

## Saving For That Rainy Day? Knowing When to Reach For Our Umbrella.

Long-term care is very expensive, actually much more costly than paying for the most expensive Ivy League College. Ask anyone who is paying for Nursing Home, Assisted Living or live-in care. In truth, with the average New Jersey monthly nursing home costing more than \$7500.00 a month, it is no surprise that regardless of the amount of savings someone has, if you live long enough and are unfortunately incapacitated for any extended period of time, eventually all your resources will become exhausted. AARP reports approximately 50% of older couples become impoverished after either spouse enters a nursing home. This number increases to 70% for widowed or single people.

No one is ever heard saying “Yippee! I have worked my entire life so that I can spend all my money on my care as a dependent, incapacitated, confused old person.” We don’t even hear the expression “ I am saving for a rainy day” anymore. Maybe we all face too many rainy days along the way.

More likely, when speaking of finances and our estates what is said is “ I want my grandchildren to benefit from all my hard work...” with the incorrect assumption that traditional insurance will somehow cover the cost of long-term care.

While it is fact that Medicare is available to nearly every American age 65 and older that has contributed to Social Security while employed, Medicare does not pay for chronic long-term care. Medicare has actually been a wonderful insurance that pays for Acute care needs. However it only pays for “Sub Acute” skilled nursing home level of care (now often called Subacute Rehab) for up to a maximum of 100 days. Even then, payment is dependent on very strict skilled guidelines. Therefore, Medicare can never be the answer to the long-term care financial dilemma. Contingency plans for long term care financing must be developed, hopefully prior to a crisis.

Many people confuse Medicare and Medicaid as funding sources for long term care simply because they are so similar in name. However they are distinctly different. Medicaid was designed in 1965 to pay for health care services for low-income individuals, which includes those who never had financial resources or those who no longer have sufficient assets

available. The federal government in 2006 made substantial changes to the Medicaid law specifically in the area of gifting and transferring assets. These changes left many older adults and their families with considerable challenges for financing long term care. The trick to remembering the difference between Medicare and Medicaid is that Medicaid is AID and therefore eligibility must be proven which is why it is an extremely stressful and cumbersome application process.

Today the primary payer of nursing home care is Medicaid, a program designed to pay for health care services primarily in a nursing home setting for those proven eligible and therefore entitled. In addition to Medicaid covering nursing home care, it can also pay for certain services for individuals living at home or for financially eligible individuals living in Assisted Living Facilities. The Assisted Living Waiver was originally approved in 1996 by the Health Care Financing Administration (HCFA), with New Jersey being one of a few states that has this program. This waiver was intended to help eligible individuals “age in place” rather than be cared for in a nursing facility.

While Medicaid can be the best payer source for long term care it only pays for individuals who meet strict financial and medical criteria. This is where many individuals and families have most difficulty...knowing where to find quality care, and when and how to pay for that care. The emotional realities of watching a loved one’s health decline, needing to find quality care available and make difficult decisions all converge on what recently a client called their “perfect storm” of long term care. Add to this the many different long-term care options now being marketed, navigating the maze has become very complicated.

Knowing WHO to trust, WHAT to do, WHERE to find the care necessary and HOW to proceed summarizes what most family feel.

There are solutions to these difficult problems. Beginning with a comprehensive assessment and identifications of care options, including the cost of that care, guidance and direction is available.

Elder Life Management advocates long term care planning for every adult, regardless of age. Without appropriate planning made in advance of incapacity, individuals are faced with the financial realities of paying for long term care services with their valuable assets, until such time that

Medicaid eligibility can be established. Only by being an educated consumer can we prepare for our future care needs.

For a free copy of the 2010 Medicaid Eligibility Guidelines please contact Elder Life Management at 732 493 8080.

### **TESTIMONIAL**

First and foremost I want to thank you for getting my Mom approved for Medicaid. I can't begin to tell you what a relief it is knowing that she will be taken care of for the rest of her life. I am forever grateful.

Matt G.  
Morganville, NJ

### **Dorothy's Story - Caregiver living at a distance**

Dorothy had been living the last 15 years in an apartment in Central N.J. Her closest surviving family member was a nephew who lived in California. Michael maintained regular contact with Dorothy, calling once a week and visiting at least once a year. Dorothy and Michael's mother were sisters. Dorothy was widowed many years and had no children.

During Michael's last visit he was very alarmed to see the decline in his aunt. Her apartment, which was always immaculate, was not clean. Her appearance that was always so neat had now changed, and she seemed so frail. Michael discovered by speaking with the management office at the apt complex that Dorothy was not always current with the rent. They actually told Michael that they were glad to see that Dorothy had someone who could help her. Michael spoke with Dorothy's physician who told him that she really shouldn't be living on her own any more and the recent emergency room visits due to falls were certainly of concern to Michael.

When Michael asked his aunt why didn't she tell him that she needed help when he called each week, her response was " I didn't want to worry you...what could you really do. You live so far away and I am not your

responsibility." She repeated what she had told the doctor in the past, that she would be alright and no, she didn't need any help.

Michael couldn't believe no one had contacted him, or that no one had intervened and gotten his aunt to agree to move or receive help. Everyone said they were so happy that he now was here.

Michael was at a loss as to what his next steps would be. He needed to return to work in California and had only 3 days remaining in New Jersey. The doctor had suggested a few facilities for him to visit. He also contacted the local office on aging and looked on the internet. Dorothy was beginning to see that she really would be happier not being so isolated in her apt, but was very concerned about what she would be able to afford.

One of the nursing homes Michael visited referred him to Elder Life Management. The admissions person at the facility told him ELM would be able to "put *all* the pieces together" by working directly with his aunt and coordinating what would be necessary to assure an appropriate care plan. Michael met with Judith Parnes, the Executive Director of Elder Life Management for an initial comprehensive consultation. An assessment of Dorothy's was subsequently completed, and Michael was able to return to California.

It was determined that Nursing home care was not necessary, and that Dorothy would do well in an assisted living setting. Elder Life Management took on the role of facilitating Dorothy's selection of the assisted living community. This included identifying which setting would accept Medicaid funding in the future, bringing Dorothy to see the places and assisting in her transition and adjustment. Dorothy returned to her apartment several times after her move to assure that she had all the possessions she wanted, prior to the remainder being donated to her favorite charity. Michael came back to NJ to visit his aunt in the Assisted Living Center two months later and couldn't believe that he had his "old Aunt back again."

Dorothy remains a client of Elder Life Management, being seen quarterly by a Care Manager and following up with the nephew. She has been hospitalized once resulting in a brief Sub Acute stay for rehabilitation, with ELM becoming more involved at that time. Elder Life Management filed the Medicaid application and assured its approval.

Michael believes that the assistance Elder Life Management provided has not only enhanced the quality of Dorothy's life but also his own. Dorothy continues to live comfortably in Assisted Living. And Michael can remain the caregiver at a distance, with Elder Life Management support.