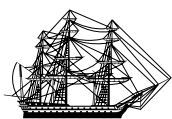


Learn about caring for an elderly parent

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At some point in life, nearly everyone will require at least some help with the challenges of daily living. This guide is designed to help you become familiar with common eldercare issues, as well as the care options available for an aging parent, spouse, or other loved one.

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What is eldercare?

As the average lifespan in the United States increases, eldercare is becoming a fact of life for many Americans.

Simply stated, eldercare encompasses a broad range of programs and services provided over a long period of time to someone who requires assistance performing daily activities. The need for assistance may stem from cognitive impairment, chronic health issues that result in loss of physical control, or the long-term effects of the aging process.

Eldercare can include skilled nursing care, social services, rehabilitation programs, and palliative care, as well as the daily personal monitoring and care provided by family members or professional home-health-care agencies.

Care can be provided at home, in the local community, or in a variety of facilities, including traditional nursing homes and assisted living communities.

Aging America

A little over a hundred years ago there were about 3 million men and women in America over the age of 65. Today, there are more than 40 million. Americans are living longer, healthier lives than ever before, but there are still millions of seniors who require daily living assistance. That assistance is usually provided by their children or other close relatives.

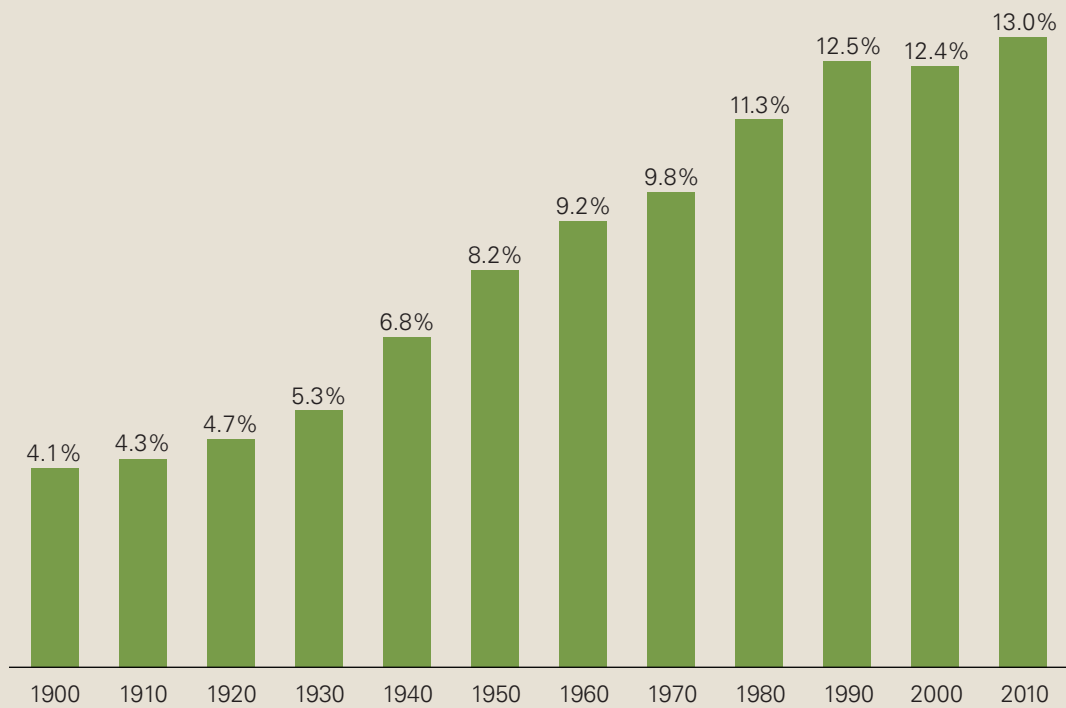
Some warning signs

Deciding when an aging parent requires daily care can be difficult. The signs and symptoms can be as subtle as the existence of unopened mail or as dramatic as a sudden crisis that requires a care decision to be made very quickly.

Here are some common signs that an elderly parent may need help.

- Forgetfulness, confusion, or memory loss.
- Unexplained weight loss or changes in cooking or eating habits.
- Depression or loneliness.
- Inability to take medications as prescribed.
- Impaired driving skills or recent accidents.
- Poor housekeeping, including spoiled food, neglected maintenance, or unsafe conditions around the home.
- Unwillingness to socialize.
- Chronic pain.
- Difficulty walking, unsteadiness, or recent falls.
- Inability to bathe, prepare meals, or perform other normal functions.

Percentage of total population age 65 and over in the United States, 1900–2010



Sources: Hobbs, Frank, and Nicole Stoops, 2002. *Demographic trends in the 20th century*. Washington, D.C.: U.S. Government Printing Office, Census 2000 Special Reports and The U.S. Census Bureau, 2010 Census Brief: *Age and Sex Comparison: 2010*.

The benefits of planning ahead

It's not easy, but talking openly and honestly to aging parents about their future and the potential need for eldercare is far easier when they are physically and mentally healthy than when they become incapacitated.

Get the information you need

Take the time now to have conversations with your parents. Find out what kind of help they may need and what their wishes are regarding future care arrangements.

Here are some practical tips to help get the conversation with a parent started.

- Begin the discussion when everyone is relaxed.
- Avoid trying to cover every topic at once. Instead, consider it an ongoing conversation, since some issues may come up that require careful consideration.
- Try to ask open-ended questions that result in more in-depth information.
- If necessary, involve other family members, the parent's primary physician, or an attorney.
- Be as open and straightforward as possible about any issues that are discussed.
- Listen carefully to get a clear understanding of your parent's concerns, fears, plans, and wishes.



Collect information

Part of planning ahead for eldercare is collecting and organizing the documents and information necessary to make the best decisions possible. Involve other family members in the planning process. To reduce the workload, encourage each family member to assume responsibility for a specific task.

First and foremost make sure you know your parent's date of birth and Social Security number. These are critical pieces of information that you'll need for a wide range of services. Next, gather medical and insurance documents.

Medical and health insurance paperwork

Locate copies of health insurance policies and make copies of all insurance cards, including Medicare and prescription drug cards.

Be sure to collect the names, addresses, and telephone numbers of your parent's doctors, dentist, and pharmacy. Since locating and keeping track of specialists can be difficult, you may need to rely on your parent's primary physician to provide information about other doctors who are involved in providing care. Your parent's primary physician should also be able to provide a description of his or her complete health history.

Make a detailed list of prescription and nonprescription medications, including the dosage amounts and the instructions for taking them.

Don't overlook HIPAA

When Congress passed the Health Insurance Portability and Accountability Act of 1996 (HIPAA), rules were put in place to help protect the confidentiality and security of patients' health care information.

The most common manifestation of the law is the privacy statements patients are required to sign when they visit a doctor, dentist, hospital, or other health care provider.

The HIPAA privacy statement prevents unauthorized people or organizations from obtaining a patient's personal medical information. "Unauthorized people" can often include an elderly person's children, spouse, and other immediate family members, who may need that information to make informed health care decisions for the loved one. Keep in mind that authorization requires the patient's consent.

Stay informed

When you accompany your parent on a visit to a doctor, hospital, or other health care provider, ask what forms are necessary to grant you authorization to review your parent's medical records and to speak to the health care provider about his or her medical condition. Have your parent complete the necessary forms while there and ask for a copy of the forms for your records. Each time you accompany your parent on a visit, bring the copy of the forms with you in case there's any question about the patient's consent and your authorization.

Keep in mind that a form giving you permission to view your parent's medical records must be signed for every health care provider. If necessary, and if your parent consents, include the names of your siblings, if any, on the forms as well.

Legal documents

The following legal documents should be available to help ensure that your parent's wishes are respected and to avoid misunderstandings or disputes among family members.

- Durable power(s) of attorney (financial and health care).
- Living will.
- Living (revocable) trust.
- Will.

Encourage your parent to instruct his or her attorney to include any necessary HIPAA language in the living will, any trust(s), and the durable power of attorney for health care. These documents should be reviewed as soon as possible to ensure that you will be able to communicate with your parent's primary doctor if necessary.

If your parent does not have an attorney, ask your financial advisor to help locate an attorney or an attorney referral program that can assist with drawing up these documents.

Ensure that finances are in order

Discussions about finances can be among the toughest to have when considering eldercare for a parent.

Many people are more willing to discuss details about their health than to reveal how much they earn or how much they have invested. In fact, many older people fear that they will lose control of their lives if they reveal too much about their finances. But open, honest conversations about finances are necessary to effectively provide eldercare.



Keep in mind that a comprehensive assessment of a parent's finances can be a daunting undertaking, even after he or she has agreed to share the information with you. Start with the basics.

Begin with the basics

Once your parent has agreed to talk with you about his or her finances, it's best to start by gathering general budget information, such as:

- Mortgage or rent payments.
- Utility bills.
- Credit card bills.
- Insurance bills, including auto, homeowner's, health, and life insurance.
- Car payments.
- Any other ongoing bills, including those for prescription drugs, doctor visits, food, and membership fees for clubs or organizations.

Next you'll need to determine the income available to cover these bills. Begin by calculating:

- Monthly income, including Social Security and pension payments, any earned income, and income from 401(k)s, IRAs, CDs, and other retirement investments.
- Income from nonretirement assets such as stocks, bonds, and mutual funds.

You also need to determine the value of your parent's investments and calculate the balance in his or her checking and savings accounts. Accurately determining your parent's income and the value of his or her investments can be very complicated. If your parent has a financial advisor, ask to accompany him or her at a meeting to review your parent's portfolio.

Share the load

There are countless responsibilities involved with eldercare. Some are as mundane as driving your parent to and from doctor appointments. Others can be quite complicated. The important point is to discuss all the tasks required and make an arrangement whereby each family member agrees to participate in the caregiving.



Care options

Choosing the appropriate eldercare arrangement can help ensure that your parent continues to enjoy the highest quality of life, with the greatest level of independence.

Determine the level of care needed

No two people age alike. So the key to finding the most appropriate care begins with identifying a parent's level of disability.

There are countless issues that can result in the need for eldercare, from relatively easily addressed problems such as the inability to drive or shop; to needing help with dressing and bathing; to dealing with dementia, Alzheimer's disease, and other conditions that require comprehensive, around-the-clock care.

To help narrow down the kind of issues that your parent faces, focus on these four broad categories:

Nutrition. Does your parent need assistance with shopping and meal preparation? Is there a need for a special diet?

Hygiene. Does your parent require help bathing, dressing, or performing other grooming tasks?

Medical care. Does your parent require assistance with his or her daily health care needs such as administration of medications or wound care? Does your parent require temporary hospitalization or full-time rehabilitation?

Mobility. Does your parent need assistance getting out of bed and moving from room to room? Is your parent wheelchair-bound, confined to bed, or unable to move about at all?

What's the right option?

The type of care you choose depends on how you answered the preceding questions.

Generally, care options can be divided into three categories:

Home care

For those who require only minor assistance or supervision, home care is a convenient and cost-effective solution. It's also the option that allows an elderly person to maintain the highest degree of independence.

Keep in mind that home care may involve the need for the following:

- A housekeeper for cleaning and basic chores.
- A homemaker for meal planning, personal care, and medication reminders.
- A live-in companion for general housekeeping and homemaker duties on an around-the-clock basis.
- A home health aide for licensed in-home health care management and physical therapy.

Independent living

Often known as retirement communities, senior apartments, senior housing, and retirement homes, independent-living facilities offer the highest level of freedom and the most versatility.

Independent-living arrangements are designed for seniors who are healthy and able to care for themselves, who no longer want to maintain a house, and who prefer to live among their

peers. The facilities often offer a variety of services, including:

- Housekeeping and laundry.
- Recreational, educational, and social activities.
- Local transportation.
- Communal meals.
- Exercise facilities, golf courses, and tennis courts.

The costs of independent-living facilities and the services available can vary widely. At the low end are facilities that are subsidized by charities or through the U.S. Department of Housing and Urban Development. At the high end are gated communities that require the purchase of a home, as well as monthly community maintenance and service fees, which can be as much as \$2,000.

CarePathways.com provides extensive information about eldercare, including a comprehensive list of questions to ask when considering an independent-living arrangement.

Assisted living

When daily supervision and support are necessary, assisted-living facilities are often a practical alternative to home care. Most assisted-living facilities offer personalized care and support services, including meals, shuttle services, housekeeping, medication management, and emergency call monitoring.

Assisted-living facilities differ greatly in size, services, philosophy, and cost. To ensure that your parent receives the care desired, it's imperative that both of you carefully consider the following when making your decision:

Determine how much your parent can afford. Medicare pays nothing for assisted-living expenses and Medicaid pays very little. So the cost of any assisted-living facility is paid by the residents and/or their families. In many cases, however, the cost is roughly equal to independent-living expenses. Keep in mind that, like other costs, those for assisted living have also been rising—at a rate of about 4.5% a year.

Select a location. Together with your parent decide in which city, state, or region the facility should be located.

Here are a few of the many websites that can help you locate facilities that meet your needs.

- American Association of Homes and Services for the Aging
www.aahsa.org
- Assisted Living Federation of America
www.alfa.org
- Assisted Living On-Line.com
www.assistedlivingonline.com

Determine your parent's needs. Before visiting assisted-living facilities, carefully consider your parent's needs. Facilities' services vary widely, so it's smart to tour several and conduct careful interviews to determine whether a facility is able to provide the services needed.

Long-term care

For those requiring around-the-clock skilled nursing care, long-term care facilities—traditionally known as nursing homes—provide the attention necessary.

Most nursing-home patients are admitted following hospitalization and receive short-term rehabilitation care. However, about one-quarter of those admitted will spend the rest of their lives in long-term care facilities.

Be aware that while Medicare does pay for nursing home care after a qualifying hospital stay, Medicare does not pay for long-term care. If you believe that your parent requires long-term care, it's very important to consider his or her needs carefully, since nursing home fees and services vary widely.

The nursing homes section of the U.S. Department of Health & Human Services' website, www.medicare.gov/Nursing/Overview.asp provides information on every Medicare- and Medicaid-certified nursing home in the United States, as well as useful checklists and links to related websites.



The cost of care

Costs can vary widely depending on whether your parent needs limited assistance in the home or 24-hour, long-term, skilled nursing care.

For many families, the ongoing costs of eldercare are often measured not in dollars and cents, but in the time that family members spend on transportation, housekeeping, and other common tasks that an aging parent may require. Inevitably, as a parent requires additional assistance, the costs become measurable in more concrete terms.

Home care costs

According to a 2011 survey by Genworth Financial, Inc.,¹ the average hourly rate charged by homemakers/companions was \$18. Home health care aides charged slightly more at \$19 an hour. At first glance these fees may not seem like much, but over time they can become substantial. The services of a home health care aide for just three hours a day could approach \$2,000 per month. Note that there may also be income tax implications to hiring homemakers/companions.

Assisted-living costs

Assisted-living facilities can cost anywhere from \$674 to \$9,500 a month, depending on their location and the services they provide. Fees charged by assisted-living facilities can be all-inclusive or include additional charges for special services. Keep in mind that moving into an assisted-living facility eliminates the need to pay a mortgage, energy bills, food costs, and other expenses.

Nursing-home costs

Nursing-home care is costly and prices continue to rise. The average daily rate for a private room in a nursing home was \$213, or \$77,745 per year. The average cost of a semi-private room was \$70,445 a year.¹

¹ Genworth 2011 Cost of Care Survey. Genworth Financial, Inc. and National Eldercare Referral Systems, LLC (CareScout).

Eldercare funding options

Just as eldercare presents many different options, paying for care can be handled in a myriad of ways, including:

Social Security. This is perhaps the most common source of income for most elders.

Pensions. These include traditional employer-provided defined benefit retirement plans and tax-deferred defined contribution employee saving plans.

Personal or family assets. These include stocks, bonds, and other investments and savings.

Reverse mortgage. This is a loan against the value of your home that does not have to be repaid as long as you live there.

Long-term care insurance. These insurance policies can pay for a variety of services, including assisted living and nursing care.

Supplemental Security Income (SSI). This public assistance program pays benefits to those with very limited income.

Medicaid. Designed for people with limited income and assets, this federal- and state-funded program helps pay hospitalization costs, costs for rehabilitation and medicine, and some nursing-home costs in certain situations.

Should your parent consider long-term care insurance?

Medicare generally does not cover long-term care expenses (and Medicaid generally does not pay benefits until most of the applicant's assets have been depleted). Depending on your parent's financial situation and family medical history, long-term care insurance may be a viable option to help pay for the costs of a nursing home, assisted-living facility, or home health care.

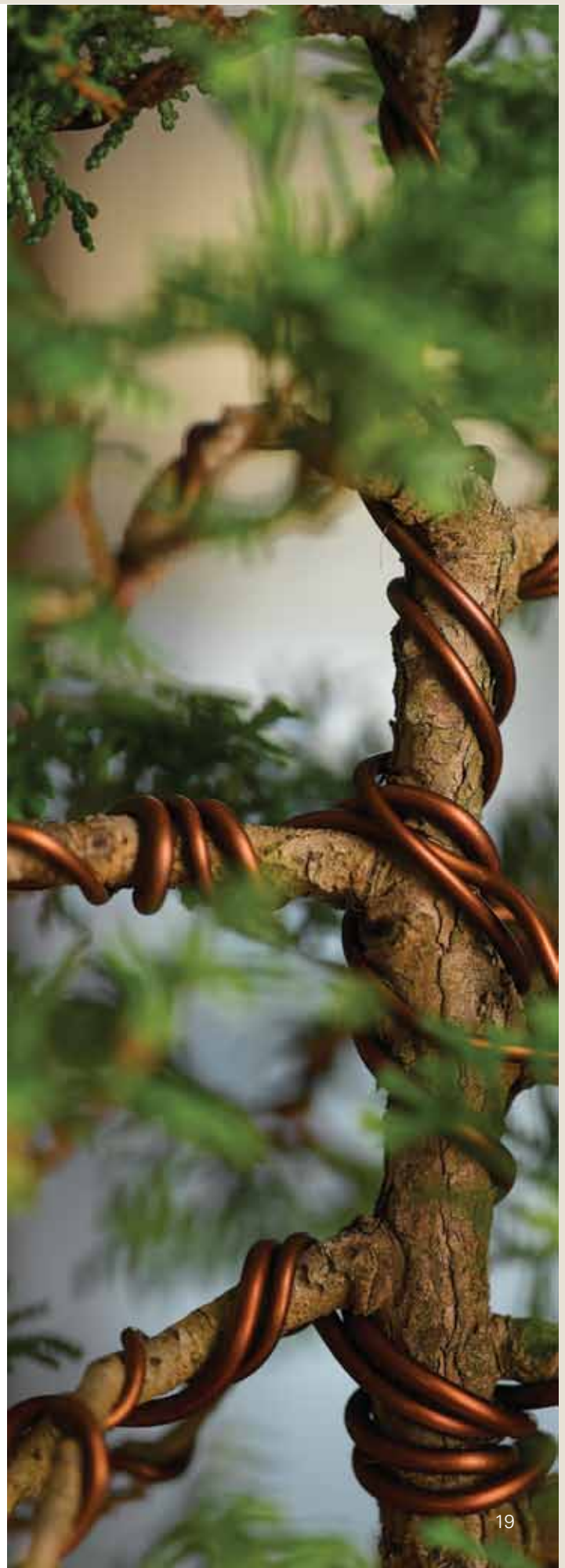
As with health insurance, premiums for long-term care insurance must be paid each year; otherwise the coverage will lapse. Long-term care insurance can be complicated and expensive, so make sure you do your homework before purchasing a policy. Features to consider include how much the policy pays, when the benefits begin, how long the payments last, and what types of care the policy covers.

Your financial advisor may be able to help you find a policy from a reputable insurer that meets your parent's particular needs and fits his or her financial plan.

A number of resources are available to help you learn more about long-term care insurance. These include your insurance agent; your state's department of insurance; Long-Term Care Quote (www.longtermcarequote.com), an independent agency that offers comparative data; and the American Health Care Association (www.ahcancal.org).

Consult with your financial advisor

Paying for eldercare can be very complicated, especially if you and your family are considering a nursing home, using a combination of Medicare, medigap insurance, long-term care insurance, and personal assets to pay for care. Meet with your parent's financial advisor as you weigh the care options to ensure that your parent's insurance benefits and personal assets are utilized effectively.



Helpful websites

Finding the eldercare that's right for your parent can be complicated and time-consuming. Fortunately, there are organizations available to help.

The Department of Health & Human Services provides a wealth of information and resources designed to help answer your questions and provide assistance when dealing with eldercare needs. Visit the agency's website at www.hhs.gov and click Aging in the A-Z Index at the top right of the home page.

Here is a brief list of other organizations that offer eldercare assistance. Many are listed on www.hhs.gov.

Administration on Aging, HHS

Offers information on services for the elderly, including caregiving and resources for dealing with Alzheimer's disease.

www.aoa.gov

USA.gov for Seniors

Provides access to all government sites that offer resources for seniors.

www.usa.gov/Topics/Seniors.shtml

Nursing Home Compare

Lists detailed information about the performance of every Medicare- and Medicaid-certified nursing home in the United States.

www.medicare.gov/NHCompare/home.asp

AARP

Practical information for those age 50 and over, including health and wellness, long-term care, and independent living.

www.aarp.org



ElderWeb

Information for those looking for eldercare and long-term care assistance. Includes information on legal, financial, and housing issues; research; statistics; and more.

www.elderweb.com

National Council on Aging

Offers information from a variety of organizations dedicated to helping people remain healthy and independent, find jobs, increase their access to benefits programs, and continue to contribute to society.

www.ncoa.org

Caring for an elderly parent can be emotionally and financially challenging. Help ensure that your parent receives the very best care possible by planning ahead, communicating openly with your parent and other family members, and, when necessary, relying on a financial advisor's expertise.



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call 800-997-2798.

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