IMPORTANT SLIDE INFORMATION

- **NAELA Members**
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    - Use of the NAELA logo is limited to active NAELA members only.
  - The slides were created to provide a foundation for presenting information on Estate Planning and Long Term Care Planning and **MAY NOT** provide accurate or current information for your specific state.
    - To ensure the accuracy of your presentation, you MUST update the contents of the slides with your state’s legal requirements.
Attorney Bio (example Rajiv Nagaich)

- Principal attorney at Johnson & Nagaich Law Firm
- Primary focus on Elder Law & Estate Planning issues
- Member Washington State Bar Association
- President Life Care Planning Law Firms Association
- Board Member National Academy of Elder Law Attorneys
- Former Adjunct Law Professor at Seattle University
- Board Member Rotary Club of Federal Way, WA
- Weekly Radio Talk Show Host: KTTH – Aging Options
Agenda

- Retirement Resources We Count On
- Shortcomings of the Resources
- Accessing Long Term Care
- Asset Preservation Planning Options & Benefits
- LifeCare Planning™ – Why You Need It
- Q & A – Please Hold Your Questions to End
The Retirement Resources

- Social Security
- Medicare
- Medicaid
No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years.
Policy Behind Medicare/Medicaid

- No longer will young families see their own incomes, and their own hopes, eaten away simply because they are carrying out their deep moral obligations to their parents, and to their uncles, and their aunts.
- And no longer will this Nation refuse the hand of justice to those who have given a lifetime of service and wisdom and labor to the progress of this progressive country.

Medicare/Medicaid Don’t Work Today

- We are living longer – but not necessarily living healthier
- One out of eight Americans over 65 has dementia related disabilities
- One out of every two Americans over 85 is dealing with dementia related disabilities

Source: Alzheimer’s Disease Facts and Figures, 2007, Alzheimer’s Association
Issues Created

- Managing Care Needs to maintain quality of life
- Financing long term care needs without going broke
Quality of Life

- Being in the least restrictive setting
  - Home, independent living, assisted living, adult family homes, boarding homes, nursing homes, hospitals

- Being safe
  - Avoiding innocent accidents

- Being physically comfortable
  - Having appropriate adaptive equipment, having the level of intervention that one voluntarily accepts, having self determination decision respected
Quality of Life

- Being around family and friends
  - Incapacity leaves one isolated, hard on family and friends, lack of understanding, lack of support, guilt, overwhelmed family members and friends

- Not being a burden to others
Financing Long Term Care

- Medicare
  - Covers acute care needs
  - Does not cover chronic care needs

- Where Medicare leaves off:
  - Private assets (including Long Term Care Insurance)
  - VA
  - Medicaid
Long Term Care Insurance

- The only form of private insurance
- Caution must be exercised
  - Rates will go up
  - Companies may go under
  - Must be able to afford it in retirement
Long Term Care Insurance

- What to buy
  - $250 per day or higher benefit
  - 6 month or longer elimination period
  - Cost of living adjustment rider
  - Right to hire own geriatric care manager
  - Right to hire family members
  - Highly rated company

- We can assist in procuring the policies
VA Benefits

- Aid and Attendance – non service connected disability*
  - Veteran: $1,645 per month
  - Spouse of Veteran: $1,057 per month
  - Married Veteran: $1,945 per month

- Service Connected disability
  - If 100% disability: over $7,000 per month

*http://www.canhr.org/factsheets/misc_fs/html/fs_aid_&_attendance.htm
Medicaid

- Means tested program
  - Requires you to be eligible
    - Married couples
    - Single individual

- Three qualifications:
  - Functional Eligibility test
  - Income test
  - Resource test
Functional Needs Test

- Nursing Homes
  - Semi private rooms
  - Limited personal care services

- COPES (Community Options Program Entry System)
  - In home CARE assessment conducted by DSHS
  - Between 0-184 hours per month
Income Test

- For nursing home qualification
  - Less than average private pay rate of a nursing home ($217 for 2009)
- For other than nursing home benefits under COPES
  - $2,022 for categorically needy status
  - Above $2,022 – medically needy status
Resource Test

- **Married Applicant:**
  - $2,000
  - Spouse of Applicant
    - House (any value)
    - One automobile (any value)
    - Between $74,820 and $109,560
    - Prepaid funeral plan (irrevocable and of reasonable value) – burial plots for family members
    - $1,500 cash value in life policy
    - Personal property (any value)

- **Single Applicant:**
  - $2,000
  - House (with equity of up to $500,000 [750,000 in some states])
  - One automobile (any value)
  - Prepaid funeral plan (irrevocable and of reasonable value) – burial plots for family members
  - $1,500 cash value in life policy
  - Personal property (any value)
  - **BUT** - Assets subject to state Medicaid lien
Medicaid Benefits

- Food, shelter and medicine
- Income used as deductible towards care costs; $55.45 / $60.78 / 90.00 per month personal needs allowance [state specific, changes annually – please update with your state’s requirements]
- All clients treated the same
  - DME
  - Semiprivate rooms
  - Limited personal care needs

What is missing?
Solution?

- Assess financial ability to cover long term care costs
- Evaluate pre-planning options
- Evaluate crisis planning options
Who Should Worry?

- Long Term Care cost worries plague middle class Americans
  - Between $50,000 and $1,500,000 in assets

- What can you do?
Pre-Crisis LifeCare Planning

- Legal Planning with Asset Preservation Planning in mind
  - Update estate plans
    - Special Needs Trusts in Wills
    - Revise Powers of Attorney
      - Gifting Powers
      - Care Management mandate
      - No authority to enter into arbitration agreements
Pre-Crisis LifeCare Planning

- Review Housing Options:
  - If moving, review contracts
    - Life time contracts with escape clauses
    - Lose ability to gift once contract signed
    - Arbitration Agreements
Crisis LifeCare Planning

- Care Assessment
  - Determine appropriate housing option and costs
  - Develop care plan
  - Placement
- Financing the costs
  - Medicare
  - VA
  - Medicaid
- Ongoing Care Management
LifeCare Planning System

- Asset Preservation
  - Blending private and public resources to optimize resources

- Tailored Care Plan
  - Of incapacitated individual
  - Of involved family members

- Under one roof
What You Can Do

- Schedule a Consultation Today
  - Learn about your family’s risk
  - Learn how Long Term Care Planning can help your family
  - If in crisis - learn what you can do to:
    - Preserve your loved one’s assets
    - Improve their quality of life
    - Reduce your own stress and anxiety
    - Increase your control
  - If not in crisis – learn what options you have now to avert a crisis planning session later