

Paying Out-of-Pocket for Long-term Care

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The HouseWorks Perspective

- Almost two decades of experience operating a large private home care company; currently employs 300+ Associates (home health aides) and serves close to 250 clients per week.
- First-hand personal and professional understanding of what customers (the adult child) wants and will purchase.
- Have seen over and over that adult children want to avoid the challenges their parents experienced, and will do everything in their power to have control over how they age.
- Firmly believe that the integration of technology and service is absolutely necessary to manage the ‘silver tsunami.’ It won’t work if we all create separate aging-in-place solutions.

Overview

Adult children and their parents have no idea how much money they need to save for out-of-pocket long-term care services. Everyone refuses to talk about it.

Financial planners and other professionals find it difficult to facilitate conversations and estimate costs, as there are so many variables that affect the bottom line.

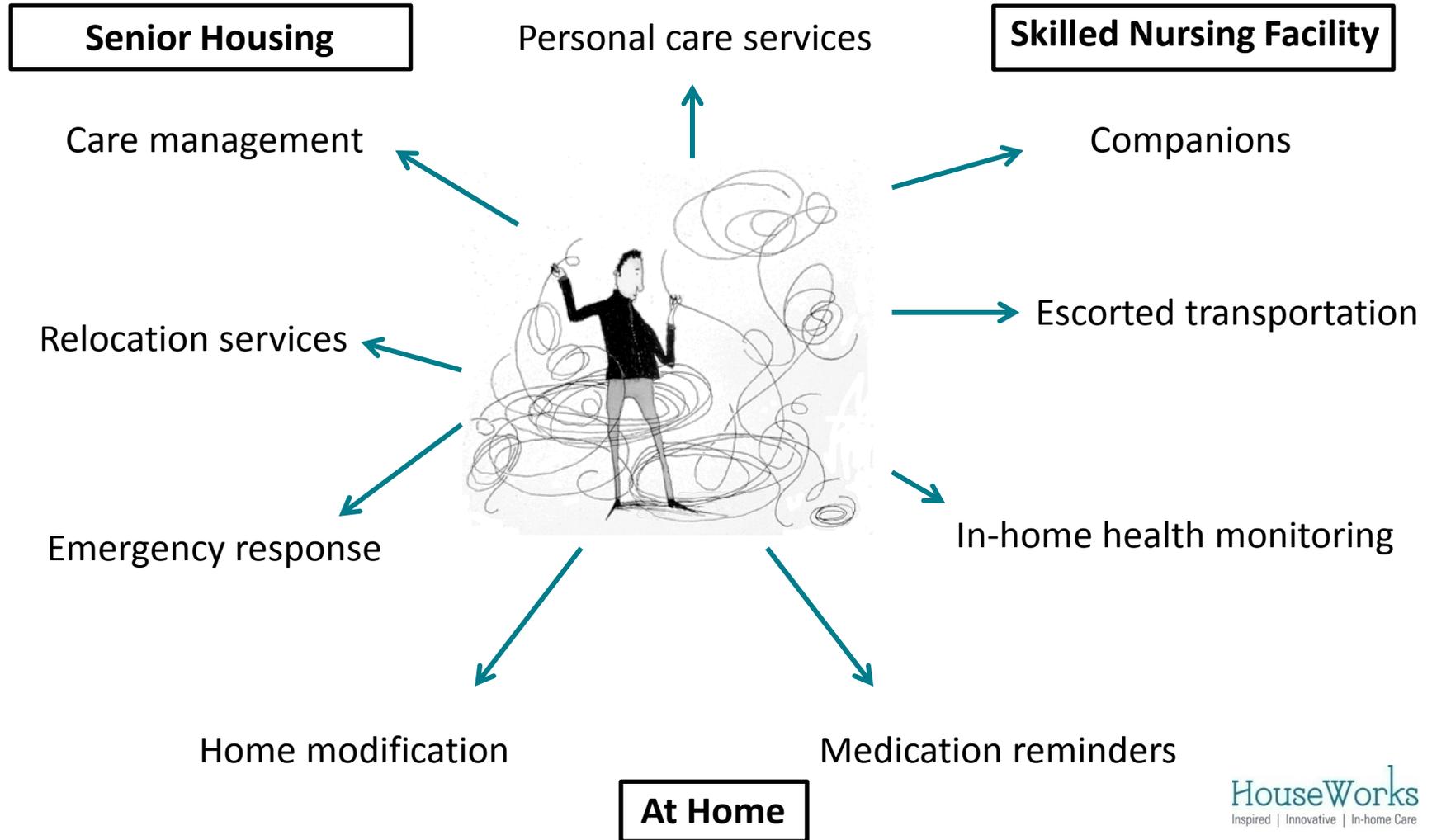




"Your husband is lucky to have you to take care of him at home, Mrs. Jacobs."

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Out-of-Pocket Spending





How Much Do These Services Cost

First, know that chronic care needs are **NOT** covered by Medicare or other third party insurance.

Individuals with chronic illness are likely to pay significant out-of-pocket expenses for long-term care services.



B. Smaller

"It's fine to discover cures, but, remember, chronic conditions are our bread and butter."



How Much Do These Services Cost

It depends on the setting

Basic Choices

1. Stay home and bring in services that support aging in community.
2. Move to housing with built in support and services.
3. A combination of 1 & 2.



How Much Do These Services Cost

It depends on where you live + the level of care

- At home?
 - In assisted living?
 - In a skilled nursing facility?

You can't make assumptions about the relative cost of each setting without considering the LEVEL OF CARE required.



How Much Do These Services Cost

Levels of Care

INTERMITTENT (16 hours of home care per week):

- May be isolated, lonely, and somewhat forgetful. Needs assistance with groceries, errands, transportation, and housekeeping, while trying to remain fiercely independent. Can be left alone – but not for long periods of time.

DAILY (40 hours of home care per week):

- Needs help getting dressed, showering, and making meals. Must be reminded to take medications. Can get easily confused. Usually sleeps at night and is able to be left alone—but only for very brief periods of time. Beginning to realize help is actually needed but tries hard to remain as independent as possible.

CONTINUOUS (24/7 care):

- Requires round-the-clock “awake” care. Needs total assistance with getting in and out of bed, personal care, and household needs. May be unable to communicate, anxious, and is unable to be left alone.

How Much Do These Services Cost

	Home	ALF	SNF
Intermittent (16 hours/week)	\$23K plus household expenses	\$95K	\$155K
Daily (40 hours/week)	\$58K plus household expenses	\$133K	\$155K
Continuous (24 hours x 7days/week)	\$245K plus household expenses	\$319K	\$155K

- Personal care assistance based on \$28/hour
- ALF - \$6,200/month; 7 hours of personal care assistance a week included in cost. Additional services are extra.
- SNF (private room) - \$425/day

*Costs based on prices in Boston Metro area



Keep in Mind....

- Regardless of the cost, seniors who require daily or continuous care cannot stay at home without reliable home care services.
- Seniors who reside in assisted living facilities and require continuous care from private aides often pay for included services they no longer use.
- A skilled nursing facility is the most cost-effective option for seniors requiring continuous care, but generally the least attractive.



It's Possible

Get good advice by building a solid team

Put together a team that includes an **elder law attorney, financial planner, geriatric care manager** and **service providers**. As much as possible, be systematic in your approach and make informed and thoughtful decisions.

⚡ Avoid crisis planning ⚡