



# How to Stay At Home When You Need Long-Term Care<sup>SM</sup>

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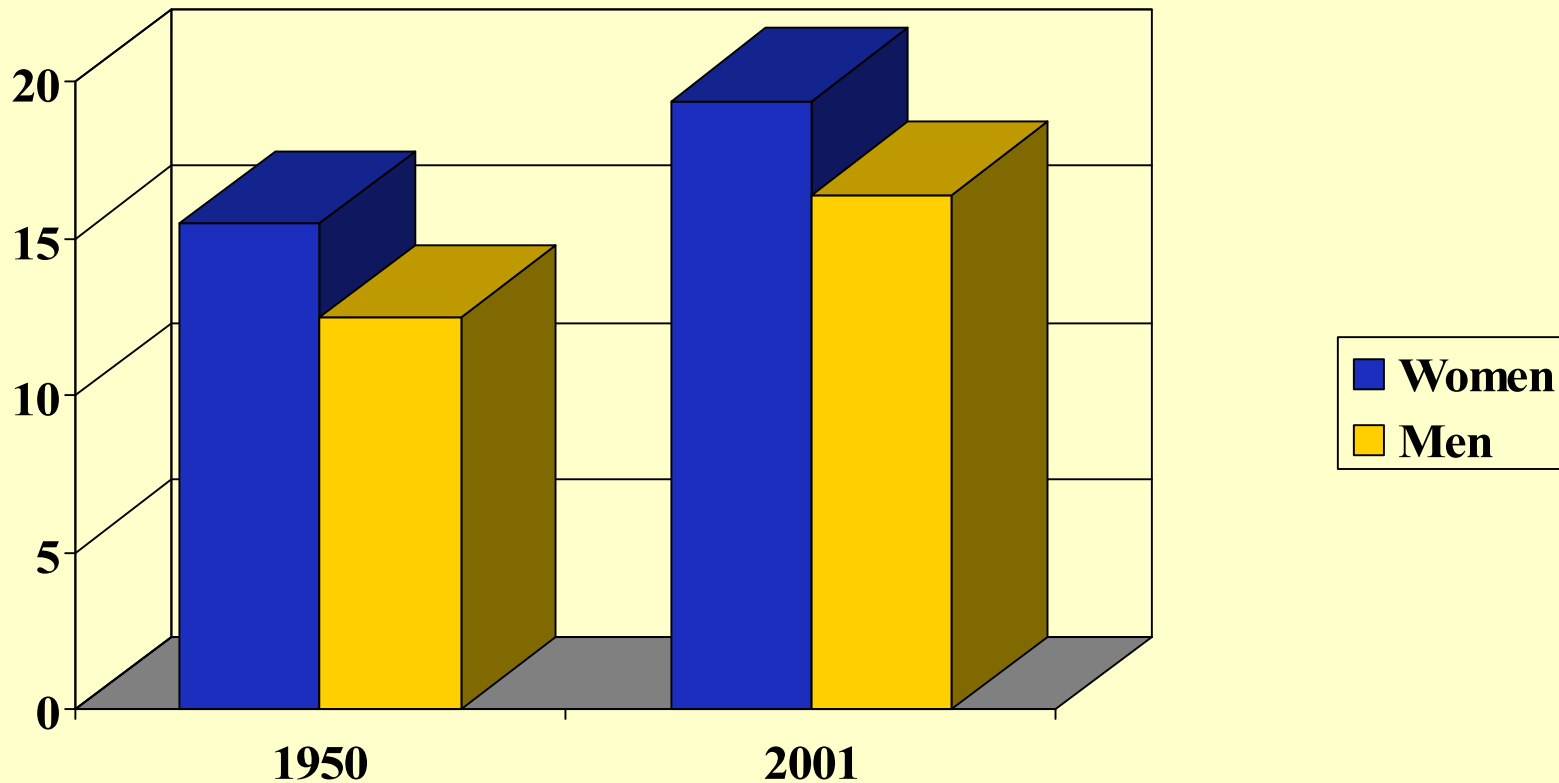


# We Address These Issues

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- ❖ Will you want to stay at home?
- ❖ What do you need if you stay at home?
- ❖ What will your care-givers need?
- ❖ The importance of family planning
- ❖ Geriatric Care Managers and other providers
- ❖ How to minimize risk of needing (serious) LTC?
  - ❖ Life-style issues
  - ❖ Medical issues
- ❖ How to prepare
  - ❖ Education for you and care-giver
  - ❖ Environment issues such as home modification
  - ❖ LTCi, or discount programs for uninsurable people

## Increased Life Expectancy For People Who Are Age 65



*Do you think you'll live to be 85, or more?*

# As We Age . . .



After age 85:

- ❖ Half need help for ordinary activities of daily living (ADLs).
- ❖ Nearly half of us will get Alzheimer's disease.

Of course, many younger people have problems:

- ❖ 40% of the people needing LTC are under age 65
- ❖ Some are congenital; teen-age accidents; uninsurable
- ❖ But many younger need LTC due to strokes, osteoporosis, diabetes, Parkinson's, arthritis or other conditions

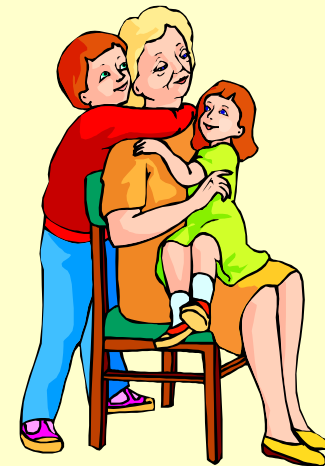
## Who Thinks They Will Need LTC?



Would You Want to Stay At Home if You Need LTC?

# Stay At Home With Your Family

- ❖ Quality time with loved ones
- ❖ Natural interactions
- ❖ Know what is going on in their lives
- ❖ Provide advice to them
- ❖ Avoid their feeling a need to visit you
- ❖ Avoid feeling abandoned



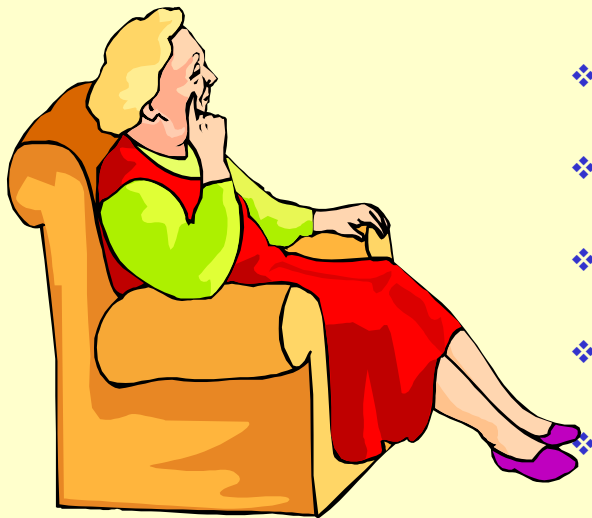
# Stay At Home To Get Better Care

## “Home Is The Ultimate Private Room”

- ❖ Care from loved ones
- ❖ Use your choice of commercial care-givers
- ❖ Possibly care from neighbors
- ❖ Less turn-over in care-givers
- ❖ More control of decision-making
- ❖ Care when/where you want it
- ❖ Keep your own doctors



# Stay At Home For A Better Quality Of Life



- ❖ Stay in your comfortable surroundings
- ❖ Eat what you want, when you want
- ❖ Bathe when you want
- ❖ Continue traditional avocations
- ❖ Listen to and watch programs you like
- ❖ No strangers as room-mates
- ❖ Contribute to, and gain from, family life



## Why Might You NOT Want to Stay At Home?

- ❖ Perhaps you are living alone at that time
- ❖ May feel unable to:
  - ❖ visit friends
  - ❖ go to church
  - ❖ shop
  - ❖ maintain the house
- ❖ May not want a stranger living with you
- ❖ Care needs may be too complex
- ❖ May be too costly to be at home



# What Do You Need In Order To Be Able To Stay At Home?





## To Stay At Home, The Care Recipient Needs

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- ❖ **Good quality care**
  - ❖ loving and competent
  - ❖ stable and reliable
  - ❖ around the clock, perhaps
- ❖ **Someone qualified to oversee the care**
- ❖ **Transportation**
- ❖ **A positive atmosphere**
- ❖ **The ability to pay for the necessary care**



# If the Care Recipient Stays at Home, The Family Care-Giver Needs

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Time to:

- ❖ Rest/nap, soothing shower, think, handle paperwork
  - ❖ Shop and go to church; get hair done
  - ❖ Visit family and friends
  - ❖ Participate in work, civic and social activities
- 
- ❖ Help with difficult, or skill-based, chores
  - ❖ Advice/training re: techniques and resources
  - ❖ Confidence in the care-giving for the loved one
  - ❖ Support from other family members
  - ❖ Ability to enjoy quality time with the recipient



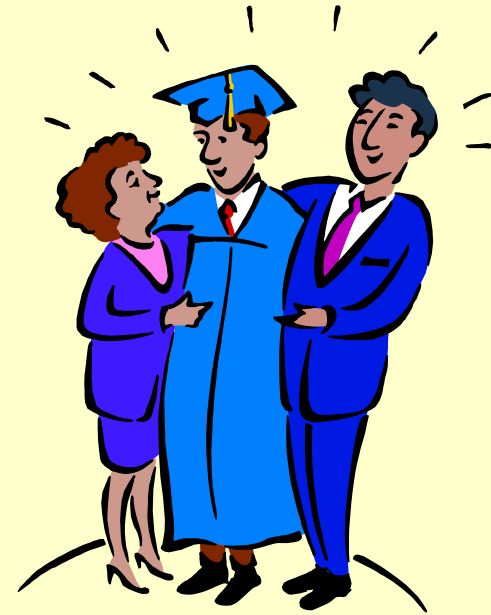
## Key Issues

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- ❖ Do parents and children have the same expectations regarding care-giving?
- ❖ Can care-giving be arranged in a “win-win” fashion?
- ❖ Use of commercial care-givers
  - ❖ for respite
  - ❖ for advice, training, expertise
  - ❖ through home care agency or independent
- ❖ Who has more desire to compensate the care-giver?  
The child or the parent?

## You've Planned For Many Events

- ❖ Wedding
- ❖ Home Mortgage
- ❖ Children's College Expenses
- ❖ Retirement



*Have you planned for possible LTC needs?*

## What Would Happen If:

- ❖ Your spouse became disabled due to a stroke?
- ❖ Your parent(s) became disabled due to Alzheimer's?
- ❖ Other family members became disabled due to an accident or illness?



*Do you have the time or money to provide care?*

*Do you have the expertise & patience required?*



# What Would Happen If:

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You became disabled due to  
a stroke?

You suffered from  
Alzheimer's?

*Who would provide care for you?*





# When Someone Needs LTC, Families Incur 3 Types Of Problems



Emotional

Life-Style

Financial





# The Multi-Dimensional Impact Of Needing LTC

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Besides the emotional, life-style, and financial impacts that affect all family members, primary care-givers often suffer health consequences:

- ❖ More than 40% suffer depression, compared to 15% of non-care-givers
- ❖ More than 1/3 of care-givers report that care-giving made them need more health care for themselves
- ❖ Stressed care-givers are more likely to die than non-care-givers

Sources identified in notes section (not printed)

*Information without action is useless . . .*

# Emotional Difficulties For The Care Recipient

He or she is upset to:

- ❖ Be irreversibly in decline
- ❖ Dependent on others
- ❖ Lose control of his/her life
- ❖ Become a burden



Perfectly normal; perfectly natural. But hard for everyone!



## Emotional Difficulties For The Family

- ❖ Seeing loved one in such a condition
- ❖ The relative may not show appreciation
- ❖ Pressures of care-giving; no end in sight!
- ❖ Losing control of their time
- ❖ Financial pressures





# Emotional Difficulties for the Family

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- ❖ Interference with other family obligations
- ❖ Interference w/business & community responsibilities
- ❖ Negative impact on sibling relationships
- ❖ Feeling guilty





## Planning Ahead Reduces Emotional Impact

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- ❖ Talk with elders, children, siblings, cousins
- ❖ Discuss expectations clearly
- ❖ Avoid having one person over-burdened
- ❖ Educate yourself and your care-giver
- ❖ Tell them you love them
- ❖ Be sure to record legacy
- ❖ Discuss final wishes as well as care-giving

Act now - together, we can

*MAKE SOMETHING GOOD HAPPEN!*



## Life-Style Difficulties For The Family

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- ❖ Making sure someone is always home
- ❖ Helping with basic chores like bathing, dressing, etc.
- ❖ Handling the loved one's financial affairs
- ❖ Scheduling care-givers, medical and other appointments
- ❖ Taking them to appointments, for walks/rides & shopping



## Life-Style Difficulties For The Family

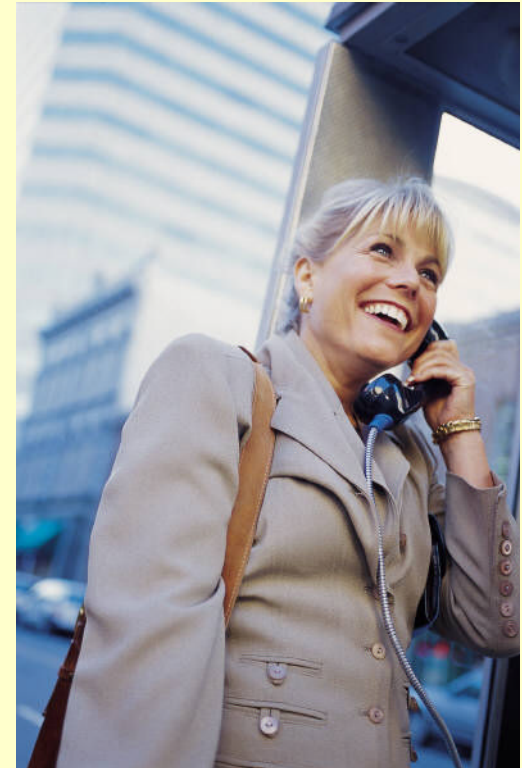
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- ❖ Dealing with repetitive and illogical conversation
- ❖ Dealing with children in the same household
- ❖ When time needs to be devoted to an elder relative
- ❖ Explaining the elder's behavior and problems to the children
- ❖ Tracking down a wandering person
- ❖ Finding time to visit loved ones in facilities



# Characteristics Of Family Care-givers

- Age: 68% between 40 and 59  
Sandwich generation
- Length of Time: average is 4.3 years  
30% are 5+ years & counting
- Employment: 54% full-time (10% part-time)
- “Designated Daughters”?
  - 61% are female
  - 10% are grand-daughters



Source: “Caring in the USA”, National Alliance for Care-Giving, AARP, MetLife, 2004

# The Responsibilities Of A . . . “Designated Daughter”

- ❖ Sandwich Generation
  - ❖ Impact of single motherhood
- ❖ Number of elders needing care
  - ❖ More elders surviving longer
  - ❖ Impact of multiple marriages
  - ❖ “Designated daughter-in-law”
    - ❖ or ex-daughter-in-law



# Where Is The “Designated Daughter?”

- ❖ Smaller families: fewer children to give care
- ❖ 62% of married women are employed in 1996 (30% were employed in 1960)
- ❖ Employees work longer hours
- ❖ Family mobility
  - ❖ Now seniors relocate
  - ❖ Children might relocate



Source: Women's Bureau, Dept. of Labor, Bureau of Labor Statistics, January 1998

# Impact On Family Care-Givers

- ❖ 65% do not receive help from family or friends.
- ❖ Over 40% consider loss of leisure time, feelings of isolation, and change in family roles to be the most burdensome aspects of care-giving.
- ❖ 49% have suffered from prolonged depression
- ❖ Care-givers have higher mortality & morbidity rates than other people their age



*Information without action is useless . . .*

# Family Care-givers Need Help To:

- ❖ Provide the best balance between commercial and family care, and
- ❖ Spend quality time with loved ones, not being worn down by menial tasks
- ❖ Their well-being is also important



Source: National Family Caregiver Association Survey, Caring Magazine, April 1995.



# Planning Ahead Can Reduce Life-Style Strains

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- ❖ Talk with elders, children, siblings, cousins
- ❖ Discuss expectations clearly
- ❖ Discuss care-giving alternatives: scout them
- ❖ Is housing appropriate?
  - ❖ Ramps; stairs; door-way width
  - ❖ Geographic location
- ❖ Care-giver's choice of career
- ❖ Professionals: accountant; attorney; care advocate
  - ❖ Do the necessary paperwork
  - ❖ Maintain contact lists for kin, neighbors, professionals

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*MAKE SOMETHING GOOD HAPPEN!*



# There's Always Medicare, Right?

“Long-term care expenses are generally NOT paid for by:

Medicare

Medicare Supplement Insurance, or  
Major medical health insurance provided  
by most employers.”

Source: “A Shopper’s Guide to Long Term Care Insurance”, National Association of Insurance Commissioners, Rev. 1996

# What Does Medicare Pay For LTC?

Medicare is designed to cover acute medical care, not chronic or custodial care, nor disabilities due to old age.

Let's look at Medicare's criteria for covering LTC at home







# Medicare Home Care

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- Must have Medicare Part A or B
- Must be home-bound
- Must be ordered by doctor
- Skilled nursing or rehab (occupational, physical or speech), **NOT** custodial
- Intermittent or part-time plateau -- discontinued
- Certified provider

# If You Enter A Facility, What Does Medicare Pay?



<u>Time</u>	<u>Medicare Pays</u>	<u>You Pay</u>
First 20 days	All approved amounts	Any non-approved amount
Next 80 days	Only in excess of \$114.00/day	Up to \$114.00/day
After 100 days	Nothing	Everything



## “I’ll Pay For It Myself”



- ❖ Assume 2 hours of home care/day (the minimum may really be 4 hours/day) = \$40/day
- ❖ That would be \$280/week (\$14,560/year)
- ❖ You may need much more; maybe a live-in
- ❖ Skilled nurses cost 3-4 times as much
- ❖ Costs will increase; demand may exceed supply
- ❖ More importantly, you might wish to be able to pay an informal care-giver of your choice

Source: Per study by MetLife’s Mature Market Institute, August 2003

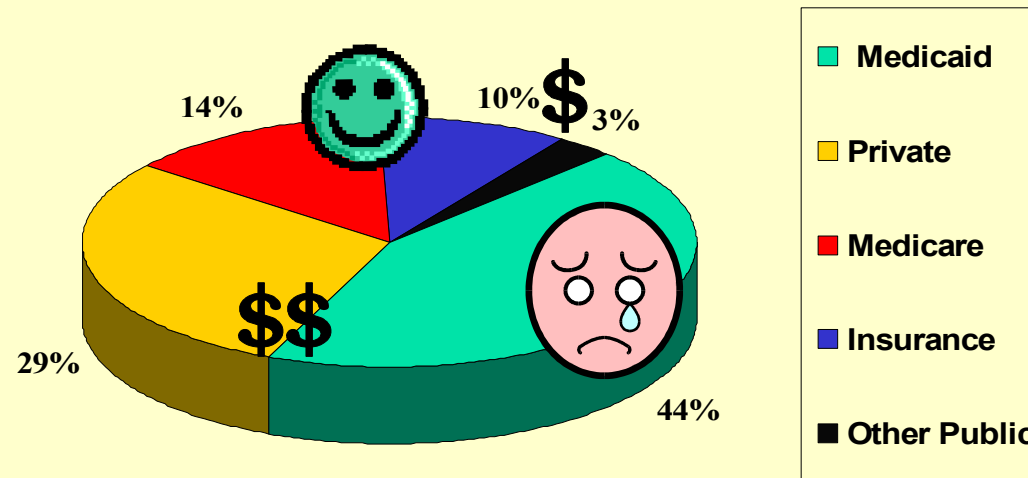


## “I’ll Pay For It Myself”



- ❖ Risk of much larger cost if plan to stay at home fails
- ❖ Private nursing home rooms cost \$160/day
- ❖ That is \$ 4,800/month and \$ 58,400/year
- ❖ Costs will increase annually
- ❖ Note that this cost is not much different from 8 hours/day of home care.

# Who Pays For Long-Term Care?



Source: DHHS Office of the Actuary, 2001 Data

Including valuable informal care, families and friends bear over 75% of the cost.

*Information without action is useless . . .*



# How Insurance Helps



- ❖ Concept: buy enough insurance to supplement other resources, so that you can afford to pay the \$58,000/year
- ❖ If your family member or neighbor provides care, you can pay \$14,560/yr for commercial people to give them a break and pay \$43,440 to your relative or neighbor!
- ❖ If you need more expensive home care, you still might have money left for your relative or neighbor.
- ❖ If you need a private nursing home room, you would still be covered.

# The Medicaid Alternative

- ❖ Nursing homes, not home care or ALFs
- ❖ No private rooms
- ❖ Poor quality care
  - ❖ Poorly educated staff; weak English skills
  - ❖ High turn-over
- ❖ You are assigned to a facility
  - ❖ Facilities have limited numbers of Medicaid beds.
  - ❖ The facility may not be conveniently located.
  - ❖ Some of the best facilities are not Medicaid-eligible
- ❖ **Federal law requires that Medicaid costs be reimbursed by the recipient's estate.**





# Planning Ahead Can Reduce Financial Strains

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- ❖ Talk with elders, children, siblings, cousins
- ❖ Discuss expectations clearly
- ❖ Discuss care-giving alternatives: identify costs
- ❖ Consider ways of financing potential costs
  - ❖ Income, assets
  - ❖ Long-Term Care Insurance (LTCi)\*
    - ❖ Eases the emotional and life-style issues, too
  - ❖ Reverse annuities

\*Some people buy LTCi now while healthy and figure they'll plan later. Others like to create a plan, then buy LTCi to fit the plan.





## Really Want To Stay At Home? You Can:

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- ❖ Establish a more healthy life-style
- ❖ Plan in advance with your family
- ❖ Arrange life-styles
- ❖ Do paperwork -- legal and other
- ❖ Establish relationships with professionals
- ❖ Study risks and available services
- ❖ Arrange for finances
- ❖ Educate yourself and your intended care-giver

Act now - together, we can

*MAKE SOMETHING GOOD HAPPEN!*



## A More Healthy Life-Style: Behavioral And Emotional Habits

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- ❖ Social connections
- ❖ Maintain spirituality (religious groups can provide support)
- ❖ Sing and/or play music
- ❖ Help other people; engage in charity work
- ❖ Have a pet
- ❖ Communicate daily so someone notices if you don't
- ❖ Have someone watch for depression & dementia
- ❖ Nutrition and exercise (see separate slide)



# Preparation For You & Care-giver

- ❖ Dementia recognition and prevention (Alzheimer's Association)
- ❖ Learn to recognize depression and get help
  - ❖ Depression leads to false dementia diagnosis
  - ❖ Medical interactions do as well
- ❖ Age-appropriate screenings, vaccinations
  - ❖ National Administration on Aging; [www.aoa.gov](http://www.aoa.gov)
  - ❖ Centers for Disease Control and Prevention; [www.cdc.com](http://www.cdc.com)

# A More Healthy Life-Style: Nutrition And Exercise



## Nutrition

- ❖ Fish, fruit, vegetables, etc.
- ❖ Add more vitamins as you age
- ❖ Anti-oxidants
- ❖ Limit alcohol
- ❖ Appropriate weight

## Exercise

- ❖ Physical, tailored to you
- ❖ Weight training
- ❖ Mental exercise



# Prepare Your Home

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- ❖ Low maintenance yard
- ❖ Low counters; wide door-ways
- ❖ One floor (or elevator); no steps (or install a ramp)
- ❖ Close to family and key services
- ❖ Public transportation
- ❖ Office for your adult child to work in your home
- ❖ Avoid relocation later in life. Plan to “age in place” with familiar objects, surroundings, and routines.



# Furniture And Appliances

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- ❖ Water temperature less than 120 degrees.
- ❖ Glare reduced/frosted light bulbs with strongest possible wattage
- ❖ Study furniture with higher, firm seat
- ❖ Cushion-lift chairs to ease both getting in and out of chairs, elevating swollen legs
- ❖ Senior handles on doors



# Avoid Falls, The Most Common Cause Of Death And Disability For The Elderly

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- ❖ No throw rugs, extension cords or wires across pathways
- ❖ Handrails on both sides of stairways, commode, tub/shower
- ❖ Remove barriers (walk-in shower and tub)
- ❖ If stairs are unavoidable, install an elevator/stair chair
- ❖ See safety tips on reducing fall risk in the home like CareScout's Safety checklist ([www.carescout.com](http://www.carescout.com))
- ❖ Pets are a significant cause of falls



# Alarm Systems

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- ❖ Smoke detectors and CO detectors - change batteries when you change the clocks or pick a holiday, birthday or significant date.
- ❖ Alarm system and automatic motion detectors.
- ❖ Intercoms.
- ❖ Emergency Response Systems for health, safety and security needs. Most community hospitals run a program.





# Why Do People Buy LTCi?

Lots of reasons . . .

- ❖ Control and freedom of choice
- ❖ Independence/Avoid dependence on others
- ❖ Protect spouse's life style
- ❖ Encourage spouse to get needed care
- ❖ Financial Planning: Taming their most volatile future cost opens other opportunities
- ❖ Protect assets

*Information without action is useless . . .*

# Should People Self-Insure?

- ❖ Average cost of Alzheimer's: \$174,000
- ❖ Have they set aside enough for two people?
- ❖ Is "average" length adequate?
- ❖ Is "average" care satisfactory?

Questions:

- ❖ How much assets should they set aside?
- ❖ Should such assets be invested conservatively?



# Self-Insurance Ties Up Funds. LTCi Allows People To:

- ❖ Protect assets for children
- ❖ Gift \$ to children while still alive
- ❖ Gift \$ to charity while still alive
- ❖ Avoid liquidating assets with large capital gains or illiquid assets (such as a business)
- ❖ Invest more aggressively
- ❖ Buy a vacation house, etc.



## If LTCi Exists, Working Care-givers:

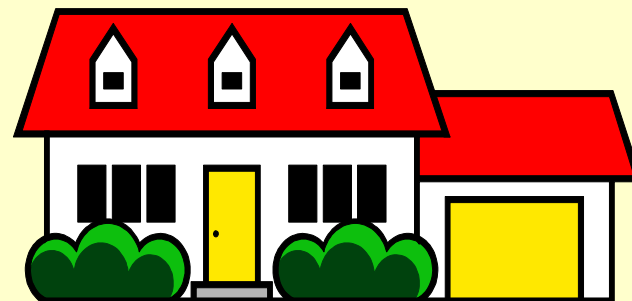
- ❖ Spend about 10% less time with an *insured* care recipient, but much more quality time.
- ❖ Are nearly twice as likely to keep working.
- ❖ Are less stressed. (Note: Those who experience job disruptions are 3 times more likely to report severe stress.)

MetLife Study of Employed Caregivers (March, 2001)



# Impact of LTCi on Working Care-givers

When people provide care for  
parents or grand-parents,  
do they live together?



- ❖ Some prefer to live together; some don't.
- ❖ 54% live together if there is no LTCi
- ❖ 37% live together if there is LTCi

Conclusion: LTCi helps to avoid living together 33% to  
50% of the time.

MetLife Study (March, 2001)

# Key: Find A Good Agent Who . . .

- ❖ Knows about LTCi
- ❖ Represents multiple, strong, knowledgeable companies
- ❖ Customizes product for you
- ❖ Will help if you go on claim
- ❖ Can co-ordinate LTCi with your taxes, investments, etc.
- ❖ Can find help if uninsurable



Act now - together, we can

*MAKE SOMETHING GOOD HAPPEN!*



# Your Ideal LTCi Product Design Reflects Such Things As Your:

- ❖ LTC Plan
- ❖ Family structure
  - ❖ Spouse's and elders' health and ages
  - ❖ Availability and capability of care-givers
- ❖ Income and assets and goals for them
- ❖ Health, including family longevity and history
- ❖ Experience, needs and desires re: LTC
  - ❖ Home or facility; geographical location; Ritz or Motel 6
- ❖ Risk profile
  - ❖ insure likely cost or catastrophe?
  - ❖ “use it or lose it”



# LTCi Geared to Help You Stay Home

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- ❖ Strong company: financials and experience
- ❖ Large home care benefit for the full benefit period
- ❖ Weekly/monthly reimbursement or indemnity
- ❖ Strong care co-ordination
- ❖ Coverage for independent care-givers
- ❖ Strong homemaker services
- ❖ Care-giver training; home modification; emergency response systems





# Specific State Incentives

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- ❖ Missouri: Half the cost of LTCi is tax-deductible *above-the-line* --Section 8 of R.S. MO 334660 (1999)
- ❖ Kansas: Assets equal to the amount of LTCi benefits received are ignored for asset recovery purposes- Section 39-709 (1) (g) (2)



# Disadvantages Of Waiting

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- ❖ Might need LTC (unlikely?)
- ❖ Health might change
  - ❖ No longer able to buy LTCi; or
  - ❖ Charged a significant extra premium
- ❖ Higher premium, even if health does not change



## Risks Of Being Declined

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### Age Range Declined

### % of Applicants

50-60

4% to 12%

61-75

7% to 21%

75+

15% to 33%

If someone is uninsurable, we can provide a discount card for LTC services for \$199



## Cost Increase From Age 55 to 56 Combined Premium For 2 Buyers

	Premium for \$100 / day	Benefit at Age 56
Bought at 55	\$1,059	\$105
Bought at 56	\$ 1,116	\$100
Increase (11% in total)	5.4%	5%



## Applying for LTCi

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- ❖ Application with medical questionnaire
- ❖ Phone interview: take seriously
- ❖ In-home interview for older ages
- ❖ Medical records from your doctor(s)
- ❖ Medical exam, blood tests, urinalysis, & financial statements are NOT required

Requirements vary by age and insurance company