

Non-Profits at Risk

>

>A law passed by Congress this year is hurting our seniors and the
>communities in which they live.

>

>Proponents say the Deficit Reduction Act will keep wealthy seniors
from

>cheating the system by hiding their assets, in order to become
eligible

>for government assistance when they need a nursing home. However the

>new law actually keeps seniors from making donations to charities

>because they don't want to be accused of giving away money just to

>become eligible for government assistance. And these non-profits are

>starting to worry that their donations will be reduced.

>

>The new law discourages the donations for several reasons. One, it

>increases the period in which the senior's records of donations can be

>questioned, from the last three years under the old law, to the last

>five under the new law. This time of examination is called the "look

>back" period. It means that if you have donated money in the last

five

>years, that money can still be considered your asset, making you "not

>poor enough" to qualify for a nursing home under Medicaid assistance.

>

>The question is, how can anybody have a crystal ball and anticipate

>that they will need a nursing home within five years? Our seniors can

>often suffer from chronic illnesses, that could turn serious, but

when?

>Should they suffer for something they can't anticipate?

>

>The law also lengthens a senior's ineligibility period for government
>assistance. The old law's penalty phase was retroactive from the time

>the donation was made, which could have been up to three years ago.

>That means their penalty might have run out by the time they need a

>nursing home. The new law doesn't start the penalty period until you

>actually apply for Medicaid assistance.

>

>The fear of losing donations is reflected by Bentley Lipscomb, the

>State Director of AARP Florida. "Floridians 50+ deserve to know what

>will happen if they donate to charitable causes. Supposedly, you

won't

>be penalized if you donate to charities out of a sincere desire to

help

>the charity, rather than to ensure eligibility for Medicaid. But

>there's no guarantee that the government might decide later that your

>charitable donation was made to manage your resources and qualify for

>Medicaid. Until the confusion surrounding this new law and its

>clarifying regulations is cleared up, there could be a real chilling

>effect on a lot of charitable donations."

>

>In letters to some non-profits, the government's Center for Medicare

>and Medicaid Services has said, "Those who have made a regular

practice

>of tithing or giving donations to churches or charities should

>generally be in a position to substantiate that they would be covered

>by this exception to the transfer to assets rules."

>

>This really means it the burden of proof is on the senior.

>

>The Academy of Florida Elder Law Attorneys (AFELA), wants to clarify
>the new law and protect charitable transfers that have nothing to do
>with asset protection. Senior citizen advocates such as AFELA and
AARP

>are trying to increase the comfort level of people who want to give.

>

>Our seniors who have worked hard all of their lives deserve nothing
>less.