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Caring for Aging Parents & Loved Ones: Understanding Medical, Financial, and Legal Issues

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Have you ever wondered what would happen if you became disabled or needed long-term care? How would you pay for these services? Would you stay in your home or move into a facility?

If you haven't already planned for these items, you are not alone. Many people prefer not to think about the possibility of one day needing help with daily activities like bathing, dressing, and eating. However, a recent study by the U.S. Department of Health & Human Services projected 52% of Americans turning 65 today will develop a condition that will require long-term care services at some point in their lifetime. While you may not be able to control whether you will develop a need for long-term care, there are things you can do to prepare in case the need arises.

You will want to start by having basic estate documents in place. A durable financial power of attorney allows you to name an agent to act on your behalf for your financial affairs. This will ensure accessibility to your assets in case you are unable to take action yourself. A living will allows you to specify the kind of medical treatment you want (or don't want) to receive. A health care power of attorney allows you to name an agent to make medical decisions for you (if you are unable to communicate these decisions) and grants your agent authorization to obtain protected health information.

Next, consider where you want to live. Research different assisted living facilities and nursing homes to figure out where you would want to stay. Maybe a retirement community is the right fit for you. Many of these communities offer services ranging from independent living to nursing home care all on the same campus. If you prefer to stay in your home, are there modifications you can make now to ensure you can stay there as long as possible? Considering this now keeps you in control and will avoid having to make a rushed decision. It also protects your loved ones from having to make this decision on your behalf in the future.

Lastly, you should plan how you will pay for long-term care services as Medicare and private health insurance do not cover most of these costs. Medicaid covers long-term care services, but only if you meet income, resource, and other eligibility requirements. In the United States, most long-term care costs are paid out of pocket. Long term care insurance and certain hybrid life insurance policies can help to supplement some of the costs, but these policies usually come with high premiums. We encourage you to speak with your financial planner to organize a plan that make sense for you.

For more information, please see the Calendar of Events in this publication for our upcoming seminars or visit our website www.mybuckingham.com.