



# Elder Law Advisor

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## Oregon's State Budget is in Trouble: What Does It Mean for Seniors and Long-Term Care?

The economic news has been bleak. A year ago, who would have imagined the federal government taking over large banks and insurance companies? Seemingly every day we see news that things are getting tougher: rising unemployment, plummeting stock and bond markets, and retirement accounts cut in half.

Most recently, we see the economy affecting state budgets. A declining economy leads to reduced tax revenue for the state. Oregon is affected more than other states, since we are so dependent on the income tax. There will be less money available to help people with serious health problems. Make no mistake: state programs that serve seniors will suffer significant cuts. We saw this in the 2002-2003 recession, when 4,500 vulnerable seniors lost their Medicaid long-term care benefits.

What do these economic problems at the national and state level mean for the average senior? What can a retired person on a fixed income do to minimize the impact on him or herself and their families? The answer is that those who have planned in advance will be miles ahead. Recent law changes make it important to establish a long-term care plan well in advance of the need for care, while you are still healthy. Ideally, the plan should be created five years before long-term care may be needed.

If you are a married senior, have you considered what would happen if you or your spouse need long-

term care? The average cost of long-term care in Oregon is almost \$6,500 per month. Contrary to popular belief, Medicare does not pay for long-term nursing home care. Without proper planning, most of your assets would be spent on the care of the ill spouse. The healthy spouse could be left in poverty.

An unmarried senior must spend all of his or her assets, including the family home, down to \$2,000, before qualifying for government assistance. The rules on these programs are complicated. Often, the ill senior will be left with only \$30 per month from his or her Social Security to pay for personal needs. Without careful advance planning, this senior is literally out of money and out of options. In situations like these, we see children spending their own savings in support of their parents, leaving them unprepared for their own retirement. A cycle of poverty can be created.

None of these things needs to happen, but they do all the time when people fail to plan. An experienced elder law attorney can help create a plan for good quality long-term care and protection of a healthy spouse and disabled children. Don't wait until it's too late – plan today to protect yourself and your family.

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