will be a huge loss for the Arkansas Bar Association, and in particular the Young Lawyers Section. She is largely responsible for the YLS's many successes. It is a small comfort to know she leaves us much better than she found us. This project would not have been possible without Judith, and we are honored to have worked with her.

Patrick D. Wilson  
Chair, Young Lawyers Section

James V. Scurlock, II  
Chair, Handbook Revision Committee

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## INTRODUCTION

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Each year, the demographics of our nation reflect an ever-increasing population of senior citizens. But this surge in our nation's elderly population is not some Washington statistic; these are our parents, grandparents, aunts and uncles, and other loved ones. Thus, many of us undertake a labor of love – the role of caregiver for these loved ones. For most, this is unfamiliar territory.

The Young Lawyers Section of the Arkansas Bar Association has published the Arkansas Caregivers' Handbook as a resource for caregivers. This is the second edition of this handbook. It has proven to be quite popular. You will quickly note that it is attached to the Arkansas Senior Citizens' Handbook. These two publications are designed to be used in conjunction with each other.

This useful guide for caregivers is designed to answer basic questions regarding a variety of topics related to the care of the elderly. The format of the handbook allows for a brief description of the particular topic and,

in most cases, assistance in locating related services. We hope that the Arkansas Caregivers Handbook will be a valuable resource to you in caring for your loved ones.

All of the information in this handbook is based on the laws and regulations of the state of Arkansas and the United States. You should not rely totally on the information provided here as a basis for benefits because the laws, policies, and procedures often change.

Please look at this publication as a guide, and contact the appropriate agency listed in the back of the book if you have questions or need to verify information. If you have a question that we have not answered, you may want to consult an attorney or representative from a state or federal agency.

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# ELDERLY SERVICES

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For general information about all elderly services in your area, contact your local Area Agency on Aging. See Information and Assistance.

## **A. Adult Protective Services**

**Adult Protective Services is a program established by Arkansas Statute to investigate complaints of abuse, neglect or exploitation of endangered adults age 21 and above who are unable to comprehend their danger. All professionals such as doctors, nurses, social workers, etc. are mandated to report suspected cases of abuse to the state Adult Protective Service unit for investigation. The 24-hour telephone number to report abuse is 1-800-482-8049. All calls are confidential.**

## **B. Adult Day Care Centers**

Adult Day Care Centers are day service facilities for disabled adults and are licensed by the state. They provide supervision, meals and, in Adult Day Health Care Centers, health services such as regular blood pressure and other health checks. To obtain a list of available centers or to make a complaint about a particular center, contact the DHHS Office of Long Term Care, (501) 682-8471 or email them at [OLTC2@arkansas.gov](mailto:OLTC2@arkansas.gov). There is a \$5 charge for the complete list.

## **C. Alzheimer's and Related Diseases Association**

There are three Arkansas chapters of this national association providing information and training for caregivers and professionals. It also sponsors support groups in the state. For more information about groups and services in your area, call 1-800-689-6090.

## **D. Assisted Living/Residential Care Facilities**

Residential Care Facilities are board and care facilities licensed by the state. Assisted Living Facilities are board and care facilities with expanded services also licensed by the state under the residential care licensing provisions. To obtain a list or make a complaint, call the DHS Office of Long Term Care, (501) 682-8471, or email

them at [OLTC2@arkansas.gov](mailto:OLTC2@arkansas.gov). There is a \$5 charge for the complete list.

## **E. Caregiver Support Groups**

These are support groups for families providing care to homebound elderly or disabled persons. They are usually organized under the auspices of area agencies on aging, hospitals or local Alzheimer's Disease Association Chapters.

## **F. Case Management/Client Representation**

Case managers assess older individuals and arrange for services to meet their needs. This may include referral for legal assistance; providing information on and determining eligibility for public benefits; assisting with completion of applications and paperwork; attending meetings on behalf of clients; and information and assistance.

## **G. Continuing Care Facilities**

Continuing Care Facilities are non-profit retirement communities with 3 to 5 levels of care, independent living (or independent and lodge with meals), partial care (or partial care/assistive living and intermediate nursing home) and nursing home care. The levels of care are purchased under contract by entrance fee, fee plus periodic payments or entrance fee plus fee for services. They are certified by the AR Insurance Department Life and Health Section, telephone 1-800-852-5494.

## **H. Geriatric Psychiatric Programs**

Geriatric Psychiatric programs such as Generations, New Day, etc. are Medicare eligible services for depressed and other mentally distressed seniors. These hospital or mental health center based programs provide both in-patient and out-patient care.

## I. Information and Assistance

Each area agency on aging, through a toll-free telephone number, provides current information about services for seniors in their planning and service area and assistance in obtaining them.

## J. Senior Adult Activity Centers/Congregate Meals

Senior Centers are facilities which provide a noon meal, socialization and transportation for active adults age 60 and above and their spouses. These services, funded by state and federal appropriations, are free but donations are requested. For more information contact your local area agency on aging.

## K. Shepherd Centers

Shepherd Centers are educational programs for retired seniors age 50 and above and are funded by consortiums of churches and the moderate educational fees of the participants. The educational programs are conducted quarterly for approximately six weeks for 3 quarters of the year. Many Centers have a volunteer service component, providing home delivered meals, transportation and handy man services to frail elderly in their area. Shepherd Centers are usually located in larger cities such as Little Rock and Hot Springs.

## I. World Wide Web Pages

### Statewide Information

Arkansas Bar Association: <http://www.arkbar.com>  
Download the following resource books:  
*Arkansas Senior Citizens' Handbook, Caregivers' Resource Guide, Consumer Law Handbook and Arkansas Veterans' Handbook.*

Arkansas Resource Information Center (ARIC):  
<http://www.state.ar.us/aric>  
Search for organizations and agencies by name, county, category.

Arkansas Division of Aging and Adult Services:  
<http://www.arkansas.gov/dhhs/aging/>  
Public benefits, directory of aging services, demographics, calendar, links to other aging sites.

For information in planning and service areas

AAA of Southeast AR: <http://www.aasea.org> (Southeast AR Counties)

Area Connection: <http://www.aaanwar.org>  
(Northwest AR Counties)

CareLink: <http://www.care-link.org>  
(Central AR Counties)

White River Area Agency on Aging:  
<http://www.wraaa.com>  
(North Central AR Counties)

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# HEALTH AND NUTRITION

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## **A. Health Care Access for the Uninsured**

For general information, contact your Area Agency on Aging or your Arkansas Department of Health and Human Services county office. While most persons over 65 are enrolled in Medicare, many persons under 65 have no health insurance and cannot afford to buy it. In many areas of Arkansas, community health centers treat uninsured patients, with fees based on income. Another option is Arkansas Health Care Access, a free program for individuals or families who are below the poverty level and have no insurance. To enroll, apply at the Arkansas Department of Health and Human Services county office. After qualifying, participants must call the Arkansas Health Care Access Foundation toll-free number to arrange each appointment with a doctor or other provider. The services are free and are donated by the participating providers.

## **B. Transportation – Non-Emergency Medical**

Medical transportation is often a problem for older people who are unable to drive themselves. Individuals covered by Medicaid can access non-emergency medical transportation by contacting their regional Medicaid transportation broker to arrange a ride. For more information about this program, call the Arkansas Department of Health and Human Services or your local Area Agency on Aging. Many senior centers provide medical transportation to persons 60 and older. For more information, contact your local senior center or Area Agency on Aging. In addition, many Senior Centers provide information about other transportation programs.

## **C. Prescription Drug Interactions**

Many older people see several specialists as well as their primary care physician, each of whom may write prescriptions. By filling all prescriptions at the same pharmacy, the pharmacist will have a record of all medications and can help the consumer avoid harmful drug interactions. Inform the pharmacist and physicians about all medications being taken. The easiest way to do this is to place them all in a paper bag and take them with you.

## **D. Prescription Drug Payment**

Medicare added a prescription drug benefit on January 1, 2006, also known as Medicare Part D. For more information about Medicare Part D, you should contact your local Area Agency on Aging and your pharmacist. You can also contact the Senior Health Insurance Information Program (SHIIP), a division of the Arkansas Department of Insurance at 1-800-224-6330.

Medicaid, including ElderChoices, pays for three prescription drugs per month, but QMB, SMB, and QI-1 do not cover prescriptions. Medicaid recipients who need more than three prescription drugs per month to avoid institutionalization can ask their physician to apply for an *extension of benefits*.

Many pharmaceutical manufacturers will fill prescriptions at no cost for low-income persons whose doctors write to the company and explain the patient's need. Typically, the company mails the drugs directly to the doctor for the patient. Your Area Agency on Aging can provide information about these programs.

## **E. Exercise**

A sedentary lifestyle and loss of muscle mass contributes to a wide range of health problems and frailty. Researchers have found that even nursing home residents in their 90s can dramatically increase their strength through an exercise program. A helpful booklet, *Exercise: A Guide from the National Institute on Aging*, describes exercises appropriate for older people. It can be obtained by calling 1-800-222-2225, or 1-800-2224225 (TTY), or ordered by e-mail at [niaic@jbs1.com](mailto:niaic@jbs1.com). The information is also available on the Internet at [www.niapublications.org](http://www.niapublications.org).

## **F. Meals on Wheels/Home Delivered Meals**

Individuals who wish home delivered meals must be 60 years of age or older. Spouses or disabled dependants of persons 60 or older may also be eligible. Those who receive meals must be homebound and unable to prepare adequate meals. Meals are delivered in specific areas. Some home delivered meals programs can accommodate special diets or deliver frozen meals for use on weekends or other times meals are not delivered. For more information, call the Area Agency on Aging in

your area.

### **G. Nutrition**

Nutrition needs change as we age. As our bodies lose lean body mass and we have lower levels of activity, our body needs fewer calories. If an elderly person is eating less food, it is important that the food be nutritious. Poor nutrition is a greater health risk for the elderly because of chronic medical problems and lower immunity to disease.

Participation in the Meals on Wheels or regular lunch at a Senior Adult Center is an excellent way for the elderly to be sure to have at least one nutritionally complete meal a day. The AARP recommends that the elderly living alone invite someone over to share a meal occasionally or have a standing date to go out to eat with a friend on a weekly basis.

### **H. In Home Services**

There are several options for persons needing assistance in their homes.

Medicare provides assistance to those with terminal illness through Hospice programs. These programs provide in-home nursing oversight and spiritual support for those in the last stages of illness. For those just out of the hospital with a need for skilled nursing care, the Home Health program provides limited assistance with

bathing, dressing, meal preparation, medication, dressing oversight and in some cases, physical therapy.

Medicaid provides four programs for care in the home:

(1) Personal Care which provides, under a physician's plan of care, assistance with bathing, feeding, and dressing for home bound persons of any age who are eligible for general Medicaid or receiving SSI.

(2) ElderChoices, a Medicaid waiver program which provides respite care, home delivered meals, homemaker/chore, adult day care, personal emergency response and personal care to persons age 65+ who are medically and financially eligible for intermediate care in a nursing home.

(3) Alternatives for Adults with Disabilities, a Medicaid waiver program for Medicaid eligible persons age 21 to 64 who need attendant care and, in some instances, home modification to remain at home.

(4) IndependentChoices, a new pilot waiver program for Medicaid eligible persons who wish to choose and supervise their own service providers. This program divides eligible persons age 18 and above who apply into two groups: those who receive treatment under the program and those who remain in other Medicaid programs. Financial counseling agencies assist clients in setting up the services and monitoring the care being given.

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# INCOME AND INSURANCE

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## A. Medicaid Estate Recovery

“Will the State take my home if I go into a nursing home?” Many people are concerned about Medicaid paying for their nursing facility care and state government coming in and taking their home away from them. What really happens is that benefits paid for by Medicaid on your behalf result in a debt to the Department of Health and Human Services (DHHS). This debt can be claimed against your estate upon your death. DHHS will not seek to recover the debt if it is too expensive for it to do so, or if it results in a hardship to your family.

If you are a Medicaid applicant, your home is exempt from consideration as an available asset when eligibility for Medicaid is determined. However, upon your death the house is no longer exempt. If you receive Medicaid benefits, the Department of Health and Human Services may attempt to recover the cost of your care after your death.

DHHS cannot seek recovery from another family member who is not legally responsible for your bills. This means that your son or daughter cannot be forced to pay your creditors out of their own pocket.

For more information, contact your local Area on Aging or consult an attorney.

For More  
Information on this  
topic, see....

Arkansas Senior Citizens  
Handbook

## B. Medicare Health Maintenance Organizations (HMOs)

If you are enrolled in Medicare, you may choose to take part in a fee-for-service system or in a managed care plan such as a Health Maintenance Organization (HMO). In a fee-for-service payment system, you choose any licensed physician and use the services of any hospital, healthcare provider or facility certified by Medicare. Generally, a fee is paid each time a service is provided, and you must pay any portion of your hospital, doctor, and other

healthcare expenses Medicare does not cover.

As a Medicare participant, you may also choose to take part in a Medicare approved HMO. Each plan has its own network of hospitals, skilled nursing facilities, doctors and other healthcare professionals. Services usually must be obtained from the professionals and facilities that are part of your particular plan. Plans may charge enrollees a monthly premium (typically from \$50.00 to \$75.00 per month) and may require a co-payment for each doctor's appointment and drug prescription (typically from \$5.00 to \$25.00).

To be eligible to enroll in a Medicare HMO you must (1) be enrolled in Medicare Part B and continue to pay the Part B monthly premiums, (2) not be medically determined to have End-Stage Renal Disease (ESRD), and (3) live within an area in which an approved HMO has a Medicare contract to provide services. If you meet these requirements, you cannot be denied membership in a Medicare HMO because of poor health, a disability, or pre-existing conditions.

Before joining an HMO, be sure to request a list of physicians participating in the managed care plan. To obtain more information about HMOs, call the Arkansas Foundation for Medical Care at 1-800-272-5528, or call Medicare at 1-800-633-4227.

For More  
Information on this  
topic, see....

Arkansas Senior Citizens  
Handbook

## C. Direct Deposit of Federal Payments

Electronic Funds Transfer (EFT-99) is a new federal rule regarding receipt of payments from the federal government. Under EFT-99 you have three basic choices: (1) you can have your federal



checks deposited into an existing account at the financial institution of your choice, (2) you can open an Electronic Transfer Account (ETA) at the financial institution of your choice; or (3) you can do nothing and continue to get your checks in the mail.

To encourage Direct Deposit, the federal government is establishing the low-cost Electronic Transfer Account (ETA). New recipients of federal payments, who do not qualify for a waiver, may be asked to open an ETA if they do not already have a bank account. You will not be required to use Direct Deposit if (1) you already receive Social Security or SSI payments, (2) opening an account and using Direct Deposit costs you more than cashing your checks, (3) you have a physical or mental disability, (4) a bank is not close by, or (5) reading or writing English is hard for you. To sign up for Direct Deposit contact your financial institution.

#### **D. Railroad Retirement**

The Railroad Retirement Act is a federal law that provides retirement and disability annuities for qualified railroad employees, spouse annuities for their wives or husbands, and survivor benefits for the families of deceased employees who were insured under the Act. These benefit programs are administered by the U.S. Railroad Retirement Board. It also administers the Railroad Unemployment Insurance Act, and has administrative responsibilities under the Social Security Act for certain benefit payments and railroad workers' Medicare coverage.

The basic requirement for a regular employee annuity is 120 months (10 years) of creditable railroad service. Service months need not be consecutive, and in some cases military service may be counted as railroad service.

Covered employers include railroads engaged in interstate commerce and certain of their subsidiaries, railroad associations and national railway labor organizations.

For in-depth details on benefits or to order an information pamphlet, a toll-free Help Line is available at 1-800-808-0772.

In Arkansas, the U.S. Railroad Retirement Board can be reached at 1200 Cherry Brook Drive, Suite 500, Little Rock 72211-4113, (501) 324-5241.

#### **E. Veterans' Benefits**

Veterans and their dependents may be eligible for a variety of federal benefits depending on individual circumstances. Eligibility for most VA benefits is based upon discharge from active military service under other than dishonorable conditions. Those seeking VA benefits for the first time must submit a copy of their service discharge Form DD-214, which documents service dates and type of discharge.

Documents needed for the processing of claims related to a veteran's death are: (1) veteran's marriage certificate for claims of a surviving spouse or children; (2) veteran's death certificate if the veteran did not die in a VA medical facility; (3) children's birth certificates for children's benefits; and (4) veteran's birth certificate for parents' benefits.

For details on these and other veterans' and dependents' benefits, the VA office may be contacted by calling 1-800-827-1000. They will also provide the address and phone number of the nearest VA Medical Facility.

In Arkansas, the VA Regional Office is located in Building 65 at Fort Roots in North Little Rock. The mailing address is: Post Office Box 1280, North Little Rock, Arkansas 72115-1280.

#### **F. Supplemental Insurance Policy**

Many private insurance companies sell Medicare Supplemental Insurance Policies that fill the "gaps" in Original Medicare Plan coverage.

Similar coverage may also be available to retirees through an employer or union health plan.

### **G. Qualified Medicare Beneficiary (QMB)**

Qualified Medicare Beneficiary (QMB) is a program that provides financial help with Medicare expenses for senior citizens with both limited income and limited resources. To qualify, you must be eligible for Medicare Part A, and have particular income and resource limits. These income and resource limits will fluctuate each year according to the cost of living.

The QMB Program will pay your Medicare Part B premium as well as your Medicare Part A premiums if you are not eligible for free premiums. The QMB Program also pays your Medicare deductibles and co-payments. As a participant, you are responsible for your co-insurance payment of 50% of the first day hospital stay, which is capped at 50% of the Medicare deductible. The QMB Program will not pay for Medicaid services such as prescription eyeglasses.

If your monthly income is slightly higher than the limits for QMB, you may qualify for the Specified

Low-Income Medicare Beneficiary (SMB) premiums, but it will not cover any other costs.

To apply for the QMB or SMB program, contact your County Department of Health and Human Services office.

### **H. Supplemental Security Income (SSI)**

SSI is a monthly cash benefit. Persons receiving SSI automatically receive Medicaid.

To receive SSI, a person must be 65 or older, blind, disabled, and meet the income and resource guidelines. Blind means you are totally blind or have very poor eyesight. Disabled means you have a physical or mental problem that keeps you from work and is expected to last at least a year or result in death. If you have no income and are blind and/or disabled, first apply to the state Social Security Determination office.

To apply for SSI alone, contact your local Social Security office.

For More  
Information on this  
topic, see...

**Arkansas Senior Citizens  
Handbook**

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# CONSUMER

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## A. Home Repair Scams

Every year, many consumers are victimized by unscrupulous or fraudulent home repair contractors. It is important to be cautious when you hire someone to work on your home. Do not rely solely on Yellow Page, radio or television advertisements in selecting a contractor. It is best to ask a friend or neighbor for contractor referrals. Get written estimates from several firms and ask for explanations for price variations. Do not automatically choose the lowest bidder. Be sure to get a written contract stating what work will be performed, an estimated time of completion and the total price, before work begins.

If you have a problem with your home improvement project, first try to resolve it with the contractor. If you cannot get satisfaction consider contacting your local Better Business Bureau.

## B. Sweepstakes Scams

### Chain Letters

A chain letter is a “get rich quick” scheme that promises that your mail box will soon be stuffed full of cash if you decide to participate and follow the detailed instructions in the letter. These types of chain letters are illegal and a form of gambling. Turn over any chain letter you receive that asks for money or other items of value to the nearest Postal Inspector.

### Free Prize Scheme

Every day, thousands of people are notified by mail or telephone that they have won a free prize. Typically, these notices are made by con artists whose sole purpose is to rip you off.

The best way to protect yourself is to learn to recognize the warning signs. **Beware if: (1) the company does not provide you with adequate time to think things over, (2) will not send**

**additional information through the mail, or (3) insist on immediately obtaining your credit card or checking account number.**

If you feel you are the victim of a free prize scheme or you are suspect of a company's claims contact the Arkansas Attorney General's office or the office of the Better Business Bureau.

### Free Vacation Scam

When you get a notice in the mail or by telephone promising a complimentary vacation in an exotic spot, someone is probably trying to make you a victim of the free vacation scam. **Do not, under any circumstances, give the company your credit card number or even just its expiration date.**

If you feel you have been victimized by a free vacation scam or fraudulent travel club, please contact the Arkansas Attorney General's office or your nearest Postal Inspector.

## C. Living Trust Fraud

A “living trust” takes effect while the grantor is still alive.

Probably the best approach to challenge a fraudulent living trust is through a state *Unfair and Deceptive Acts and Practices* (UDAP) action. UDAP statutes may be used to challenge unfair, deceptive or fraudulent practices.

If a living trust is sold door-to-door, state *Door to Door Sales Acts* provide a three (3) day “cooling off” period for door-to-door sales. This allows consumers the opportunity to cancel the entire transaction within the prescribed period.

## D. Predatory Lending Practices

Homeowners should be careful when borrowing

money based on their home equity. You could be putting your home at risk.

Here's how you can protect yourself against losing your home to inappropriate lending practices:

**Don't**

- Agree to a home equity loan if you do not have enough income to make the monthly payments;
- Sign any document you have not read or any document that has blank spaces to be filled in after you sign;
- Agree to a loan that includes credit insurance or extra products you do not want;
- Deed your property to anyone without first consulting an attorney, a knowledgeable family member, or someone else you trust.

**DO**

- Ask specifically if credit insurance is required as a condition of the loan. If it is not and a charge is included in your loan, and you do not want the insurance, ask that the charge be removed. If you do want credit insurance, shop around for the best rates;
- Keep careful records of what you have paid, including billing statements and canceled checks;
- Read all items carefully.

**E. Reverse Mortgages**

A reverse mortgage is a loan where the lender pays you, in a lump sum, a monthly advance, a line of credit, or a combination of all three **while you continue to live in your home**. To qualify for a reverse mortgage, you must own your home. The amount you are eligible to borrow generally is based on your age, the equity in your home, and the interest rate the lender is charging. Funds you receive from a reverse mortgage may be used for any purpose.

With a reverse mortgage, you retain title to your home, and you are responsible for maintaining your home and paying all real estate taxes. When you die, the lender does not take title to your home, but your heirs must pay off the loan.

The federal *Truth in Lending Act* (TILA) is one of the best protections you have with a reverse

mortgage. TILA requires lenders to disclose the costs and terms of reverse mortgages.

For more information about reverse mortgages, contact the Home Equity Information Center of the American Association of Retired Persons (AARP), 601 E. Street, NW, Washington, DC 20049.

**F. Financial Abuse of the Elderly**

**Power of Attorney**

A power of attorney is an instrument which authorizes another person to transact business or make certain decisions on your behalf.

For More Information on this topic, see....	<b>Arkansas Senior Citizens Handbook</b>
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**Telemarketing Scams**

Anyone with a telephone is vulnerable to the high-pressure sales tactics and enticing offers of the dishonest telemarketer. Do not give your credit card or checking account number over the telephone unless you are familiar with the organization or company and know it is reputable.

**Investment Swindles**

The first line of defense against investment fraud is your right to ask questions and investigate. If you have already made an investment, continually monitor your money. If you suspect that investment fraud has occurred, request that your investment be refunded immediately. If necessary, you should seek legal counsel or contact the Attorney General's office.

**Consumer Fraud**

If you suspect that you have been abused by consumer fraud of any kind or if you would like a handbook outlining some of the major types of consumer fraud, contact the Attorney General's Consumer Protection Division at (501) 682-2341 or (800) 482-8982.

For More Information on this topic, see....	<b>Consumer Law Handbook</b>
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# ESTATE PLANNING

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## **A. Tax Deduction for Long Term Care Expenses**

Taxpayers may be able to deduct long term care expenses on their federal income taxes for care provided to the taxpayer or a dependent. In home care, nursing home care, insurance deductibles and co-payments, eyeglasses, hearing aides, and medical equipment are now deductible as medical expenses under certain conditions. Only the portion of a taxpayer's medical expenses that exceeds 7.5% of income is deductible, but many families spend far more.

In order to deduct out-of-pocket long term care expenses, a licensed health professional must certify the individual as "chronically ill" and approve a plan of care to meet the individual's long term care needs. For more information about deducting long term care expenses, see IRS Publication 502, Medical and Dental Expenses, or ask a tax professional.

## **B. Dependent Care Tax Credit**

Taxpayers who must pay for care for a dependent adult in order to work may qualify for a tax credit. The person receiving care must be physically or mentally incapable of self care. The tax credit can reduce your federal income taxes by up to \$720 for one qualifying person. Expenses cannot be counted toward both the dependent care tax credit and the medical expense deduction. Some taxpayers may find the tax credit more beneficial, while others may gain more benefit from deducting care expenses. For more information about the tax credit, see the Instructions for Form 2441, Child and Dependent Care Expenses, in the Form 1040 booklet.

## **C. Funeral Planning**

Death and the funeral that follow most deaths are

an inevitable part of life. Yet we typically avoid thinking of either topic until faced with the event. The only way to know for sure what your loved one would like you to do is to talk with them beforehand. These discussions are difficult to initiate but will leave you both feeling much better about the future.

Make a list of the information you might need while your loved one is still able to assist you. You will need the full names and addresses of relatives. Talk about funeral services you have attended together and what made them memorable. Discuss costs and ask about any burial or life insurance policies available to help with the burial expenses.

A funeral with a traditional burial can cost as much as \$5,000. If you were unable to discuss funeral arrangements with your loved one, give some thought to what type of service you want and can afford before going to the funeral home. Federal law requires that funeral homes provide you with the costs of their services over the telephone or by furnishing you a price list.

Cremation has become more widely accepted and does not prevent a traditional funeral service. It is important to understand that every service provided by the funeral home has a cost. Costs can vary widely between funeral homes and it is perfectly acceptable to compare prices between homes.

Ask friends and clergy for their recommendations. You might even want to take a friend, relative or minister with you to visit two or more funeral homes and compare their price lists.

If you are having a traditional funeral with burial, a cemetery plot will have to be purchased. You should also understand that even though the funeral home does not require a burial vault or casket liner most cemeteries require one because of ground settlement. There will be an additional

cost for a monument. Most cemeteries will arrange to purchase and install a monument or headstone.

Remember that a funeral service that is beyond the means of you or your family is not a loving tribute to the deceased.

### **Preplanning A Funeral**

Most funeral homes will happily assist you in preplanning a funeral. If the funeral is prepaid, you will not be charged more even if you die at a later date when funeral costs have risen.

Prepaid funeral benefit plans are sold at some funeral homes. These benefit plans are regulated by the state insurance department. Some funeral directors are also licensed to sell limited life insurance policies. The proceeds of these policies are assigned directly to the funeral homes to pay for the funeral when the time arises.

### **D. Burial Insurance/Death Benefits**

If possible, discuss what life insurance or other benefits the person you are caring for may have while the person is in a position to discuss these issues clearly.

Locate copies of life insurance policies and have a clear picture of what pension or other benefits the person is currently receiving. Often this information will give you clues about what benefits they may be entitled to at the time of their death.

Individuals with a record of either full or current social security coverage at the time of death are entitled to a lump sum death payment. Veterans may be eligible for a headstone or marker for the grave, an American flag to drape the casket, payment toward burial expense for the veteran and a burial space at a national cemetery.

To receive other copies of this handbook or  
the Consumer Law Handbook  
(available also in Spanish)

contact

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All Handbooks including The Arkansas Veterans'  
Handbook are available by downloading them at  
[www.arkbar.com](http://www.arkbar.com)

**CARE RECEIVER INFORMATION**

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_

Address \_\_\_\_\_ Place of Birth \_\_\_\_\_

\_\_\_\_\_ County \_\_\_\_\_ Phone (\_\_\_\_)-\_\_\_\_-\_\_\_\_\_

Social Security # \_\_\_\_-\_\_\_\_-\_\_\_\_ Medicare # (if different from SS) \_\_\_\_-\_\_\_\_-\_\_\_\_ Part A?\_\_ Part B?\_\_

Gross Income: \_\_\_\_\_ Assets (CDs,Savings,etc)\_\_\_\_\_

Sources of Income: SS\_ SSI\_ SSD\_ VA\_ Pens \_\_ (list source) Annuity\_\_ Other( source)\_\_\_\_\_

Pension Source (Name, Address Phone)\_\_\_\_\_

(\_\_\_\_)-\_\_\_\_-\_\_\_\_\_

Medicaid?\_\_\_\_ Number \_\_\_\_\_ Aid to Aged (AA)? \_\_\_\_ Aid to Disabled (AD)?\_\_ Aid to Blind (AB)? \_\_\_\_

DHS County Office (Name, Address, Phone) \_\_\_\_\_

(\_\_\_\_)-\_\_\_\_-\_\_\_\_\_

Bank (Name, Address, Phone) \_\_\_\_\_ Power of Attorney? \_\_\_\_

(\_\_\_\_)-\_\_\_\_-\_\_\_\_\_ Who has PA? \_\_\_\_\_

Trust?\_\_ Trust Officer (Name, Phone) \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_

Safe Deposit Box? \_\_\_\_ Location: \_\_\_\_\_ Deed Location \_\_\_\_\_

Mortgage? \_\_\_\_ Health Insurance? \_\_\_\_ Life Ins? \_\_\_\_ Burial Insurance? \_\_\_\_ Car Ins? \_\_\_\_ Household Ins? \_\_\_\_

(Attach names, addresses, phone numbers of mortgage holder & insurance agencies)

Will on file? \_\_\_\_ Health Care Power of Attorney? \_\_\_\_ Living Will? \_\_\_\_ Power of Attorney? \_\_\_\_ Guardianship? \_\_\_\_

Lawyer (Name, Address, Phone) \_\_\_\_\_

(\_\_\_\_) \_\_\_\_\_-\_\_\_\_\_

Stocks? \_\_\_\_ Stock Broker (Name, Address, Phone) \_\_\_\_\_

(\_\_\_\_) \_\_\_\_\_-\_\_\_\_\_

Physician (Name, Address, Phone) \_\_\_\_\_ Living Will on file? \_\_\_\_

(\_\_\_\_) \_\_\_\_\_-\_\_\_\_\_

Hospital of Choice (Name, Address, Phone) \_\_\_\_\_ Living Will on file? \_\_\_\_

(\_\_\_\_) \_\_\_\_\_-\_\_\_\_\_

Caregiving Agency(1) (Name, Address, Telephone) \_\_\_\_\_ Living Will on file? \_\_\_\_

(\_\_\_\_) \_\_\_\_\_-\_\_\_\_\_

Caregiving Agency(2) (Name, Address, Telephone) \_\_\_\_\_ Living Will on file? \_\_\_\_

(\_\_\_\_) \_\_\_\_\_-\_\_\_\_\_