



# THE ADVOCATE

JANUARY 2014

## Pending Legislation

The Michigan legislature will review several pieces of legislation which may have direct impacts on Michigan’s seniors upon their return in early January.

### **SB 636 S-1: Landlines at Risk**

SB 636 was introduced by Senator Mike Norfs (R-Battle Creek) on October 22. It cleared the senate and has moved to the house for consideration in early January. This legislation would change the Michigan Telecommunications Act of 1991 to streamline the process for telephone providers to discontinue landline service from roughly 300 days in the current process to around 90 days.

Before moving to the House, the Senate Energy and Technology Committee amended the legislation at the request of senior groups, creating SB 636 S-1. This version of the bill would reinstate the role of the Michigan Public Service Commission (PSC) to investigate, at the consumers request, if there would be at least one other reliable telephone service option available to consumers in the areas proposed for the discontinuation of landline service. The other options may include cellular phones and voice over internet protocol (VOIP). If there are no other reliable options available, the PSC could prevent a telephone landline provider from ending service until another reliable telephone option is found.

If passed, this bill would take effect on January 1, 2017.

The following table compares the current process for a telecommunications provider to discontinue landline services and the proposed changes to this process under SB 636.

Current Regulatory Steps	SB 636 Proposed Regulatory Steps
<ul style="list-style-type: none"> <li>• Telecommunications provider must file a notice of proposed service discontinuations or changes with the PSC. Publish notice in a newspaper of general circulation within the area impacted by the changes. Notify all of its customers within the impacted area by first-class mail or within the customer’s bill.</li> <li>• Provide other reasonable notice of changes required by the PSC.</li> <li>• Within 60 days after publication, persons affected by the proposed changes may apply to the PSC to determine if the discontinuance is authorized.</li> <li>• Within 90 days after publication the PSC may commence a proceeding to determine whether the discontinuance is authorized.</li> <li>• The PSC has 180 days after the proceeding is initiated to determine if service discontinuance is authorized.</li> <li>• If the PSC authorizes the discontinuance of service, customers must receive at least 60 days advance notice.</li> </ul>	<ul style="list-style-type: none"> <li>• Telecommunications providers must complete the following steps 90 days before discontinuing service.</li> <li>• Telecommunications provider must file notice of service discontinuance to the PSC</li> <li>• Publish notice in a newspaper of general circulation within the impacted area. Give notice to each of the telecommunication provider’s customers in the impacted area.</li> <li>• Notify any interconnecting providers by first-class mail or other notice</li> <li>• If requested by a consumer, the PSC will investigate the reliability of phone service in selected areas. If no options exist, the telephone provider will not be able to discontinue service unless another provider is found.</li> </ul>

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## Pending Legislation Continued...

### SB 636 Continued:

AARP Michigan has been a vocal opponent of this legislation in both of its forms pointing to surveys that indicate 90% of adults age 60+ still rely on landline phone service. Many seniors have home medical monitoring devices designed to work on landline phones, others have home security systems also requiring a landline. Advocates opposing this legislation point out that mobile phones can go dead unless they are charged properly; they may not work in basements; and people with certain disabilities can find cell phones difficult or impossible to use. Additionally, AARP cites the burden of requesting an investigation after either discontinuation of service has occurred or notice has been filed would unfairly fall on the consumer as the PSC would have no authority to begin an investigation on its own. AT&T who is championing the legislation point out that landline customers have dropped by 71% since 2000 and their cost to maintain both landline and wireless systems is becoming cost prohibitive.

This legislation may reduce the ability of seniors who rely on landline services to access assistance in emergency situations. The AARP Michigan is asking senior opponents of this legislation to call and tell their representatives, "Please don't cut the cord, vote NO on SB 636. Reps. can be reached at 1-888-232-6829.

### HB 4959 Auto No-Fault Reform

The high cost of auto insurance is prompting renewed action by the legislature to reform Michigan's 40 year old No-Fault Auto Insurance Law. Stemming from this law, all Michigan auto insurance customers are required to purchase unlimited Personal Injury Protection (PIP) coverage with no lifetime usage cap. When a person is catastrophically injured in an auto accident, their auto insurance may cover their care up to \$530,000. Those whose care exceeds this amount then receive ongoing care funded by the Michigan Catastrophic Claims Association. This care funding system adds approximately \$175 annually to the cost of auto insurance premiums in Michigan. It is believed that capping PIP at lower levels would reduce premiums.

House Bill 4959 introduced by Jeff Farrington (R-Utica) allows persons over age 65 that have Medicare to opt out of no-fault PIP coverage. This option may produce lowered auto insurance premiums for Medicare beneficiaries, however opponents of this legislation share that Medicare does not provide comparable benefits that would be covered under PIP. Some of these benefits include in-home attendant care and long-term custodial care. Additionally, Medicare limits nursing home care, does not support assisted living options and places caps on therapies. Therefore seniors who opt out of PIP coverage who are catastrophically injured in an accident would not have access through Medicare to the previously mentioned services unless they were able to pay for them privately or if they become eligible for Medicaid.

According to the Center for the Protection of Auto-No Fault, "the cost of providing medical care for persons over age 65 suffering from injuries resulting from an auto accident would shift from the no-fault system, funded by drivers for drivers through premiums paid to insurance companies, to the taxpayer supported Medicare system."

There is currently no scheduled action on this legislation, however, it is expected that the House will take up this legislation in the coming weeks.

## Elder Abuse Legislation:

On October 1, a package of elder abuse bills that failed to progress during the last legislative session have been reintroduced in both the House and the Senate and have been referred to the House Financial Services Committee chaired by Rep. Mike Callton (R-Nashville) and the Senate Committee on Banking and Financial Institutions chaired by Sen. Darwin Booher (R-Evart).

House Bills 5030, 5031, 5032 and companion Senate Bills 565, 566, 567 seek to require financial institutions to provide a written explanation of the rights for joint account holders. The goal of this legislation is to prevent financial exploitation that occurs through jointly held accounts. In the House, the bills have been referred to the Financial Services Committee. The Senate bills are in the Banking and Financial Institutions Committee. No hearings on this legislation have been scheduled yet.

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## Senior Scam Resource

***1 out of 5 older Americans aged 65 or older*** self-report that they have been taken advantage of financially in terms of an inappropriate investment, unreasonably high fees for financial services, or outright fraud according to a 2010 survey conducted for Investor Protection Trust. Scams, frauds and their perpetrators are becoming more creative and sophisticated in their attempts to swindle seniors out of their savings.

Seniors and advocates must be aware of common scams and what they can do if they have been victimized. Staying informed, staying skeptical of “too good to be true” offers and reporting suspected fraud to authorities are the best ways to avoid being victimized. Scammers often know that their crimes will not be reported because the senior may be seen as unable to handle their own affairs. However, for those who have been scammed, sharing your story with family and friends can help raise awareness of this growing issue and prevent others from falling victim to fraud. The following is a list of the top 5 common scams targeting seniors reported by the Better Business Bureau and advice for avoiding each type of scam. It is important to note that this document is not a complete list of scams as new ones pop up daily.

- **Sweepstakes/Lottery Scams:** Typically, the victim receives a letter in the mail stating they have won a lottery or sweepstakes; it might even claim to be from Publisher’s Clearing House or Reader’s Digest. The letter instructs the victim to deposit an enclosed check and then wire a portion back to the company to cover taxes or administration fees. While the funds will initially show up in the bank account, the money will be removed when the bank determines the check is fake. The victim is out whatever they wired back to the scammers—often amounting to thousands of dollars.
- **Medicare Scams:** Navigating the Medicare system isn’t easy and some scammers will look for any opportunity to take advantage of the confusion. Commonly, a scammer will claim to be with Medicare and ask for personal information such as Medicare, Medicaid, social security, credit card or bank account numbers. The victim might be given any number of excuses to provide this information including that an error needs to be fixed, that he or she is part of a survey or eligible to receive free products or can sign up for a new prescription drug plan.
- **Bereavement Scams:** Scammers will often try to take advantage of the increased vulnerability of senior citizens who have recently lost a loved one, such as a spouse. In one recent example, a mother and daughter team in Ohio would find targets by scouring the obituaries. They would then call the widow or widower and claim that their spouse had outstanding debts that needed to be paid immediately. Victims would then provide a blank check or credit card.

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- **Deceptive Professionals:** While many scams targeting senior citizens might not have a face, some scammers will be invited in the front door including legitimate technicians, contractors, chimney sweeps, air duct cleaners and other services. These professionals will lie about the extent of the problem or claim safety hazards and then inflate repair prices for unsuspecting senior customers.
  - **Investment and Work at Home Opportunities:** Promises of easy money often target older adults because they may be looking to supplement their income. The pitch might come in the form of an investment opportunity that promises big returns, or as a way to make money at home for an upfront cost. Regardless of the specifics, the victim is offered what sounds like a great opportunity but the extra income never materializes.

**The Better Business Bureau offers the following advice to avoid scams:**

- Never wire money to someone you don't know. You should never have to send money to receive any winnings from a lottery or sweepstakes.
- Medicare will never call to ask for sensitive personal financial information. If you suspect fraud, contact your local police or the Health and Human Services Office of Inspector General at 1-800-HHS-TIPS.
- If you are uncertain about owing a debt when collectors call, ask for written confirmation.
- Find professionals you can trust by searching for them on [www.bbb.org/search/](http://www.bbb.org/search/) or call the Better Business Bureau at 1-703-276-0100.
- Beware of investment or money-making offers that seem too good to be true or use high pressure sales tactics to get you to sign up immediately.

**If you suspect you have been scammed:**

If you suspect you are being scammed or if you detect a fraud against seniors you should report any deceptive services to your local law enforcement agency and state Attorney General Bill Schuette's Office.

Michigan Attorney General Bill Schuette

Phone: 1-877-765-8388 – Consumer Protection Division

Website: <http://www.michigan.gov/ag>

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## ACCESS Newsletter Interview Opportunity

ACCESS newsletter is seeking older adults who have reinvented themselves in their retirement years. This may be by starting a new career, going back to school, opening a business, discovering a new talent and/or devoting their time to giving back and volunteerism. If you are, or know a senior who fits this profile and who would like to share your story, please contact Sallie Justice at the AAA 1-B. You can reach Sally by phone at 248-262-9947 or by email [sjustice@aaa1b.com](mailto:sjustice@aaa1b.com).



The Area Agency on Aging 1-B (AAA 1-B) is a nonprofit agency serving the needs of older adults in Livingston, Macomb, Monroe, Oakland, St. Clair, and Washtenaw counties.

Contact Ryan Cowmeadow, (248) 262-1282 or by e-mail at [rcowmeadow@aaa1b.com](mailto:rcowmeadow@aaa1b.com) to join the Senior Advocacy Network or receive copies of AAA 1-B reports referenced in The Advocate.