

# Proxy Parent Foundation



## Inside this Issue

- 1 Message From the New Executive Director
- 2 SSI in 2009  
Baron Miller, Esq.
- 2 Coping With Budget Issues...  
Marvin Southard, D.S.W.
- 3 Alexandria Hotel  
Gary Chang, Esq.

### Proxy Parent Foundation

Proxy Parent Foundation offers two services.

We administer the PLAN of California Master Pooled Trust, which is open as a trust vehicle for any disabled person in California.

We provide Personal Support Services for beneficiaries of our Special Needs Trusts who have a mental illness. Just like a loving family, we coordinate public and private social services and medical care while providing family-like attention to help the person improve his or her quality of life.

Proxy Parent Foundation is a dba of Planned Lifetime Assistance Network of California, a 501(c)(3) nonprofit corporation.

### Proxy Parent Foundation

17602 Seventeenth St., #102-240  
Tustin, CA 92780  
714.997.3310  
toll free 888.574.1258  
www.proxyparentfoundation.org

## This Issue Focuses on **BENEFITS**

### *Message From the New Executive Director*

I would like to take this opportunity to introduce myself and let you all know how excited I am to be associated with Proxy Parent Foundation. During the past four years, I served as the Executive Director of the Pacific Cancer Foundation. As I embark on my new role as Executive Director of Proxy Parent Foundation, I know how important it is to have a great Board and staff committed to the mission, vision and values of the nonprofit organization they serve. The leaders and staff at Proxy Parent Foundation embody that commitment.

Proxy Parent Foundation was formed to answer the question, "Who will care when I'm not there?" For the past 20 years we have been doing so through our Personal Support Services and our Special Needs Trust management. With the growth of Proxy Parent Foundation's PLAN of California Master Pooled Trust, our Board of Directors recognized that a special position needed to be created. Former Proxy Parent Executive Director Gary Chang had the expertise necessary to assume leadership within this new department and agreed to take the position as our Director of Legal Affairs. Gary will be concentrating on expanding the availability of our Special Needs Trust services to more disabled people in California. Thus, I received the

opportunity to become the Executive Director and look forward to continuing the high standards he set as the previous Executive Director.

The current economic times have made Proxy Parent Foundation even more vital to the people we serve. For an in-depth review of the challenges facing the public system, please see Proxy Parent Foundation Board Member Marvin Southard's commentary on page 2 of this newsletter. Also on page 2, Board Member Baron Miller, Esq., provides an excellent article on protecting SSI benefits.

Proxy Parent Foundation supplements the dwindling services found in the public system and is indeed a model of what dedicated community members, disability advocates and professional expertise can accomplish to benefit society and people who are disabled.

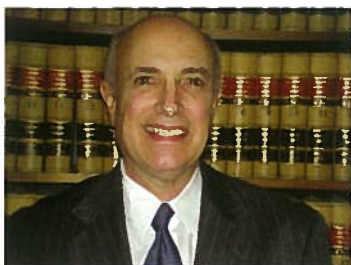
As the newest member of Proxy Parent Foundation, I am committed to maintaining the high standards set by past and present Board members and friends of our organization. I will continue to ensure that our beneficiaries will be able to maintain the best quality of life possible, whether it is through our Personal Support Services for our mentally ill beneficiaries or by fulfilling the special needs of any disabled person who benefits from our Special Needs Trusts.

I feel proud and privileged to become the new Executive Director of Proxy Parent Foundation and look forward to working with you. It is with great pleasure that I am joining this wonderful and meaningful organization.

*Amy Kastens*

## SSI in 2009

By Baron L. Miller\*



In order to protect SSI benefits, it is important for those of us who supplement them to be familiar with the rules and to stay informed of changes. Following are the limitations on a recipient's resources and income in effect on January 1, 2009.

### **Resources**

"Resources" is what the Social Security office calls assets owned by an SSI recipient, and in 2009 they continue to be limited to \$2,000. The limitation applies only to assets in the recipient's name or to which a recipient is deemed to have unfettered access. Regardless of their worth, a recipient's home, household goods, personal effects, and a vehicle for transportation are not included in this limitation, nor are any assets owned by a special needs trust.

### **Income**

Because SSI is based on financial need, money received by an SSI recipient can adversely affect both eligibility and the amount of benefits. A recipient may receive up to \$20 each month from any source – what Social Security calls "unearned income", and an additional \$65 per month as wages – called "earned income", without an adverse effect. Once these limits are reached, all unearned income and half of the earned income received each month will be deducted from the allowable SSI benefit for that month.

Significantly, there is no limitation at all on payments to providers of a recipient's living expenses if they are not deemed to be for food or shelter. Some of these things that can be paid for without limitation are clothing,

telephone, household goods, computer, transportation, recreation, case management, helpers, companions, travel, medical and dental, most insurance, education, rehabilitation, and training.

The limitation rules do apply to payments for rent, mortgage, home insurance, real estate taxes, home utilities, and gift cards for food. However, unlike cash, payments for these things will not render a recipient ineligible for SSI; instead they will reduce monthly benefits by the actual amount of the payments, up to a maximum reduction of \$245. Therefore, depending on a recipient's needs and another's ability to pay for them, it can be wise to pay a provider directly for shelter and/or food.

Cash received by an SSI recipient as reimbursement for expenses already paid for by the recipient will count as income in the month received (and will also count toward the \$2,000 limitation). Receipt of food stamps will not affect benefits, nor will loans which the recipient is realistically expected to repay.

### **MediCal Considerations**

A recipient of SSI will continue to automatically qualify for MediCal. Due to the exorbitant cost of treating mental illness, MediCal is often crucial. Again, while cash payments made directly to a recipient might result in ineligibility, payments made to a provider of shelter or food would at most reduce monthly benefits by \$245. If an SSI recipient's living expenses are going to be supplemented, this must be done in such a manner that it will not render the recipient ineligible for both SSI and MediCal.

### **Staying Diligent**

SSI rules do periodically change, and family members, friends, and trustees of special needs trusts should consult with the Social Security office or with an attorney familiar with the rules to determine what payments the current rules will allow, and what the potential loss to an SSI recipient could be.

*\*Baron L. Miller is an attorney in private practice in San Francisco who specializes in estate planning for California families of the mentally ill. He is a long-time NAMI family member, and an advocate for the rights and interests of families of the mentally ill and is a board member of Proxy Parent Foundation. He does not charge for telephone consultations on the propriety of making payments for the benefit of an SSI recipient. He can be reached at 415.522.0500.*



## Coping With Budget Issues in Hyper Turbulent Times

By Marvin Southard, D.S.W.\*

All public systems in California have been hard hit by the effects of this recession which has caused a sharp decrease in the availability of resources at the same time that the need for services has spiked because of the stresses that everyone is facing. The basic funding for many California health and social service programs comes from a share of the sales tax and vehicle license fees. During these hard times people have not been buying as much, and especially they have not been buying cars so the base funding for all programs has declined drastically quite apart from any budget "cuts" taken at State or local levels.

Nonetheless, to this point in time the public mental health system in most—but not all—California counties has been relatively lucky for two reasons: *first*, because the Mental Health Services Act (Proposition 63, the voter approved mental health tax on incomes over one million dollars) is still collecting money

in arrears from taxes collected during the boom times; and second, because the federal stimulus package includes a temporary increase in federal match for Medicaid services which produces a significant, but temporary revenue increase for county mental health programs. Both of these fortunate circumstances will change in fiscal year 2010-11 when the increase in Federal match expires and MHSA revenues will reflect the reduced collections made during the recession. Counties are currently in the process of building a prudent reserve of MHSA funds to tide us over during that downturn with the hope that the economy will make a significant recovery by fiscal year 2011-12.

The scenario I have just laid out is certainly possible, but it is also quite optimistic. For things to turn out well would presume no further significant deterioration of the California economy, a speedy economic recovery, a health care reform program that does not ignore the needs of behavioral health clients, and no additional curtailments to the public mental health system from State or local pressures. All of these factors are clearly dubious, but particularly the last issue. As California moves toward the close of the fiscal year it seems increasingly likely that mental health like every other aspect of State funded activity will take a significant hit because of the enormous State deficit. It is unclear exactly how cuts of any magnitude would be managed because the bulk of local mental health funding is used to provide match to federal entitlement programs or court-mandated activities in jails or juvenile facilities.

How will mental health and allied programs cope under these conditions? The most crucial decision that may need to be made is that of social triage: if resources are severely diminished, how do we go about the process of deciding what portions of the field should be let go, at least temporarily, so the field as a whole is able to function.

In many California counties—Los Angeles included—we have convened a budget mitigation work group that includes clients, family members, private agencies, unions, departmental and county leadership and advocates to work through the current budget difficulties as well as the future ones that we expect to arise. This group begins with certain values and principles that all agree on as the basis for the difficult decisions that they ultimately must face. In Los Angeles this methodology has led to a startling degree of consensus on the many very difficult decisions that we have faced so far. It is my hope that we are able to maintain this commitment to principle and the best outcome for the clients we serve as times get even more turbulent in the future.

*\*Marvin Southard is the director for the Los Angeles Department of Mental Health. Dr. Southard is a board member of Proxy Parent Foundation.*

### **Proxy Parent Foundation Benefits Alexandria Hotel Claimants**

*By Gary M. Chang, Esq.\**

In February of this year, ten longtime residents of the classic, but long neglected Alexandria Hotel near skid row in downtown Los Angeles, won a \$1 million settlement from a class action based on the uninhabitable conditions of the building.

Once the settlement was reached after a hard fought and well-publicized trial, the residents' attorneys knew that many of their disabled clients, who were on means tested government benefits such as SSI and Medi-Cal, could potentially lose those important benefits if they received outright the cash portion of their settlement.

While these settlement amounts were not large enough to put in a traditional special needs trust, the attorneys at the Legal Aid Foundation, a nonprofit, pro-bono attorney's organization for the

under privileged, knew that a (d)(4)(C) Pooled Trust run by a nonprofit might fit the bill because, as the name implies, assets are pooled meaning that smaller sums can be accepted into and protected by the trust. Enlisting the aid of Kirkland and Ellis, one of the largest transactional law firms in the world, attorneys from both firms began carefully scrutinizing and researching all the pooled trusts in California to find the best vehicle for those successful Alexandria Hotel claimants who needed to protect their awards.

Studying the operations and administration of Proxy Parent Foundation and our PLAN of California Master Pooled Trust, they singled us out as the most appropriate pooled trust for their clients. I then met with the claimants, family members, benefits experts, and attorneys to help them join the Proxy Parent Foundation PLAN of California Master Pooled Trust. Proxy Parent Foundation provides financial solutions for people coping with disabilities by combining expert legal and financial resources with compassionate concern.

*\*Gary M. Chang is Proxy Parent Foundation's Director of Legal Affairs.*

**Donations to Proxy Parent Foundation are gratefully accepted.**

Donations may be mailed to:

**Proxy Parent Foundation  
17602 17<sup>th</sup> St., #102-240  
Tustin, CA 92780**

To donate by credit card, please go to our website at [www.proxyparentfoundation.org](http://www.proxyparentfoundation.org) and click 'Donate Now'

Proxy Parent Foundation is a dba of Planned Lifetime Assistance Network of California, a 501(c)(3) organized in the state of California.

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ADDRESS CORRECTION REQUESTED

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