

Ameriprise Financial
Financial Advisor

Caring for an Aging Parent

Caring for Your Aging Parents

Caring for your aging parents is something you hope you can handle when the time comes, but it's the last thing you want to think about. Whether the time is now or somewhere down the road, there are steps that you can take to make your life (and theirs) a little easier. Some people live their entire lives with little or no assistance from family and friends, but today Americans are living longer than ever before. It's always better to be prepared.



Mom? Dad? We need to talk

The first step you need to take is talking to your parents. Find out what their needs and wishes are. In some cases, however, they may be unwilling or unable to talk about their future. This can happen for a number of reasons, including:

- Incapacity
- Fear of becoming dependent
- Resentment toward you for interfering
- Reluctance to burden you with their problems

If such is the case with your parents, you may need to do as much planning as you can without them. If their safety or health is in danger, however, you may need to step in as caregiver. The bottom line is that you need to have a plan. If you're nervous about talking to your parents, make a list of topics that you need to discuss. That way, you'll be less likely to forget anything. Here are some things that you may need to talk about:

- Long-term care insurance: Do they have it? If not, should they buy it?
- Living arrangements: Can they still live alone, or is it time to explore other options?
- Medical care decisions: What are their wishes, and who will carry them out?
- Financial planning: How can you protect their assets?

- Estate planning: Do they have all of the necessary documents (e.g., wills, trusts)?
- Expectations: What do you expect from your parents, and what do they expect from you?

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Preparing a personal data record

Once you've opened the lines of communication, your next step is to prepare a personal data record. This document lists information that you might need in case your parents become incapacitated or die. Here's some information that should be included:

- Financial information: Bank accounts, investment accounts, real estate holdings
- Legal information: Wills, durable power of attorneys, health-care directives
- Funeral and burial plans: Prepayment information, final wishes
- Medical information: Health-care providers, medication, medical history
- Insurance information: Policy numbers, company names
- Advisor information: Names and phone numbers of any professional service providers
- Location of other important records: Keys to safe-deposit boxes, real estate deeds



Be sure to write down the location of documents and any relevant account numbers. It's a good idea to make copies of all of the documents you've gathered and keep them in a safe place. This is especially important if you live far away, because you'll want the information readily available in the event of an emergency.

Where will your parents live?

If your parents are like many older folks, where they live will depend on how healthy they are. As your parents grow older, their health may deteriorate so much that they can no longer live on their own. At this point, you may need to find them in-home

health care or health care within a retirement community or nursing home. Or, you may insist that they come to live with you. If money is an issue, moving in with you may be the best (or only) option, but you'll want to give this decision serious thought. This decision will impact your entire family, so talk about it as a family first. A lot of help is out there, including friends and extended family. Don't be afraid to ask.



Evaluating your parents' abilities



If you're concerned about your parents' mental or physical capabilities, ask their doctor(s) to recommend a facility for a geriatric assessment. These assessments can be done at hospitals or clinics. The evaluation determines your parents' capabilities for day-to-day activities (e.g., cooking, housework, personal hygiene, taking

medications, making phone calls). The facility can then refer you and your parents to organizations that provide support.

If you can't be there to care for your parents, or if you just need some guidance to oversee your parents' care, a geriatric care manager (GCM) can also help. Typically, GCMs are nurses or social workers with experience in geriatric care. They can assess your parents' ability to live on their own, coordinate round-the-clock care if necessary, or recommend home health care and other agencies that can help your parents remain independent.

Get support and advice

Don't try to care for your parents alone. Many local and national caregiver support groups and community services are available to help you cope with caring for your aging parents. If you don't know where to find help, contact your state's department of eldercare services. Or, call (800) 677-1116 to reach the Eldercare Locator, an information and referral service sponsored by the federal government that can direct you to resources available nationally or in your area. Some of the services available in your community may include:

- Caregiver support groups and training
- Adult day care
- Respite care
- Guidelines on how to choose a nursing home
- Free or low-cost legal advice



Once you've gathered all of the necessary information, you may find some gaps. Perhaps your mother doesn't have a health-care directive, or her will is outdated. You may wish to consult an attorney or other financial professional whose advice both you and your parents can trust.

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Common Incapacity Documents

Durable Power of Attorney for Health Care (DPAHC)/Health-Care Proxy	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Is flexible--allows your representative to act on your behalf and make medical decisions based on current circumstances • Generally, your representative can make any decision you would be allowed to make • Generally can be used any time you become incompetent 	<ul style="list-style-type: none"> • Not practical in an emergency--your representative must be present to act on your behalf • Not permitted in some states
Living Will	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows you to convey decisions regarding your medical care without relying on any one person to carry out your wishes 	<ul style="list-style-type: none"> • Generally can be used only if you are terminally injured or ill, or in a persistent vegetative state • Generally used only to make decisions regarding life-sustaining treatments • Emergency medical personnel generally cannot withhold emergency care based on a living will • Not permitted in some states
Do Not Resuscitate (DNR) Order	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows you to decline CPR if your heart or breathing fails • Effective in an emergency--your doctor should note an in-hospital DNR order on your chart. Out-of-hospital DNR orders take various forms, depending on the laws of your state. ID bracelets, MedicAlert[®] necklaces, and wallet cards are some methods of noting DNR status. 	<ul style="list-style-type: none"> • Some states allow DNR orders only for hospitalized patients--others do not restrict eligibility • Only used to decline CPR in case of cardiac or respiratory arrest • Not permitted in some states
Durable Power of Attorney (DPOA)	
Advantages	Disadvantages
<ul style="list-style-type: none"> • You control who acts and what they can do with your property • Low cost to implement • Decreases the chance of court intervention 	<ul style="list-style-type: none"> • Some states do not permit a "springing" DPOA (i.e., a DPOA that is effective only after you have become incapacitated)

Medicare, Medigap, and Medicaid

	Medicare	Medigap	Medicaid
What is it?	<p>Federal health insurance program for Social Security recipients. Parts A and B comprise the original Medicare program.</p> <p>Medicare Advantage (also referred to as Part C) plans are also available in some areas. They provide managed care and fee-for-service options through private insurers.</p>	<p>Medicare supplement insurance issued by private companies.</p> <p>Typically, individuals who have Medicare Advantage would not need a Medigap plan.</p>	<p>Joint federal-state need-based health insurance program.</p> <p>Eligibility requirements and covered services vary from state to state.</p>
What does it cover?	<p>All or some portion of:</p> <p>Part A: Hospital and skilled nursing facilities, home health agency care, hospice care, inpatient psychiatric care, and blood transfusions.</p> <p>Part B: Doctors, outpatient mental health services, therapy, part-time skilled home health care, certain preventative services, and other medical services.</p> <p>Part C: All the benefits offered by the original Medicare plan. Some offer added benefits such as prescription drugs, eye exams, and hearing aids.</p> <p>Part D: Prescription drug coverage (optional).</p>	<p>All or some portion of:</p> <p>Medical care not covered by Medicare, deductibles, co-payments, and coinsurance; plans may also cover other services such as eye and dental exams.</p>	<p>All or some portion of:</p> <p>A broad range of medical services including inpatient and outpatient hospital care, prescription drugs, nursing home care, and skilled care.</p>
Who is eligible?	<p>Generally, persons age 65 or older, and those with certain disabilities or diseases are eligible for Medicare Parts A and B.</p> <p>Anyone eligible for Parts A and B is eligible for Part C and Part D.</p>	<p>Individuals who are enrolled in Medicare Parts A and B.</p>	<p>Individuals who have limited income and resources and who meet other eligibility requirements.</p>
What is the cost?	<p>Part A: Most participants don't pay for this coverage because of prior Social Security covered employment.</p> <p>Part B: \$96.40 monthly premium, \$135 annual deductible; \$133.50 daily co-pay for skilled nursing care for days 21-100 (in 2009).</p> <p>Part C: Varies by insurer, state, and plan.</p>	<p>Premiums vary by company, region, and plan. There are generally 12 available plans (A-L), each offering different levels of coverage. Not all plans are available in every state.</p>	<p>No premium.</p> <p>Deductibles vary from state to state.</p>
What does it take to enroll?	<p>If you are receiving Social Security or Railroad Retirement benefits (or are applying for benefits) at or prior to age 65, you will be automatically enrolled in Part A and Part B.</p> <p>Contact the Social Security Administration to enroll if:</p> <ul style="list-style-type: none"> You will not receive Social Security or Railroad Retirement benefits at age 65 You want to enroll in Medicare Part C You want to apply for benefits prior to age 65 due to a covered medical condition 	<p>Purchase a policy from an insurance company.</p> <p>You can find information on Medigap policies offered in your area by visiting the Medicare website or calling (800) 633-4227.</p>	<p>Application procedures vary from state to state.</p> <p>For information, contact the agency responsible for administering Medicaid in your state.</p>

Medicaid Eligibility for Nursing Home Care

The Medicaid program is the largest single payer of nursing home bills in America, and is the payer of last resort for those who do not have the resources to pay for their own care.

Medicaid eligibility rules are complicated and differ from state to state. It is important to get the advice of an experienced Medicaid planning professional before applying for Medicaid benefits. Because the Medicaid rules require an applicant's finances to be reviewed as far back as five years before the application date, now is the time to get advice if there may be a need for Medicaid benefits in the future.

To qualify for Medicaid nursing home coverage, an applicant must meet three eligibility tests.

- **Category test:** Applicants must be at least one of the following: age 65 or older, disabled, or blind.
- **Income test:** In "spend-down" states, the applicant must spend his or her monthly income (minus a small personal needs allowance) on medical or nursing home expenses.

In "income-cap" states, a spend down of income is not allowed. Income of even \$1 over the monthly income amount allowed by the state will disqualify an applicant from receiving Medicaid (although planning opportunities may exist to allow eligibility under certain conditions).

- **Asset test:** The applicant is allowed to own only minimal assets (generally \$2,000 for an individual, \$3,000 for a married couple if both are applying), but certain assets are exempt from this calculation. Exempt assets (such as certain prepaid burial contracts) may be purchased to reduce the applicant's assets below the allowable figure. Certain transfers (such as limited transfers to a spouse who is not covered by Medicaid, transfers to a disabled child, etc.) are also allowed to reduce the applicant's assets.

Medicaid is a need-based government health-care program. Medicaid accounts for approximately 49% of spending on long-term care.

Source: The National Clearinghouse for Long-Term Care Information, 2008



Housing Options for Aging Parents



	In-home care	Assisted-living facility	Nursing home
When to consider	Parent can live independently but needs some assistance	Parent can live independently but needs some assistance	Parent can't live independently and requires regular nursing care
Types of care provided	<ul style="list-style-type: none"> • Medical care (nursing or health aide) • Household help • Companion or caretaker services • Meal delivery • Transportation 	<ul style="list-style-type: none"> • Rental rooms, apartments, or houses • Housekeeping services • Meals • Social activities • Transportation • May provide limited 	<ul style="list-style-type: none"> • 24-hour access to medical care • Custodial care: some help eating, bathing, dressing, or taking medications • Skilled nursing care
Potential advantages	<ul style="list-style-type: none"> • Can remain in familiar surroundings • May be less expensive than assisted-living or nursing home care if limited services are needed 	<ul style="list-style-type: none"> • Staff available 24 hours a day • Social interaction with other residents • May have home-like atmosphere 	<ul style="list-style-type: none"> • Social interaction with other residents • Access to round-the-clock medical care • May have special care units for individuals with Alzheimer's disease or related
Potential disadvantages	<ul style="list-style-type: none"> • Strangers in home • Can be difficult to coordinate care 	<ul style="list-style-type: none"> • Limited privacy • Long waiting lists • High fees for extra services 	<ul style="list-style-type: none"> • Limited privacy • Long waiting lists • Very expensive
What you need to do	<ul style="list-style-type: none"> • Assess hazards and functionality of home, renovate if necessary • Check credentials of agency or individual providing service 	<ul style="list-style-type: none"> • Research facility thoroughly • Consult an attorney before signing a contract 	<ul style="list-style-type: none"> • Research facility thoroughly • Consult an attorney before signing a contract

Tips for Caregivers

- Post important telephone numbers in case of emergency (e.g., physician, emergency services).
- Safeguard your parent's home.
- Complete first-aid and CPR courses.
- Talk to your parent about the future; understand his or her wishes.
- Make sure your parent has a will, durable power of attorney, health-care proxy, and living will.
- Join a support group or cultivate friendships where you can talk openly about your caregiving responsibilities and challenges.
- Seek assistance from friends and relatives, community services (home health care, meal delivery, adult day care, etc.), and other sources.
- Talk to your employer. Some employers will help by offering flexible schedules or other assistance.
- Be aware that the Family and Medical Leave Act requires employers of 50 or more employees to grant eligible employees unpaid leave to care for a member of their immediate family who has a serious health condition.

Ways to safeguard the home

Install an emergency alert system that can be activated from anywhere in the home.

Install grab bars and handrails, place nonslip strips in tubs and showers.

Secure or remove rugs, keep paths clear, and make sure lighting is adequate to prevent falls.



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