

# Eldercare: Caregiving, Nursing Home, Medicaid, Living Wills

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Elderly care is an event that most children do not wish to think about. No one wants to think about his or her parent growing old. We look to our parents for guidance and support, but there comes a time when the parenting roles reverse.

It is important to discuss future events with your loved ones and develop a long-term plan for their care for when they become unable to care for themselves. Developing an Eldercare checklist is a proactive way to ensure your loved ones whether parents or grandparents receive the level of care they need and services they want, or, in the case of artificial nutrition, they may not want.

There are several key points and strategies you will want to include on your Eldercare checklist:

1. What level of eldercare is needed, and where will this care be given?
2. How will you pay for the eldercare? The medical costs of eldercare.
3. What will be done with your parents' or grandparents' assets while they are receiving eldercare?
4. Are all legal documents including the Will and Living Will current? Have your parents' or grandparents' Wills and Living Wills been reviewed recently by an Attorney? What is an Advanced Financial Directive? What is an Advanced Medical Directive in eldercare estate planning?
5. Have your parents or grandparents designated a Durable Power of Attorney?

Making sure you have answers to these questions for your parents or grandparents eldercare early on will avoid confusion and distress later. Don't wait until there is a tragedy to make plans that will affect how your loved one spends the rest of their life. For the purposes of this article we will assume "loved one" to mean a parent or grandparent.

Where will eldercare be given, and by whom?

## **1. CAREGIVING AND ELDERCARE**

### **INFORMAL CAREGIVER**

There are two types of caregivers: informal and formal. An informal caregiver might be a spouse or child, and these caregivers do not receive direct payment for their services. Usually payment is made through services exchanged such as food or housing at no

charge while caring for your parent.

## FORMAL CAREGIVER

A formal caregiver is usually employed by an agency to provide quality care in the comfort of your home. If the formal caregiver is not associated with an agency, it is important to conduct a thorough check of references to ensure you are hiring a quality professional.

It is important to inform all formal caregivers of the responsibilities associated with your parent's needs. If your parent needs assistance in and out of a wheelchair, a hired caregiver should be able to perform this task without harm to your parent or to him/herself. To avoid injury to all persons involved, informal and formal caregivers should receive training on proper techniques for lifting and moving, proper use of bedpans, and how to maintain good hygiene for a parent confined to bed.

## LOCATION OF ELDERCARE FOR YOUR PARENTS

There are many options for the location of care provided. Most people would agree that living out their remaining years in the comfort of home is more appealing than living in a state facility. If your parent wishes to receive care in their home you can make home modifications, such as a wheelchair ramp or seat in the shower, to accommodate their changing needs. You can also hire a formal caregiver to come and assist your parent with daily activities such as bathing, eating, taking medications, or regular exercise.

## CONSIDERATIONS OF ASSISTED LIVING HOUSES OR NURSING HOMES

If it is not possible for your parent to remain at home, you can choose to place them in assisted living houses or a nursing home. Before placing your loved one in a facility, you should thoroughly check both the location and the staff. Make yourself familiar with required paperwork ahead of time to prevent delays when it comes time to move in, and, if possible, make several unannounced visits to oversee daily activities.

You should check if the facility is regulated by the state, and request to see any licenses they have for providing eldercare. Find out how the staff is trained and if they are required to have certification to work there. You should consider the cost of the facility and the living accommodations your parent will be provided.

Additional considerations when choosing a facility might be types of activities offered to residents and the quality and type of food provided. While no place will be perfect, you should choose a facility that makes your parent feel as comfortable as possible away from home.

## **2. MEDICAL COSTS OF ELDERCARE AND MEDICAID**

Not many insurance companies are willing to pay for long-term care. It is important to

check the details of your parent's policy and read the fine print for restrictions. For example, Medicare will not pay for long-term care but it will pay a very short-term benefit. However, Medicaid will pay for long-term care but only if your parent receives care in a Medicaid facility.

If you plan far enough ahead, you can begin setting aside money so you can afford to provide long-term care to your parent at home. You should consult a financial advisor or estate planner to go over your parent's bank statements and assets to determine how long their current funds will be able to provide medical care, and based on this assessment you can establish a savings plan to make up the difference needed for long-term eldercare. When figuring in additional savings you need, keep in mind that you will also need to continue paying any current bills your parent might have.

### **3. WHAT TO DO WITH YOUR PARENTS' ASSETS DURING ELDERCARE**

Before you rush off and put your parent's house on the market, make sure you have discussed where they want to receive their long-term care. It would be quite devastating for your parent to come home from a hospital stay to discover you had sold the house and moved their belongings into a nursing home.

You should also ask your estate planner or financial advisor which of your parent's accounts you should withdraw money from to help offset costs. Some accounts, such as annuities, carry penalties for early withdrawal and may require you to pay taxes on income earned through these accounts. Also, once you begin withdrawing money from an annuity you cannot stop payments.

### **LEGAL ISSUES OF ELDERCARE**

Hopefully, your parent has written a will and made you aware of its location. A Will should be reassessed by an Attorney every few years to make sure all the people listed as beneficiaries are still alive, and that your parent still wants them to receive a portion of their estate.

Moreover, your parents should have an irrevocable trust as part of their estate planning eldercare needs which will avoid the high expenses of probate, reduce estate taxes and possibly eliminate some earned income and your parents will gain the benefits of asset protection. Speak with a qualified and good estate planner such as Estate Street Partners who can guide you through this complex process.

### **4. IMPORTANCE OF LIVING WILL, ADVANCED FINANCIAL DIRECTIVE AND MEDICAL DIRECTIVE IN ELDERCARE ESTATE PLANNING**

You should also counsel your parents on drafting a Living Will in the event they are unable to speak for themselves. Learn more about Living Wills and Advanced Financial Directives and Advanced Medical Directives by going to our website. The Advanced Financial Directives and Advanced Medical Directives are extremely important in

eldercare estate planning when your parents cannot speak for themselves and will protect their financial and medical wishes.

## **5. DURABLE POWER OF ATTORNEY (DPOA) AND ELDERCARE ESTATE PLANNING**

You should know ahead of time where these documents are before an emergency arises to ensure that your parent's wishes are followed. Having a DPOA allows someone your parents trust to act on their behalf and make legal and financial decisions for them, including the transfer of valuable assets, if they become incapacitated.

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