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Why Young Adults Should Put Basic Legal Documents in Place

INTRODUCTION

As we approach summer and high school graduation season, it is important to think about all the things that come next for your child.

Adulthood brings both legal independence and responsibility. Your child can sign contracts, make medical decisions, and manage their finances on their own. However, they also lose a valuable safety net: parents and guardians no longer have the automatic authority to speak for them. If something goes wrong, like a sudden illness or an accident, or they go on a long trip, others may need to act or speak for your child. Without the right documents, they may not be able to.

Three simple tools cover most of this risk: a durable power of attorney, a health care proxy, and a HIPAA authorization. Alone, each serves a distinct role. Together, they create a clear, workable plan.

DURABLE POWER OF ATTORNEY: WHO CAN ACT FOR YOU

Once your child turns 18, their finances are private and you lose the automatic ability to act for them. [1] Without express authorization, you will be unable to help make legal and financial decisions for your child if they are unable to, such as when they are traveling abroad or if they get into an accident.

A durable power of attorney (DPOA) allows your child to grant someone (the “agent”) the legal authority to act for them in non-medical matters. [2] The power should be durable, which means the powers granted continue even if they become incapacitated. Without it, their family may have to go to court for permission to act.

Anyone creating a DPOA should consider naming a backup agent (or two) so more than one person can potentially act for you. Whomever you choose should know that they have been named and where they can find the documents if they need to use them.

HEALTH CARE PROXY: WHO DECIDES MEDICAL CARE

As with financial and legal decisions, you may not be able to assist with your child’s medical care once they turn 18. While your child is healthy, this isn’t an issue—they can always consult you or bring you along to any appointments. However, if they get sick or in an accident that results in incapacity, you may not be able to make medical decisions without express authorization.

A health care proxy names the person who can make medical decisions if they cannot. [3] When choices involve values—life support or pain management—someone needs authority to decide. Choose someone who can stay calm, listen, and respect your child’s wishes.

Signing a health care proxy puts a plan in place before something bad happens. If you wait to act until your child needs someone to decide for them, you may have to spend valuable time and money to get court authorization to ensure your child gets the care they need.

Each state varies as to the legal requirements for a valid health care proxy. If your child is moving out-of-state to attend college, it is good practice to also have a health care proxy that complies with the laws of that state.

HIPAA AUTHORIZATION: WHO CAN RECEIVE INFORMATION

Once your child is an adult, their medical information is theirs. Medical privacy laws restrict what doctors can share. [4] Even if they are still on your health insurance plan, you only have a limited view of their medical care, and typically only after the fact.

A HIPAA authorization allows specific people to receive updates and speak with doctors. It does not grant decision-making power. These are often used in conjunction with a health care proxy but are much broader in scope. For example, a HIPAA authorization can be granted to several people at once and does not depend on the child becoming incapacitated for it to be in effect.

You can have an authorization granted by an attorney. However, each medical provider may also have their own preferred form. For convenience and expediency, you should check with your normal medical providers to get their preferred forms on file as soon as practicable. Having both a general authorization as well as a provider-specific form will help cover most contingencies. [5]

DIGITAL LIFE: PASSWORD MANAGEMENT AND DIGITAL ASSETS

Much of modern life is online: banking, school, work, insurance, and photos. To help keep track of your or your child's online life, you may consider a password manager. To protect against uncertainty, you may also consider creating a digital assets inventory, ensure that your legal documents (including a DPOA) specifically grant authority to handle digital assets, and understand the terms of service for all your digital assets. Some company policies will override your legal documents, so understand if you need to specifically grant authorization to your digital accounts through the provider. [6]

Password managers store encrypted logins and can include emergency access features. Digital assets include email, cloud files, financial accounts, and social media. A simple plan ensures accounts are not locked or lost.

BOTTOM LINE

These documents are designed to work together:

- HIPAA authorization allows information to flow.
- Health care proxy allows decisions to be made.
- Durable power of attorney allows practical tasks to be handled.

Legal documents are about clarity, not complexity.

These steps take a few hours and can prevent wasting significant time and money later.

[For additional planning insights, click here to visit Anchor's Value Observer.](#)

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[1] For example, see Mass. Gen. Laws ch. 4, § 7 and Mass. Gen. Laws ch. 231, § 85P.

[2] For Massachusetts law, see Mass. Gen. Laws ch. 190B, § 5-501.

[3] For Massachusetts law, see Mass. Gen. Laws ch. 201D.

[4] <https://www.hhs.gov/hipaa/for-individuals/index.html>

[5] See <https://www.masslegalservices.org/content/hipaa-compliant-release-form-allow-others-see-your-medical-records-and-protected-health> for an example of an authorization form

[6] For example, some states have passed the Revised Uniform Fiduciary Access to Digital Assets Act (RUFADAA), which specifically addresses this issue. Massachusetts has not adopted this statute,

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