

Caring For Aging Parents

360 Degrees of Financial Literacy



Making a decision regarding the care of older parents and relatives often can be a difficult and emotional one—but there are steps you can take to make your life (and theirs) a little easier.

TALK TO YOUR PARENTS

Ask them about their wishes and expectations. Discuss long-term care insurance, living arrangements, decisions regarding medical care, financial planning and estate planning.

PREPARE A PERSONAL DATA RECORD

Collect into one document all of the information you would need if your parents were to become incapacitated or die, or were to either transfer their assets to you or give you power of attorney. This includes financial information, legal documents, medical information and accounts, insurance policies and funeral and burial plans.

GET SUPPORT AND ADVICE

If you are concerned about your parents' mental or physical capacities, ask their doctor for a geriatric assessment. If you can't care for your parents yourself, seek guidance from a geriatric manager. If you do care for your parents yourself, support groups, adult day care and caregiver training are available to assist you.

EXPLORING LONG-TERM CARE

The issue of long-term care for your parents may seem a long way off, but it's closer than you think—and more common. Approximately 23 percent of Americans age 75 or older are in nursing homes. And it's estimated that an additional 7 million seniors will need some type of long-term care this year alone.

While some families are able to bring aging parents into their own homes, others are not. An alternative is to

purchase long-term care insurance to help cover all or part of the costs for in-home care or assisted living facilities.

THE BASICS

Generally, long-term care insurance helps pay for the care of an individual who can no longer independently perform the basic activities of daily living, such as bathing, dressing, eating and using the bathroom.

Cost and coverage vary with each plan and depend on many factors, including the age and health of the individual. Here are some hints for keeping long-term care costs under control:

Think Ahead and Buy While You're Young.

Before age 60, if possible.

Choose A Shorter Benefit Period.

In other words, limit the number of years your policy pays benefits.

Go With a Longer Elimination Period.

The higher the number of days you must receive long-term care services before the policy kicks in, the cheaper the premium.

Accept a Limited Benefit Amount.

Basically, you'll pay higher out-of-pocket costs to keep premiums low.

Let Uncle Sam Share the Cost.

Part of the insurance premium may be tax deductible as a medical expense, so be sure to check.

Buy Group Coverage.

Some employers offer this less expensive coverage.

Ask About Spousal Discounts.

Some insurers discount prices if both you and your spouse (or both of your parents) buy coverage.

Match the Age with the Need for Inflation Protection.

You can purchase an inflation rider to ensure your coverage keeps pace with rising costs.

HOUSING OPTIONS

When and if you are no longer able to care for your parents at home, or the services of a paid in-home caregiver become inadequate, other options include:

Assisted Living

These facilities usually offer rental rooms, housekeeping services, meals, social activities and transportation. The primary focus is social, not medical. They are often state licensed and serve seniors who need more help than independent living communities. Costs vary.

Nursing Home

These are always state-licensed facilities that offer 24-hour access to medical care at three levels—skilled nursing, intermediate care and custodial care. Nursing homes are expensive, so explore payment options—including personal savings, retirement plans, long-term care insurance and Medicaid.

