

Long Term Care Planning

Planning For The Unknown

When it comes to long-term care, it's often not "if" but "when."

It is estimated that about 70% of our population will require long-term care as they age. Unfortunately, Medicare only covers the cost of a limited stay in a nursing home, and will not pay for the average three or more years that is required for most individuals needing long-term care. With the costs of long-term care steadily rising each year, oftentimes imposing a significant financial burden on families, understanding your planning options before a future need arises is critical. We help individuals and families thoroughly assess the various options available, and assist them with appropriate legal planning to help preserve resources if government benefits are needed in the future for long-term care assistance.

Facts about Long-Term Care

What is long-term care? Long-term care is medical care or personal assistance provided by a caretaker or a facility for an extended period of time. How will I know long-term care is needed? A common standard for assessing whether long-term care is required is the ability to perform what is called "Activities of Daily Living" or ADLs. Some examples of ADLs are bathing, dressing, walking, cooking, and eating. If an individual is capable of performing most (or all) ADLs, they probably do not require long-term care assistance. What are some of the types of long-term care?

At-home options:

- **Family caregiving** – In-home care provided by family members, whether through an informal arrangement or a more formal contract for services.
- **Home healthcare** – Services provided by nurses, home health aides and other professional caregivers, ranging from medical services (e.g., prescription management, physical therapy, etc.) to personal care assistance with ADLs. These services can be offered on a periodic basis, up to full-time live-in care.

Long-term care facilities:

- **Continuing Care Retirement Communities (CCRC)** – CCRCs offer a "tiered approach" to long-term care for residents. Individuals often enter a CCRC while fully independent with a contractual assurance they will be able to "age in place" by

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moving from independent living, to assisted living, or nursing home care within the same community. While offering strong amenities and great flexibility, CCRCs generally are a private pay option for those who can afford the expense and are willing and able to plan in advance.

- **Assisted Living Facilities** – Assisted living facilities are focused on supporting residents with ADLs, and may offer limited medical supports such as medication management.
- **Nursing Homes** – Nursing homes offer care to residents needing more intensive custodial supports. In addition to help with ADLs, nursing homes provide comprehensive, around-the-clock care and monitoring.

How is long-term care paid for? Most formal long-term care arrangements, whether in the home or in an institution, are paid for through a combination of personal wealth, insurance, federal and state assistance programs, and/or social and charitable organizations. As the cost of long-term care continues to rise, covering expenses through long-term care insurance may be an attractive option and advance planning is needed for underwriting purposes. Early planning is key.

Our approach to long-term care planning:

- While long-term care planning encompasses certain common themes, our first step in helping clients always begins with sitting down with individuals and/or their families in order to listen to their specific concerns.
- Recognizing that each client's circumstances are unique, we focus on developing a clear understanding of the client's medical needs, financial resources, community supports, and specific goals for the future.
- With that foundational understanding and our legal knowledge of the various options available, we focus our efforts on educating clients and their families so they can make the best-informed decisions.
- Once the overall planning objectives are finalized, we design and implement a plan which may include some or all of the following:
 - Updating estate planning documents
 - Identifying potential options for preserving assets, including through gifting to persons or an irrevocable trust
 - Protecting a spouse to the greatest extent possible, whether through a transfer of assets or shifting of income from one spouse to another
 - Transferring a home to a caregiver child, or protecting assets for a family member with disabilities through use of a special needs trust

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- Identifying options for meeting a Medicaid “spend down”
- Handling a Medicaid application from start to finish for the payment of nursing home expenses or home care assistance
- Reviewing and advising on the terms of a CCRC or assisted living contract
- Drafting long-term care agreements for the payment of family members to provide in-home care