

# But they're my parents

## *A guide to caring for aging parents*



### AN ELDERCARE INTRODUCTION

*Most of us reach a point in life when our parents, elderly relatives, or friends begin to require more of our time and attention. Oftentimes, they need our financial support as well. Caring for elders or helping to manage their finances can be a complicated process, and few of us are trained for it. Fortunately, you can turn to your investment professional for answers to many insurance and health care related questions. With Life Event Services materials, such as this guidebook, and a familiarity with your older relative's financial situation, your investment professional can guide you through the complexities of helping your parents.*

*This guide was developed in cooperation with Ceridian Corporation's Lifeworks Services and can help you answer some basic questions about eldercare. Please contact your investment professional for more in-depth assistance.*

### GETTING STARTED

Whether the change comes dramatically or not, there will come a time when you'll need to take on a larger role in the care of an older relative. And your new responsibilities will most likely raise some unfamiliar issues. For instance, you may find it difficult to have someone you've always depended upon now depending upon you. In turn, your relative may fear becoming dependent or a burden. At times, you may disagree about how

to handle the new situation. And your relative's need for independence may conflict with your need to ensure their safety and comfort.

### Early involvement is key

When you start to notice changes in your older relative's behavior or health, it's only natural to look for quick solutions. But, if the situation is not an emergency, it's a good idea to take some time to gather information and pinpoint the key problems.

By getting involved before problems develop into crises, you and your older relative will be able to explore more care options. You will also have the time to understand what your older relative needs and wants. And this will give you a head start in identifying the resources that will best help you meet those needs. As you begin this process, make sure to involve the rest of the family. Their support in understanding the situation and exploring possible options can be crucial.

### TALKING WITH YOUR RELATIVE

Although it can be difficult, it's important to talk with an older relative about your concerns. Just think of how hard it would be if you were in your older relative's place. He or she may be afraid of losing independence, or may be coping with the loss of friends or a spouse. Also, decreasing abilities and growing dependence on others may be causing feelings of frustration.

#### Consider the following scenarios:

*You've just hung up the phone after talking to your 70-year-old mother. She sounded depressed and confused, but when you asked her if there was anything wrong, she said, "No." She lives 600 miles away.*

*Recently, you took time off work to visit your father. Your mother died last year. When you got to your father's house, you were shocked to see how thin he'd become. There was hardly any food in the refrigerator, and the house needed a good cleaning.*

*After trying to reach your aunt for three days, you finally called her next-door neighbor, who told you that your aunt was taken to the hospital after a serious fall. You are your aunt's only living relative.*

Also, some older people, even those who have the finances to do so, may hesitate to spend money on services they need.

### Here are some ideas for discussing these important issues with your relative:

- **Listen to your relative as much as you talk.**  
When discussing a difficult topic, it can be easy to talk too much. Remember, conversation is a two-way street.
- **Be positive.**  
Try to keep your suggestions constructive. “Let’s try having a housekeeper do the heavier work so you can keep things the way you like them,” may work better than “You don’t have enough energy to keep this place clean anymore.”
- **Recognize that your relative still needs to make his or her own decisions.**  
Helping your relative hold on to a sense of independence is just as important as making sure he or she gets the right care.
- **Be patient.**  
Some older people need extra time to express themselves. Take this into account during your discussions.
- **Set aside a quiet place to talk, during the best time of day for your relative.**  
From time to time in your conversation, repeat what you think your relative said. This will show that you’ve been listening. It also allows your relative to clarify if you have misunderstood.
- **Remember that feeling secure often means feeling needed.**  
Allowing your relative to offer you a little comfort often can make him or her feel important and still needed.
- **Don’t try to minimize your relative’s fears.**  
Instead, let your relative know you understand, by saying such things as “I know you’re worried, but I’ll be right here with you” or “We’ll work this out together.”
- **Never argue — no matter how much you may want to.**  
Try to discuss any differences of opinion you may have with your relative in a constructive fashion.
- **If your relative is resisting your help, ask them to try it for a limited time — for your sake.**  
Sometimes, an older person will accommodate you to ensure your “peace of mind.” You can also enlist the help of a trusted friend or neighbor who has gone through a similar situation as your relative.

- **Discuss your concerns with your relative’s doctor, lawyer, close family friend, or a member of the clergy.**  
Advice from a respected figure outside the family can be very effective.

Remember, people have the right to make their own decisions. You may disagree or get frustrated that your relative won’t agree to a certain change, but the final decision rests with them. Unless your relative has been declared legally incompetent, your role is not to take control of your relative’s life, but to help, listen, make suggestions, and get the services and information they need.

### HOLD A FAMILY MEETING

One good way to open up and maintain communication is to hold a family meeting — either by phone or in person. Decide who should be involved and find a time that works for everyone. You might set up a conference call if you can’t all get together. Use the meeting as a way to gather ideas to help your older relative and to get family members to agree on roles they might play.

### Here are some ideas for a productive family meeting:

- *Ask all family members if they have noticed any changes in the older relative that concern them.*
- *Ask for suggestions or ideas on how to address problems they identify.*
- *Try to involve family members who live far away, if not in the first meeting, then soon afterward.*
- *Talk about the family’s resources — who has time, money, or expertise to contribute — and divide tasks and responsibilities.*
- *Agree on who will be the family contact with doctors and care providers.*
- *Write down the plan you agree on. Give a copy to everyone. Set a date to meet again to see how well the plan is working.*

**It can be unpleasant and frightening for an older relative to discover that his or her problems are being discussed by other people. So be sure to include your older relative in all discussions.**

## ACCESSING HELP AT HOME

Services exist in many communities to help older people and their families, from home health care and delivered meals to services that offer contact and companionship.

### Home care or home health services

Many frail older people can continue to live at home if they get the health care services they need. A range of home health services is available in many communities, including:

- **Nursing caregiver** — offers skilled nursing care; coordinates health care services when other doctors, agencies, or individuals are involved; teaches individuals how to care for themselves; teaches family members how they can care for the older person; plans further care based on the individual's changing needs or physical condition; communicates with doctors about the older person's medical progress
- **Home health aide** — helps person with bathing, general hygiene, and dressing; may prepare meals and monitor the older person's nutrition; alerts the doctor or nurse if there is a problem
- **Occupational therapist** — can assess the older person's physical and mental limitations; recommends changes or adaptations to promote independence in their environment
- **Physical therapist** — provides therapy to help an older person regain mobility after a serious illness, stroke, or accident; teaches the older person therapeutic exercises and shows family members how to help
- **Speech therapist** — provides therapy to help the older person regain or improve speech
- **Nutritionist** — provides nutritional counseling services and may include instructions for preparing meals on a restricted diet
- **Social worker** — helps with the emotional aspects of illness; helps families access community resources; helps coordinate support services

### Things to consider for home care services

Before using a home care or home health agency, find out as much as you can about the agency and its procedures. Compare the prices and services of different agencies, if more than one is available.

**As you go about conducting research on the various home health care options that may be available to your older relative, remember that your investment professional is also one of your key resources. Don't hesitate to contact him or her to learn more about your relative's home health care options.**

As you compare services and ask questions, look for some key indications of service quality. You should expect that:

- people giving care treat the older person with courtesy and respect
- the plan for care be reviewed and evaluated periodically by supervisors
- there be a formal process for recording and acting on complaints
- phone calls be returned in a reasonable time
- your family, your older relative, and his or her doctor be kept informed of changes and progress
- if a home health aide is ill or fails to show up, another person will be sent

In some communities, there are serious shortages of home healthcare services. There may be waiting lists. If you think your relative would benefit from home health services, it may be a good idea to begin exploring options as early as possible.

### Medicare coverage of home care services

Home care or home health services may be covered by Medicare. But Medicare generally limits coverage to care of limited duration. It must also meet the following strict requirements:

- The older person's doctor must develop a treatment plan or "prescription" for services. The doctor must write orders for each service provided.
- For Medicare to be applicable, the care needed by the older person must be considered short term or rehabilitative. This includes part-time skilled nursing services, physical therapy, speech therapy, or, under certain circumstances, occupational therapy. Be aware that Medicare will not pay for full-time custodial care at home.

- The home health agency used must be Medicare certified.
- The older person must be confined to his or her home.

Home care services not covered by Medicare or other insurance programs are still available if your family is able to pay for them.

## ACCESSING COMMUNITY RESOURCES

When it comes to caring for an older relative, your community probably has a lot more support to offer than you think. Most communities provide long-standing programs that provide assistance with meals, household chores, companionship, emergency care, and more.

### Homemaker and chore services

Homemaker or chore services help with an older person's daily tasks, such as shopping, cleaning, cooking, and other household work. In many communities, government-funded agencies or social service organizations provide these services at little or no cost. Private businesses also supply such services, and some individuals even offer these services.

Homemakers are often in short supply, so it's important to plan ahead. Here are some ways you can find the right services for your older relative. Try contacting the:

- Area Agency on Aging
- Visiting Nurse Association
- Office for elders in your community
- Social services department of your local hospital

Also, be aware that if you decide to obtain homemaker services from a private individual, you may have certain legal responsibilities. For instance, you may be asked to pay Social Security payroll taxes, and to ensure that anyone you employ is eligible to work in the United States.

### Companionship services

If your relative's activities outside the home are limited, they needn't live in isolation. Here are some services that provide companionship for older people.

**Volunteer companionship services** — Social service organizations sometimes arrange for older volunteers to visit other older people at home. A volunteer can often provide temporary respite for a family member who is caring for an older relative.

**Telephone reassurance** — These services are usually staffed by retired volunteers who make phone calls once a day to homebound older people to offer reassurance, support, and

a link with the outside world.

### Nutrition services

Many older people don't take the time or aren't able to prepare nutritious meals for themselves. Services are available to help make sure your relative receives high-quality meals.

**Home-delivered meals** — These services deliver meals to older people either once or twice per day. Some programs can accommodate special diets and cultural preferences. Not only do the programs assure you that your relative is getting the nutrition they need, they also offer a daily check to see that your relative is well. Many nutrition programs have a sliding fee calculated in relation to your relative's income, or they may ask for a minimum donation.

**Community meal programs** — These programs offer an opportunity for older people to enjoy nutritious meals in group settings. Some meal programs offer transportation and are linked to other programs such as health clinics, arts and crafts, films, and fitness activities. Fees are generally low, and some programs ask only for a small donation.

**Food stamps** — Low-income individuals and those who qualify for Supplemental Security Income (SSI) or Medicaid may be eligible for financial support through food stamps. Food stamps can be used instead of cash at any grocery store that participates in the food stamp program. The application process can be involved, and your relative may need help from you or from a social worker to complete it.

**Grocery delivery** — Some grocery stores will deliver to an older person's home for a small fee. Some may also offer shopping services and take full orders over the phone, by fax, or through the Internet.

**Transportation services** — Transportation is critical for older people who do not drive. Some communities offer discounted taxi vouchers for seniors. In many places, special transportation services are available to bring older people or people with disabilities to the doctor, to social activities, and sometimes to shopping areas. These services are generally offered by social service agencies, senior centers, or local transit authorities.

### Case management or care management services

You may want to consult a case manager (also called "care managers") if, after a complete medical evaluation and your own review, you feel your older relative's care is too complex for you to handle.

Case managers help coordinate all aspects of an older person's support. They can make a full assessment of your older relative's social and emotional needs, develop a comprehensive plan for care, help make the necessary contacts and arrangements, screen providers, and even oversee the plan to make sure it's working. The case manager maintains regular contact with the responsible family members, even if they live in another part of the country. Case managers are usually social workers or nurses experienced in geriatrics.

Typically, private case managers charge fees for initial evaluations, follow-up visits to the older person, and ongoing monitoring services. In some communities, nonprofit agencies offer these services to income-eligible seniors at no charge, although the scope of the service may be limited.

### Emergency response system

These systems enable older people to call for help in the event of a fall or emergency. The older person usually wears a small radio transmitting device. When they activate it, a message is transmitted to the local hospital or police station that has on file the older person's name, address, phone number, and a list of people to call. Help is sent to the older person's home if they do not respond immediately to a phone call. Some systems are activated automatically if, for example, a fall leaves a person unconscious.

**Housing decisions are rarely simple. Deciding to leave home, regardless of the reason, can be one of the most difficult issues your older relative will face. Nonetheless, if your relative decides to remain at home, many options may be available for assistance.**

### HOUSING OPTIONS — STAYING AT HOME

While many older people live their entire lives in the comfort of their own homes, others change living situations as they age. You and your older relative may face the question of whether to change living arrangements if:

- the cost of maintaining a home becomes unmanageable
- the home is unsafe or unsuited to your relative's needs
- its location is not convenient
- your older relative becomes too frail to continue living alone

### Financial assistance for homeowners

If your relative is comfortable at home but is considering a move because of the high cost of repairs, property taxes, and utility bills, you might explore programs that could reduce monthly expenses or financing options that could generate cash from the home's equity.

**Property tax abatement** — Many communities and states recognize that older people may not be able to pay increased property taxes. Property tax exemptions are often available to older homeowners or to those who meet certain income requirements. Contact your city or town hall and ask for information about property tax abatements.

**Property tax deferral loans** — In some cases, local governments advance loans to older home-owners to pay their property taxes. These are called property tax deferral loans and do not become due until the homeowner moves away, sells, or dies. The rules and guidelines for these programs vary from community to community.

**Home maintenance and repair programs** — Some organizations may provide free or low-cost labor for both minor and major home repairs. Other programs can assess potential safety hazards and make necessary changes. Your utility company may be able to recommend steps to save on the cost of fuel. Low- or no-interest loans for maintenance and repair may also be available. Contact a local elder service agency or a bank for assistance on home repair or loan services.

**Fuel assistance programs** — Older people who maintain their own homes may be eligible for grants to help pay their fuel bills or, in some cases, to weatherize their homes. These grants are distributed through local Community Action Agencies, which are usually listed in the telephone directory.

**Home equity conversion plans** — There are a variety of plans designed to help older homeowners use the equity in their homes without requiring them to move. Deferred payment loans, sale/lease-backs, and reverse mortgages are the three main types. Not all of these options are available in every state. Because some of these plans may be more costly than others, it is important to consult an attorney and/or investment professional before making any decisions or signing any documents.

## Home sharing

If your older relative needs help with both the expense of maintaining a home and the day-to-day management of household tasks, home sharing might be an attractive option. In this arrangement, your relative shares his home with someone who is seeking affordable housing. In return for a relatively low rent, the home sharer agrees to help out with cooking, cleaning, or other chores.

This is not as simple a solution as it may appear, but for some older people it offers a way to remain at home without costly support services. The challenge lies in finding the right candidate and in making a clear agreement that spells out each person's needs and expectations. For example, a housemate might agree to care for your older relative, do chores, or provide transportation in exchange for all or part of the rent.

Carefully check all references of potential home sharers. Your relative will be opening his or her doors to this person, and you will both want to make sure that person is honest and reliable. Help your relative and any candidates you are considering make clear to each other their expectations for the arrangement. Consider having a written agreement to describe the arrangement from the start, so that you all have something to go back to if problems and misunderstandings occur later on.

## Moving closer to family members

Sometimes, older relatives prefer to live near (but not in the same home with) family members. An extra apartment, also called an “accessory” apartment, can sometimes be created in a single-family home or added to a two-family home. This option allows older people to be close to their families while preserving their privacy. While some communities allow accessory apartments, many have zoning laws that restrict them. You can find out about the laws in your community by consulting a local attorney with experience in zoning issues.

## Should the older person live with you?

At some point, you may begin to think about whether your older relative should come to live with you.

This is a decision that should be weighed carefully and discussed fully with those who will be affected. Long-standing family conflicts, personal crises, additional responsibilities, or changing situations at home can complicate matters. Both the pros and cons of the move should be talked through carefully.

## HOUSING OPTIONS — LEAVING THE HOME

If your older relative can no longer live at home, even with extra services and supports, it will be time to consider other arrangements. The decision to move can be stressful for both of you, and your older relative will need as much help and reassurance as the family can offer.

Perhaps the greatest reassurance for both of you may be the range of housing choices available today. They range from assisted living facilities and apartments with special services to nursing-home care.

**Private management apartments with services** — These apartment facilities cater to older residents, usually offering such services as meals, transportation, and housekeeping, and sometimes more intensive service. Most are designed with private bedrooms and some shared space, such as an activity room, laundry, or library.

**Board and care homes** — Board and care homes (also known as sheltered housing, adult foster care, adult care homes, or residential care facilities) are designed for older people who prefer or need housing with supportive services. The rent generally includes room, board, utilities, housekeeping, laundry, and regular contact with the staff, who take some responsibility for the well-being of the residents. For an additional fee, some homes also offer help with bathing or grooming, medication management, and social and recreation activities.

**Congregate housing** — In most types of congregate housing, residents live in their own apartments or rooms, usually with their own furnishings, and come together to share meals or participate in activities. Congregate residences offer some level of service and support, but generally don't provide full-time supervision or care. In smaller facilities, residents often live like members of a family, sharing some chores and responsibilities. In larger facilities, more of the services are provided by the staff.

**Retirement living can have its perks. Many retirement communities and assisted living facilities provide a healthy social atmosphere and offer a variety of fun group activities.**

**Assisted living facilities** — Assisted living arrangements take many forms, and the term can have different meanings in different parts of the country. In general, though, assisted living facilities offer residents the independence of their own bedrooms, the social opportunities afforded by common areas and shared meals, regular monitoring of needs, and the support of 24-hour staffing and personal care assistance. Assisted living facilities are generally residential rather than medical, and while some of the residents may be frail, they usually don't need continuous skilled nursing care.

**Senior housing** — Senior housing is usually subsidized by the local, state, or federal government. It often offers the advantage of rents that are based on a percentage of a person's income, usually about 30% after allowing for certain exclusions. Although many communities offer public housing exclusively for older people, some residences include families and tenants of all ages. Be sure to understand the costs and restrictions before pursuing a move to a publicly subsidized housing development.

To be eligible for senior housing, the older person must meet the income requirements established by the government agency that manages the program. Senior housing usually consists of a handicapped-accessible one-bedroom apartment with a livingroom, bathroom, and kitchen. Because the demand for senior housing is usually greater than the supply, see if you can put your older relative's name on a waiting list as soon as possible, even far in advance of actual need.

**Rental subsidy programs** — Federal and state governments collaborate with local community housing departments to offer rent subsidy programs to eligible individuals, including older people who prefer to live in private homes or apartment buildings. One such program is "Section 8 Rental Assistance," where tenants pay no more than 30% of their income while the government agency pays the balance directly to the landlord<sup>1</sup>. Funding for these programs has been trimmed in recent years, but it is worth finding out if such a program exists in your relative's community.

<sup>1</sup> Source: Section 8 of the U.S. Rental Housing Assistance statute.

**Continuing care retirement communities** — Continuing care communities offer a range of housing alternatives with varying levels of support in a single location. For example, there may be townhouses for independent, active older adults; assisted living apartments for those who require meal, home-maker, and laundry services; and, sometimes, a nursing or

recuperation facility for those who need skilled nursing care. When considering any housing option, your older relative should visit the facility and talk with the people who live there and with the staff.

Most continuing care communities require a sizable entry payment, then charge a monthly fee. While this is an attractive option because it adapts flexibly to changing needs, it can be an expensive housing choice.

You and your older relative may want to consult an investment professional. Ask an attorney to review any documents that your relative is asked to sign.

## NURSING HOME CARE

If your older relative is becoming increasingly frail and dependent, it may be time to consider a nursing home. Nursing homes provide 24-hour care for chronically ill people and also offer rehabilitation services that help some older people return home. If your relative needs care that your family cannot provide, finding a good nursing home can be the best option for everyone involved. There are many good nursing homes — and there are many of poorer quality that you would do well to avoid. If you know what to look for, you can help your relative make an informed choice.

### When a relative is discharged from a hospital into a nursing home

Sometimes families have little time to plan for nursing home options. Older people are sometimes discharged from hospitals into nursing home care. In these cases, when nursing home care is a necessity, your role will be to do some research, work with the hospital to help ensure that the right decisions are made for your relative, and reassure your relative that the appropriate steps are being taken to receive the best possible care.

Most hospitals assign a discharge planner to work with patients and their families on the transition from hospital to nursing home. The discharge planner will help you and your relative understand your options, answer any questions you may have, and determine your relative's needs after he or she leaves the hospital.

## Talking about nursing home care with your older relative

Discussing nursing home care with an older relative may not be easy. Your relative may resist talking about it or you may want to shield the move until the last possible moment. A better option is to allow your older relative to participate in the choice of a nursing home and to adjust gradually to the idea of moving.

Dealing with this subject early, even before a move is scheduled, can give both older people and their families time to discuss their concerns and work out satisfactory plans.

**Many older people fear being abandoned by family members once they move to a nursing home. Let your older relative know that you will visit often and that he or she can leave the nursing home for short periods as long as it's physically possible.**

## Skilled nursing care

Skilled nursing is for people who need moderate to intensive medical care. A registered nurse provides care under the direction of a doctor. These facilities may include units that deliver different levels of care in separate areas or wings as part of one organization. A resident may be moved from one to another, should the need arise. Some people come to a skilled nursing facility (SNF) from a hospital to recover from an accident or serious illness.

## Custodial or rest-home care

This care is for people who do not require the regular care of a nurse, but who need supervision. In some states, custodial facilities are not licensed unless they provide protective oversight for residents (for example, supervision of an older person who is taking medication). Custodial-care facilities may not be covered by any insurance plan. Review your insurance or ask the administrator of the home about coverage. To figure out which kind of care is appropriate, consult your older relative's doctor, hospital discharge planner, or social worker.

## Making sure your relative gets the best possible care

After an older relative has been placed in a nursing home, you can continue to provide the love, companionship, and support needed. You can also help to ensure that your older relative is getting the best care possible by advocating on their behalf. Knowing that your older relative is well cared for by professionals can relieve you in many ways. If there is any unresolved problem with your older relative's care, you may want to contact your state or local nursing home ombudsman program at the state Office on Aging. The ombudsman will work to help both you and the care provider come to a satisfactory agreement about your older relative's care.

## Paying for nursing-home care

The cost of care in a nursing home can be more than \$45,000 per year<sup>2</sup>. Fees vary widely as do the kinds of payment nursing homes will accept.

The care an older person requires will determine which financial resources can be used to pay for the nursing home.

<sup>2</sup> Source: "Choosing a nursing home" Health Pages ©1996-2002 ProAct Technologies Corp.

Currently, there are only a few options available to help pay for nursing homes:

- You may need to apply your relative's assets toward the cost of nursing home care before other payment options, such as Medicaid, become available. Because the cost of nursing home care is so high, most families cannot afford to pay for an extended nursing home stay from their own resources.
- Medicare and Medicare Supplemental Insurance (Medigap) will sometimes contribute to the cost of skilled nursing care or rehabilitative services, but only for a limited time and only when daily nursing care is needed within 30 days of a hospital release.
- Medicaid will generally cover care at skilled nursing facilities for older people with low incomes and few assets. If your older relative's spouse is still living, consult an elder law attorney or legal service to find out which of the couple's assets can be preserved under Medicaid rules for the spouse who is not moving to a nursing home.
- Veteran's benefits cover nursing home care for some veterans at certain approved facilities.

- Private long-term care insurance sometimes covers or helps defray the cost of nursing home care. If your relative has long-term care insurance, look carefully at the terms and conditions on the policy. (See the section on long-term care insurance, page 12.)

Nursing homes generally charge a flat daily rate for room and board and some nursing services. Other services may be considered extra, and you will want to know what the additional charges will be. This information should be available in writing. Be sure to request a written statement of all fees before you or your older relative sign any contract. Nursing homes that participate in Medicare or Medicaid programs are required to provide complete information about basic rates.

Once you have chosen a nursing home, you (if you are the legal guardian) or your older relative will be asked to sign an admission agreement or contract. If you are the co-signer, make sure that you know how much the care will cost and are fully informed about your older relative's financial situation before you sign. Co-signing a nursing home contract may make you liable for the charges. It is always advisable to consult an attorney and have any contract reviewed before you sign it.

### Supporting the older person in a nursing home

Once your older relative is admitted to a nursing home, you and your family may feel everything from relief to sorrow. Your older relative may also have feelings of relief, anger, or sadness. During this difficult period of adjustment, maintain as much contact with your older relative as possible. Frequent visits at the beginning will also help you get to know the nursing home staff. The nursing home's social worker can be particularly helpful as you and your relative deal with the emotions of this transition.

The following suggestions may help you to deal with this time of change:

- If possible, take your older relative out for an overnight visit, a ride in the car, or a meal in a restaurant.
- If you think it won't be upsetting, take your older relative to the old neighborhood to visit friends. Or, give friends a ride to visit your older relative.
- If you live far away, you might want to arrange for a companion to take your older relative out occasionally.
- Keep your older relative informed and included when there are problems in the family. Ask for opinions and ideas about handling family issues.

- Encourage your older relative to reach out to other residents. For example, they might write letters for a resident or read to one who is blind.
- Share family photographs. Read and share letters together from other family members.
- Bring in useful things your older relative is allowed to have, such as books, magazines, a television (with the option of a private earphone), radio, DVD player, or tape recorder.
- Be sensitive to your older relative's feelings, especially on significant anniversaries, such as the death of a spouse.
- Remember special occasions, such as holidays or your older relative's birthday, with a visit, a call, or a gift.
- Call regularly, even on the days you have visited your older relative.

### Involve the staff when you visit

Sharing stories and information about your older relative with staff members can help make their relationship with your older relative more personal. When family members recognize and appreciate staff efforts, the staff members are more motivated to meet an older person's special needs. If you or your older relative have a problem or are dissatisfied, talk to the nursing home administrator or the social worker.

## UNDERSTANDING YOUR RELATIVE'S FINANCIAL PICTURE

Whether your relative stays home or pursues other housing and care options, there will still be costs involved. Depending on your relative's health and ability, you may have to step in to help out with a variety of financial needs. Given such circumstances, it will become important for you to gain a better understanding of your relative's finances.

### Trusts and gifts

Some older people choose to put their property in trust for the benefit of others, or sometimes themselves. Trusts are best established through an attorney who can help specify what assets are to be held in trust and the conditions under which they can be used. Rules about trusts are complicated and subject to change. Trusts take time to administer and cost money. The trustee must file reports, pay taxes, and manage and distribute income. The trustee may also have to attend to the assets and oversee property.

Older people may also choose to give a portion of their assets away to relatives, friends, organizations, or institutions. There may be tax liabilities for both the older person and the recipient, so consult an attorney about such gifts before they are made.

**Getting a comprehensive picture of your relative's finances can be a lot easier if you have a partner. See if there is anyone in your family who is willing to help you sift through important financial information.**

### Acting on behalf of your older relative

It may become necessary to act on behalf of an older relative who cannot take care of his or her own affairs. This might be a temporary situation, caused by a temporary disability or period of recuperation. It might be a permanent situation if your older relative is severely disabled or no longer mentally competent.

You need legal authority to act on an older relative's behalf. Consider planning ahead for such a necessity. Speak with your older relative about how financial and medical situations should be handled in the future, even if your intervention isn't necessary at the moment. Include your older relative in consulting a trusted attorney about the kinds of documents it may be necessary to obtain.

Laws about financial and medical authority vary from state to state and can change. You may find that some options listed here aren't available where you live. In general, however, you and your older relative can establish the following kinds of authority over finances.

### Power of attorney

A power of attorney is a written document in which one person authorizes another to handle his or her financial or personal affairs. It is advisable to use a lawyer to set up a power of attorney. Once it is set up, a lawyer is not necessary to exercise the power of attorney or to act on your relative's behalf in the ways specifically authorized. Power of attorney can cover a single issue, such as the sale of a home, or a range of issues, such as making financial transactions. It can be confined to a limited time, such as a period of recuperation, or cover a longer period.

A standard or ordinary power of attorney is valid only as long as the person who uses it — your older relative, who is also called the principal — is considered competent. A durable power of attorney remains in effect even if your older relative becomes mentally incapacitated.

A power of attorney can be one of the most flexible legal options available to you. Another option, a medical power of attorney (described on page 13), is recognized in some states and can be important in making medical decisions for your older relative.

### Guardians and conservators

Guardianship and conservatorship are among the most powerful legal steps you can take to assume the management and care of your older relative. Guardians are appointed by a court of law to take over personal and financial decisions for a person who is incapacitated. When a court appoints a guardian, it usually takes away from the incapacitated person the right to make these decisions. The guardian isn't necessarily a relative. Sometimes it is an attorney who is known and trusted by the court.

Guardianship laws and degrees of control vary from state to state. In most states, a conservator takes over management of an incapacitated person's assets, including property, savings, and investments, but does not control personal affairs.

### Representative payee

Representative payees are eligible to receive your older relative's Social Security checks. This can be helpful if you are responsible for paying your older relative's bills. The local Social Security office can give you the necessary forms.

## PLANNING FOR HEALTH CARE COSTS

There are some basic questions that you should ask before an older relative needs care, such as:

- How much control do you want to have over the kind of care received?
- What are your relative's short- and long-term needs?
- Is enough cash being put aside to deal with care needs?
- Does your relative want insurance to cover potential expenses?

- What kind of government assistance is out there, and do you want to rely on it for your family's care?

Many of us don't even know what Medicaid and Medicare are, but learning about these programs could greatly impact your planning decisions and improve the quality of life for your family.

For example, Medicare is an insurance program offered by the government to all senior citizens; but Medicare does not cover many services such as long-term care. Medicaid is different from Medicare because it is based on financial need. In other words, your assets have to be below a certain level for you to qualify, and Medicaid dictates what kind of care is provided and where it will be administered so you will lose a certain amount of control.

Most of us tend to procrastinate, especially when dealing with an issue as complex and emotionally difficult as preparing for the declining health of an older relative. However, advance planning will give you a wider range of options to pay for care. If you have an older relative in need of immediate care and you haven't planned ahead, you may want to consult with an investment professional who can help you uncover the flexibility you still have. First, you should review your current situation. Although your relative may have what seems like enough assets, no one can predict how many years of care will be required. And with care costing upward of \$45,000 per year, a substantial amount of your older relative's savings could quickly disappear<sup>3</sup>. Because Medicare does not cover long-term care, you might wonder about Medicaid and whether there is a way for your older relative to qualify.

### **An investment strategy that may help your older relative manage long-term health care costs**

State regulations vary, but typically an individual must have no more than \$3,000 in assets to qualify for Medicaid<sup>3</sup>. Assets that do not count against this amount include a home, car, and up to \$75,000 in cash if the potential recipient has a healthy spouse. If your older relative has joint assets in excess of this amount, they might consider transferring or gifting the excess assets. It's important to remember that there is a five-year look back policy with Medicaid, which dictates that your older relative cannot simply give away all of his or her assets in order to qualify for Medicaid. With gifting, there are tax issues to consider as well.

<sup>3</sup> Source: "Choosing a nursing home" Health Pages ©1996-2002 ProAct Technologies Corp.

For married couples, where one spouse is still well, an investment planning strategy that may help manage health care costs and also provide for long-term needs involves purchasing an annuity. Your relative could transfer most of his or her assets into an immediate annuity payable to a healthy spouse. The annuity provides an option that is not subject to the five-year look back because assets are not being transferred or gifted. Instead, the assets are converted into an investment that benefits the annuitant (the healthy spouse) with payments that count as income. In the end, with the couple's assets depleted, your relative would qualify for Medicaid while preserving assets for future needs.

**Mapping out your older relative's financial future with your investment professional can help you determine which investment strategies to put in place.**

## **PAYING FOR HEALTH CARE COSTS**

There are several different ways to pay for an older relative's ongoing care. In some instances, you may even choose more than one method of payment. This section identifies payment options and also gives you an idea what kind of professionals can offer you valuable advice along the way.

### **Medicaid**

Medicaid, commonly referred to as medical assistance, provides health insurance for people who meet special financial eligibility guidelines. It is financed by the federal and state governments in part under the Social Security Act. Unlike Medicare, Medicaid pays for extended care in many nursing homes and other services and usually has no deductible or co-insurance charges.

Each state administers Medicaid programs differently, and eligibility requirements and benefits vary. All older people who receive Supplemental Security Income (SSI) are automatically eligible for Medicaid. (SSI is a federal program that ensures a minimum monthly income to people age 65 or older who are blind or disabled, and have limited income and resources.)

Each state sets income eligibility limits for Medicaid. In some states, Medicaid is available to people whose income would normally be too high to qualify for medical assistance, but whose medical expenses are so great that they reduce net

income to a level that meets state requirements. The process of using income and assets to meet medical expenses, and in that way become eligible for Medicaid, is called “spending down.”

## Medicare

Some types of medical care are covered by Medicare, some are covered only in part, and some are not covered at all.

Services of physicians are usually covered by Medicare. Some doctors, including radiologists, anesthesiologists, pathologists, and other specialists who are consulted by your doctor, may not actually see the patient. They still submit bills for their services, which must be paid, whether by your older relative or through your relative’s private insurance, Medicare, or Medicaid.

Dental care is rarely covered by Medicare, except for surgery on the jaw or facial bones.

Vision care is rarely covered by Medicare unless your older relative receives surgery or one of a few other limited services from an ophthalmologist.

Treatment by psychiatrists and psychologists is eligible for Medicare coverage, but benefits are limited.

Many hospitals have begun to offer physician referral services, which can help you find a primary care physician, a geriatrician, or a specialist who may have openings for new patients.

## Long-term care insurance

Long-term care insurance may pay for services not covered by Medicare or Medigap plans. This type of insurance is generally available to people age 50 to 79 who are not in failing health and who can take care of themselves. A few companies offer insurance to older and younger people as well.

The main benefit of long-term care insurance is that it protects personal assets against the risk of expensive care in the home, in assisted living, or in a nursing home. Without such insurance, a person who needs long-term nursing care must either pay for that care themselves or rely on Medicaid. If your relative has substantial assets, then long-term care insurance might be appropriate. Next, they will need to consider the cost of long-term care insurance.

Monthly premiums can be as high as \$100 to \$400 per month, depending on your relative’s age and the level of coverage, and these premiums may increase from year to year.

Before buying a policy, compare options from different companies to see which best meets your needs, in terms of both coverage and cost.

## Hospital stay insurance plans

Another kind of insurance pays a fixed amount for each day in the hospital. These plans are not Medicare or Medicare supplement plans and are not tied to specific benefits, except for days in the hospital. People choose this coverage for a number of reasons:

- to pay for services not covered by Medicare or Medigap plans, such as private rooms, private duty nursing, or personal comfort items
- to cover the added burdens hospitalization brings to others, such as spouses, who need the extra cash at home for transportation, medical supplies, or other needs
- to supply extra cash for the recuperation period

Usually payments are made directly to the older person regardless of their health insurance. However, they often require the beneficiary to file special claim forms and provide written documentation of the hospital stay. These policies expire unless premiums are paid regularly. If your older relative has such an insurance policy, check to see if it is up to date and whether you want to continue coverage.

## People who can help

Attorneys can advise you and your older relative about the laws in your relative’s state, help you design an estate plan, and prepare legal documents, including wills, living wills, powers of attorney, and trust instruments.

The local chapter of the American Bar Association can refer you to an attorney in your relative’s area. If your relative has little or no income, they may be eligible for free legal services funded under Title III of the Older Americans Act.

Investment professionals advise clients about a variety of financial issues, including budgets, investments, insurance, and planning for financial goals.

Accountants advise clients about ways to minimize income, gift, and estate tax payments. Some accountants may also serve as financial planners.

Insurance agents can help you evaluate the protection provided by your relative’s health, life, disability, long-term care, or other insurance. Many will recommend additional coverage.

## Health matters

Though guardians, conservators, and those holding powers of attorney are often called upon to act during serious illness, they should try to get a clear understanding from the older relative about what they should do if it is necessary to make a critical decision about medical care. If you are authorized to make decisions for your relative, spend time talking with them about what choices they might want you to make.

**Living wills or advance directives** — Some states allow older people to put in writing how they would like to be treated if they are near death and unable to communicate. Known as an advance directive or living will, this document helps guarantee that your older relative's wishes about care will be honored by doctors and family members. Laws about living wills vary from state to state.

**Medical power of attorney** — A medical power of attorney or health care proxy allows a specific family member to act on behalf of the older person to make decisions about medical care. The family member can use this power to remove unwanted care or to make sure that all available medical options are used.

**When it comes to your older relative's care, be careful not to take too much on your own shoulders. Find ways to share your burden and your worries, and to reach out for help and support. Just by talking about what you're going through, you can often defuse tension, and open yourself up to new and creative solutions you might not have thought of by yourself.**

## TIPS FOR CAREGIVERS

Caring for older relatives can be overwhelming, often leading to burnout. Many caregivers describe how they learned to cope and overcome their condition of burnout by taking better care of themselves. Here are some ideas from other caregivers that may help:

- Talk regularly with other family members to share your concerns, keep them up to date on your relative's condition, and to share the responsibilities for care.

- Keep in touch with friends. A sympathetic ear outside the family can help keep you from being overwhelmed.
- Join a caregiver support group. Often the most sympathetic and helpful people are those in a situation similar to our own.
- Accept the help that is offered and the assistance that is available to meet the needs of your family members.
- Make a list or start a file of the people, agencies, and organizations that can offer information, help, financing, or can direct you to services. Don't rely on your memory alone.
- Maintain a life outside of your caregiving role. Set aside time to enjoy a hobby, take classes, go out with friends, exercise, or do whatever else relaxes you and brings you pleasure.
- Don't expect that you will be able to do everything without help. Asking for help from outside the family — from friends, government programs, or social-service agencies — is not a sign of failure. It is an important step toward getting your older relative the right help.

## Services for family members who provide care

**Hospice services** — When a person is terminally ill, hospice services offer an alternative to regular hospital care. Their goal is to give individuals the chance to die with dignity and to provide support for their families. Some hospices offer this care in a home-like facility. Hospice organizations typically offer medical care, including medication, to keep the patient comfortable. (This comfort-focused care is called palliative care and is an alternative to traditional life prolonging or curative care.) Most hospices offer nursing care, homemaker services, home health care, and respite care, as well as family and individual counseling services. Hospice care is generally paid for by Medicare, Medicaid, or private health insurance (though it is not covered under all private health insurance policies). When a patient chooses hospice care with Medicare coverage, they give up their other Medicare coverage for treatment related to the illness. However, Medicare will continue to cover services unrelated to the illness.

**Respite care** — Respite care services give family members time away from their responsibilities — from a few hours to a few weeks — so they can go out, take a vacation, or spend time alone. Respite care is available through some social service agencies as well as through private organizations. In some cases, funding allows for a partial subsidy, but usually the

family pays the full cost of respite care. Care can be provided in your home or in a respite care facility. Some families advertise for a respite worker to come regularly or for a specific period, such as a two-week vacation. Some families reserve a bed in a nursing care facility in order to provide 24-hour care and supervision during a vacation or a weekend break from caregiving.

**Adult day care** — Adult day care programs give older people a place to go during the day for recreation, a noon meal, and social contact with others. They allow family members to work or attend to other needs during the day, knowing that their relatives are safe and well cared for. By offering family members time off from the responsibilities of caring for older relatives, they often allow older people with physical or psychological impairments to continue to live at home.

## EXPLORE ALL OF YOUR OPTIONS

As illustrated in this brochure, there are many ways that you can effectively prepare for the care of an older relative. The key is to start early. Talk with your relative, gain an understanding of their current needs, investigate all of the options for care, and work out a financial plan that works for both your relative and your family as a whole. After all, you want to make sure that your relative can receive the best and most appropriate care, while preserving as much of their financial legacy as possible.

## Get the support you need

Support is available for virtually every aspect and during most every stage of your relative's care. Because the care of an older relative is no small task, it is advisable that you seek out this support. Chances are, a variety of support services will free you up to concentrate more on your relationship with a relative and will also help everyone enjoy a better quality of life.

## Start today

As stated earlier, starting to plan for a relative's care today can help you ensure a smoother transition for your relative and may greatly reduce your burden over the long term. The suggestions included in this guide are a great way to begin.

## TAKE THE NEXT STEP

Call your investment professional today and schedule a meeting to review your older relative's financial plan. He or she can help you evaluate your relative's finances so that you can make decisions about your older relative's financial plan for potential expenses. Below is a list of goals you may want to work towards with the help of your investment professional:

- gaining a full understanding of your older relative's financial position
- taking inventory of your older relative's assets and liabilities
- knowing how and when to enroll your older relative in Medicare/Medicaid
- researching the best insurance options available
- understanding the benefits of having a power of attorney
- learning about nursing-home care

*Your financial advisor can direct you to a variety of additional Life Event Services resources. Feel free to contact them at any time.*

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK OR CREDIT UNION GUARANTEE • NOT A DEPOSIT • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY OR NCUA/NCUSIF

Wachovia Securities is the trade name used by two separate, registered broker-dealers and nonbank affiliates of Wachovia Corporation providing certain retail securities brokerage services: Wachovia Securities, LLC, Member NYSE/SIPC, and Wachovia Securities Financial Network, LLC, Member FINRA/SIPC. ©2008 Wachovia Securities, LLC 88108 0208-77922 2/08

MFS and Wachovia Securities do not provide legal, tax or accounting advice. Any statement contained in this communication (including any attachments) concerning U.S. tax matters, was not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code. This communication was written to support the promotion or marketing of the transaction(s) or matter(s) addressed. Clients of MFS and Wachovia Securities should obtain their own independent tax and legal advice based on their particular circumstances. This material was prepared by Ceridian Corporation's LifeWorks Services; accordingly, Ceridian Corporation (not MFS Fund Distributors, Inc. or Wachovia Securities) is solely responsible for the accuracy of the content. ©2006 Ceridian Corporation ©2006 MFS Investment Management®. MFS® investment products are offered through MFS Fund Distributors, Inc., 500 Boylston Street, Boston, MA 02116. HP-PARENTS-BRO-1/06 20Mo5-17373

## INFORMATION WORKSHEET

After you have talked through the issues with your family, identified the important problems, and thought about the kinds of help your older relative might need, prepare a summary of basic information. Use this worksheet to fill in information. Because every situation is different, you may need to include another page with additional information.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_

Date of Birth: \_\_\_\_\_  
Social Security number: \_\_\_\_\_

### HEALTH INSURANCE

Medicare/Medicaid: \_\_\_\_\_  
Policy number: \_\_\_\_\_  
Other insurer: \_\_\_\_\_  
Policy number: \_\_\_\_\_

### PRIMARY DOCTOR

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_

### OTHER DOCTOR(S)

Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_

### CLINIC OR HEALTH CENTER USED FOR TREATMENT

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Patient ID number: \_\_\_\_\_

### CLOSE FRIENDS/NEIGHBORS

Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Name: \_\_\_\_\_  
Telephone: \_\_\_\_\_

### MEDICATIONS (PRESCRIPTION/OTC)

Medicine: \_\_\_\_\_  
Dosage: \_\_\_\_\_  
Reason for taking: \_\_\_\_\_

Medicine: \_\_\_\_\_  
Dosage: \_\_\_\_\_  
Reason for taking: \_\_\_\_\_

Medicine: \_\_\_\_\_  
Dosage: \_\_\_\_\_  
Reason for taking: \_\_\_\_\_

Medicine: \_\_\_\_\_  
Dosage: \_\_\_\_\_  
Reason for taking: \_\_\_\_\_

Medicine: \_\_\_\_\_  
Dosage: \_\_\_\_\_  
Reason for taking: \_\_\_\_\_

### PHYSICAL IMPAIRMENTS

Impairment: \_\_\_\_\_  
\_\_\_\_\_

Adaptive devices: \_\_\_\_\_

Dietary requirements: \_\_\_\_\_  
\_\_\_\_\_