

# legal and financial planning

for alzheimer's disease

## Part 2: Financial Issues




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## legal and financial planning

### The importance of financial planning



Karen cares for her husband with dementia.

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## legal and financial planning

### Paying for care

- How do we meet our current expenses?
- What is the lowest level of care that might be needed?
- What is the highest level of care that might be needed?
- What financial resources do we have now that could pay for this range of care?
- What additional resources might we need?

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legal and financial planning  
 Personal resources



- Paying for care with personal resources could include:
  - Income from employment
  - Retirement plans
  - Savings and assets
  - Reverse mortgages
  - Long-term care insurance

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legal and financial planning  
 Reverse mortgages

- Designed to help those 62 and over convert equity in a home into income
- Advantages:
  - Social Security and Medicare benefits not affected
  - No income requirements or monthly payments
  - Money received is tax-free and can be used in any way
- Cautions:
  - Eligibility for other government programs may be affected
  - Closing costs and service fees can vary greatly
  - Sole homeowners who stay in assisted living or a nursing home for over a year must repay the balance of the loan, which may result in loss of the home

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legal and financial planning  
 Long-term care insurance

- Questions to ask:
  - Is Alzheimer's disease covered?
  - When can the person with dementia begin to collect benefits?
  - What is the daily benefit?
  - How long will benefits be paid, and is there a maximum lifetime payout?
  - What kinds of care will the policy cover?
  - Are there tax implications for receiving benefits?

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Federal tax deductions

- Possible deductible expenses:
  - Personal care items
  - Home improvements
  - In-home care
  - Nursing services
  - Assisted living
  - Nursing home care



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State tax deductions and credits



- State tax deductions and credits vary by state, but may include:
  - Deduction of medical expenses
  - Deduction of long-term care insurance premiums
  - Caregiver tax credit
  - Child and dependent care credit

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legal and financial planning  
Informal and formal care options



Melanie Chavin is Vice President, Program Services at the Alzheimer's Association's Greater Illinois Chapter.

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Informal care options

- Family members
- Friends
- Neighbors
- Faith communities
- Volunteer groups
- Use the Alzheimer's Association's *Care Team Calendar* to coordinate informal care




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Services through the Older Americans Act

- Older Americans Act authorizes funds for:
  - Supportive services
  - Nutrition services
  - Family caregiver support
  - Disease prevention and health promotion
- Accessible through Area Agencies on Aging (<http://www.eldercare.gov>)

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legal and financial planning  
Medicare vs. Medicaid: What's the difference?

Medicare	Medicaid
Government insurance program	Government assistance program
Age-based	Needs-based
Federally-administered	State-administered
Does not pay for long-term nursing home care	Does pay for long-term nursing home care

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 Medicare: Eligibility



Medicare is federal health insurance for:

- People 65 or older
- People under 65 with certain disabilities
- People of any age with End-Stage Renal Disease

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 Medicare

- Part A
  - Hospital insurance
- Part B
  - Medical insurance
- Part D
  - Prescription drug coverage



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 Medicare: Part A – Hospital insurance

- What's covered:
  - Inpatient care in hospitals
  - Skilled nursing care for short-term rehabilitation
  - Home health care
  - Hospice care
- How it works:
  - Automatically signed up at age 65, or
  - Under 65 after receiving SSDI for 24 months
  - In most cases, no premium
  - Co-payments, co-insurance, deductibles may apply

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Medicare: Part B – Medical insurance

- What's covered:
  - Physician services
  - Outpatient services such as lab tests and MRIs
  - Durable medical equipment (e.g., walkers)
  - Some preventive services
- How it works:
  - Automatically signed up at age 65, or
  - Under 65 after receiving SSDI for 24 months
  - Monthly premium
  - Co-payments, co-insurance, deductibles may apply

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Medicare – Parts A & B

- What's not covered?
  - Dental care
  - Dentures
  - Cosmetic surgery
  - Acupuncture
  - Hearing aids
  - Long-term care
    - Short-term rehabilitation covered
    - Custodial care not covered




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Medicare: Part D – Prescription drug coverage

- How it helps:
  - Covers and/or lowers cost of outpatient prescription drugs
  - Could help protect against higher costs in the future
- How it works:
  - Penalty is assessed for not enrolling unless proof of alternate coverage is provided
  - Part A or Part B required
  - Costs vary by premium, co-payments, deductibles, and drugs covered

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Medicare Advantage Plans – Part C



- Alternative to Medicare
- Combine Parts A, B, and usually D
- Monthly premiums vary
- Out-of-pocket costs vary

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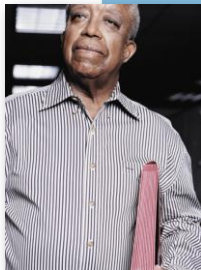
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State Health Insurance Counseling & Assistance Program (SHIP)

- Telephone counseling
- Face-to-face assistance
- Public education
- <https://www.shiptalk.org>



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Medigap (Medicare Supplement Insurance)



- Supplements Medicare
- Helps cover "gaps" not normally covered
- Not used with Medicare Advantage Plans

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What is Medicaid?

- Eligibility based on:
  - Medical need
  - Income and assets
- Payments made directly to providers
- Can cover long-term care
- Related programs:
  - Home- and community-based long-term care
  - Children's Health Insurance Plan (CHIP)

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Applying for Medicaid

- Low income is only one factor
- Spend down with caution
- Where to apply:
  - State Medicaid offices
  - Departments of Welfare
  - Departments of Health




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Utilizing Medicaid for nursing home care



- When researching nursing homes, ask:
  - Whether Medicaid is accepted
  - If the person might need to pay privately first
  - What happens when the person's resources are depleted

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Veterans benefits



Rosa cares for her husband with dementia.

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Veterans benefits

- Medical benefits package
- Health care insurance
- Service-connected disability income
- VA pension
- Aid and attendance benefit
- Housebound benefit
- Death pension
- Dependency and indemnity compensation
- Burial and final expenses



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Employment: Do a personal work assessment



- What are the essential functions of your job?
- What is easy to still do?
- What is difficult to do now?
- What types of accommodations would help you be successful?

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Younger-Onset: Social Security Disability benefits

- Eligibility based on:
  - Age
  - Employment history
  - Severity of disability
- Spouses and minor children may also be eligible
- Social Security Representative Payee should be person with Power of Attorney
- Compassionate Allowance Initiative helps those with younger-onset Alzheimer's

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Younger-Onset: Applying for SSDI



Marilyn has younger-onset Alzheimer's disease.

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Younger-Onset: Supplemental Security Income

- Eligibility based on:
  - Age/disability
  - Income/assets
- SSI and SSDI have the same disability criteria
- Employment history is not considered for SSI
- People who receive SSI might also be eligible for Medicaid

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The importance of planning early



Lisa has younger-onset Alzheimer's disease.

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Contact us - we can help

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- Alzheimer's Navigator
- Community Resource Finder
- ALZConnected
- Alzheimer's and Dementia Caregiver Center
- Safety Center

800.272.3900

- 24/7 Helpline – Available all day every day

alz.org/findus

- Support groups, education programs and more available in communities nationwide

training.alz.org

- Free online education programs available at training.alz.org

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Get involved



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carefamilyfuture legal and financial planning

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