

## Working with Elder Parents in Planning Financially For Their Long Term Care

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You may be taking care of elderly parents now or recognizing that possibility in the near future. According to a report from USATODAY/ABCNews/Gallup Poll, 41% of baby boomers are helping take care of elderly parents by providing some kind of personal help, financial assistance or both.

If financial and long term care planning has not been discussed previous to the need for care, the burden often falls on the caregiving family member. Decisions about how care will be paid for, who will be responsible for managing the estate as well as how the long term care will be given can cause stress and contention among family members.

It is best for parents and all family members to be involved in planning for future financial needs. The financial resources being used today could change drastically with the occurrence of a stroke, illness or onset of dementia.

In order to plan financially for long term care, you need to know what the costs are now and what they will be in the future.

Every year MetLife does a survey of long term care costs. Their 2010 survey shows that the average daily rate for private nursing home is \$229 which is up from \$219 in 2009. Assisted living monthly base rate cost rose to \$3,293 in 2010 from \$3131 in 2009. Home health aids average \$21 an hour. Planning financial needs can be very difficult, considering you do not know when long term care will be required or how long it will be needed.

You can determine what will be needed in certain living situations. Staying in your home for care may require professional home care assistance, travel accommodations to doctor appointments, help with shopping, meals, medical supplies and medication and possibly a 24-hour attendant. Even if a family member is doing most of the care, eventually professional care will be required or a move to a nursing home facility will be necessary.

When evaluating your present income and assets consider how they would work for future needs.

- What are my care options?
- What type of long-term care can I afford?
- If I stay at home how will I pay for care?
- Do I have to sell the house to pay for other living arrangements?
- Are there other financing alternatives?
- Do I have long term care insurance?
- Do I have life Insurance or the means to pay for a funeral and burial?
- Will my spouse be cared for financially?
- Should I do Medicaid planning?
- Do I have the legal documents that may be needed?

These are questions typically reviewed during a consultation with a Geriatric Care Manager. Knowing your needs and financial resources is paramount before making any long term care decisions. Working together, both parents and family members can ease the stress and burden of elder care needs.