

January 2008



## HOW CAN A DCSD CLIENT LEARN ABOUT THE BENEFITS AVAILABLE THROUGH THE STATE AND FEDERAL GOVERNMENT

Two very important websites are available to DCSD clients that wish to learn whether they are eligible for certain benefits offered by the state and federal government.

1. [www.benefitscheckup.org](http://www.benefitscheckup.org) is the federal government's website which provides valuable information about whether an individual is eligible for any of the benefits offered. On this website is a printed questionnaire of the "Benefits Checkup" screening service. After answering the questions, your information will be processed against more than 1,150 federal, state and local programs from all 50 states and the District of Columbia. The contact information you provide in the questionnaire is solely used to return to you a "Benefits Checkup Summary Report." This information is not entered in any NCOA computer system and never is it associated with the answers you provide. Therefore, your privacy is maintained.
2. [www.govbenefits.org](http://www.govbenefits.org) is another government website that explains the various benefits available through state and federal agencies. This website allows you to type in a particular subject (i.e., housing problems) and receive any information available relating to housing situations.

If you have any questions concerning the information received from the two websites, we suggest that you contact your local federal or state agencies that administer the particular program described on the website.

## Prescription Drug Cost Increases Far Outpace U.S. Inflation Rate Prices for the 122 drugs most commonly prescribed rose nearly 14 percent between 2004 and 2007, soundly beating inflation.

The cost of prescription drugs rose at rates higher than the rate of inflation from 2000 to 2005, which made prescription drug costs among the fastest-growing in health care, according to a federal tracking report released in October.

A congressionally mandated report by the Government Accountability Office (GAO) tracked the "usual and customary" prices for 122 of the most-prescribed medications dispensed by pharmacies in New York and Pennsylvania. The report found a 4.3 percent average annual increase and a nearly 14 percent increase in overall prices between January 2004 and January 2007. The report also tracked a narrower group of drug prices from 2000 to 2007.

The drug price increases outpaced a common inflation measure during the period. The GAO cited nationwide data from the Bureau of Labor Statistics that found that from January 2004 to January 2007 prices of all common consumer goods for urban consumers known as the Consumer Price Index (CPI) increased by an average of 9.3 percent, or 3.0 percent annually.

The drug increases were thought to be a large component of increases in overall health care costs, which rose by 6.9 percent in 2005, the most recent year for which the Centers for Medicare and Medicaid Services has data.

Significantly, the GAO report found divergent trends among brand-name and generic drugs. So-called "usual and customary" prices decreased among the 57 generic drugs tracked and increased for the 65 brand-name drugs. Specifically, the generic drug prices decreased by an average of 12.8 percent between 2004 and 2007, or 4.5 percent annually, while the brand-name drug prices increased by an average of 21 percent, or 6.6 percent annually.

The findings reflect those of previous drug-price analyses, including an August 2005 GAO report that found a 30-day supply of the 96 drugs most commonly prescribed under a large federal-worker insurance program increased by nearly 25 percent between January 2000 and December 2004.

When the GAO researchers also updated their previous study on the narrower group of medications to include data through January 2007, they found prices for the brand-name drugs increased 48.6 %, or 5.8% annually.

## SPECIAL MESSAGE FOR DCSD CLIENTS ABOUT POWER OF ATTORNEY DOCUMENTS TO ENSURE RELATIVES DON'T RIP YOU OFF

**From:** Jerome S. Lamet, Supervising Attorney

Every senior should consider signing a power of attorney in case they have difficulty dealing with their affairs. But it is important that the power of attorney document protects you and your estate from the abuse of those who might want to take advantage of you.

### Here are some facts about a Power of Attorney

Many lawyers say older people are often making use of a tool known as a durable financial power of attorney. This legal document authorizes an agent-usually a spouse, another family member, or a trusted adviser-to make financial decisions if you become unable to make them yourself. But naming someone to take control over your money has the potential for serious abuse, and lawyers are increasingly devising strategies to help safeguard their clients.

Among the tactics: Lawyers are including provisions requiring regular accounting statements from agents. They also are naming co-agents who can serve as checks on each other, or naming a supervisor who has the power to fire an agent.

People want to make sure when they sign the document that they do what they can to protect themselves, when the power of attorney takes over you're usually no longer in a position to supervise it.

When setting up a power of attorney, you want to name an agent while you're still in good health and can make clear decisions. Typically such documents are included as part of a standard estate-planning package, which also includes a will and health-care proxy giving an agent the power to make health decisions when you can't.

It's important to designate someone trustworthy, since the agent has wide latitude over your finances. Because a power-of-attorney arrangement is a private agreement between you and your agent, there is no court supervision.

What I tell people is that if you don't trust someone one thousand percent, don't grant them power of attorney. Power of attorney are often a tough balancing act: You want them to be simple for trusted family members or friends to implement, without too many hoops each time a transaction is made. But you also want to avoid giving agents a license to steal.

To further protect yourself, you can require that your agent provide family members, or a third party, such as a lawyer or accountant, with regular accounting statements. Another strategy is to name co-agents. While that can be a burden many transactions, for instance, would need two signatures it can also create a system of checks and balances. In some cases, lawyers appoint an additional safeguard: a "protector," who has the power to replace the agent if there is wrong - doing.

Another key point: Make sure to carefully lay out exactly what powers you want your agent to have. For instance, you can limit the agent's power to make gifts of your property, so they can't just give money to themselves. Spell out under what conditions gift can be made, how much and to whom.

Power-of-attorney laws differ from state to state, so make sure your lawyer is familiar with what your state allows. Rules also can vary by financial institution. Lawyers say banks are increasingly scrutinizing power-of-attorney documents or are reluctant to honor them, because they fear being subject to suits alleging they unwittingly helped an account be drained by an improper agent.

There are two main kinds of power-of-attorney documents. If you're using a "springing" power-of-attorney document, which goes into effect only when you are declared incapacitated, make sure to carefully specify how you are to be deemed incapacitated. You can ask, for instance, that your agent get a second opinion to make sure you really are unable to handle your own affairs.

A non-springing power-of-attorney document, meanwhile, goes into effect immediately upon signing. That can be useful in a case where an agent wants to immediately take control to stop, say, abuse by a neighbor or caregiver, without waiting for a doctor's declaration of incapacity. You really need to trust your agent to do a non-springing power of attorney.

There is some recourse if your agent is accused of financial impropriety. Another loved one can petition a court to name a protective guardian or conservator. Typically, court-appointed guardians can be another family member or a third party, such as a lawyer, a bank, a social worker or a specially trained professional guardian.

Once a guardian is appointed, he or she then has legal standing to sue the agent to try to recover funds. Also, if you sense wrongdoing, contact your local district attorney's office, many of which have elder-abuse units, and let them investigate.

Unfortunately, when people have authority over money, sometimes very bad things happen.

### Planning Ahead

Here are some steps you can take to help safeguard your financial power-of-attorney document:

- **Require that your agent** provide family members or a third party with regular accounting statements.
- **Name co-agents**, who can provide checks and balances, or an overseer who has the power to remove an agent.
- **Make sure to carefully layout** exactly what powers you want your agent to have. You can also limit the agent's power to make gifts of your property.
- **If using a "springing" power-of-attorney document**, which goes into effect only when you are declared incapacitated, carefully specify how you are to be deemed incapacitated. You can require, for instance, that your agent get a second opinion.
- **Be aware that rules** regarding powers of attorney can vary by state and by financial institution.