

Listen to the
free audio CD!

Oklahoma: Own Your Future



Planning Guide for Long-Term Care

- Planning Options for Your Future
- Resources Available for More Information
- Understand Long-Term Care Financing
- Healthy Aging and Staying at Home

To learn more about long-term care planning,
go to www.longtermcare.gov.

Introduction

Welcome to Own Your Future!

The keys to “Owning Your Future” are planning early and wisely, knowing your options, and taking action.

No one ever plans on needing assistance. This guide is designed to help you learn how to “own your future” by planning ahead for your future needs. Doing so may enable you to continue to live the lifestyle you have worked hard for all of your life.

Even if you requested this Planning Guide to help you learn more about how to care for a parent or other loved one, take time to consider how it might help YOU start planning ahead now – the sooner, the better. Planning well before you begin to need assistance provides you with more choices, now and in the future, and a greater ability to afford your choices.

Long-term care is about needing help for an extended period of time with various activities related to meeting your daily living needs. Developing a plan to meet those needs will help you to continue to live independently in a safe environment. As your needs grow from requiring help with everyday tasks to help with personal care, having a plan can make that transition easier and more affordable.

Putting a long-term care plan in place now can help you prepare for the future and preserve peace of mind. It can help you prevent being a burden on your loved ones, ensure you have choices when the time comes, and protect your hard earned assets.



The audio CD provided with this guide has stories of people who have started planning for long-term care. The CD gives you a chance to hear first-hand about some of the many planning options available to you. The best way to plan for long-term care depends on your personal and family circumstances, your finances, and your preferences. So listen to these personal stories and consider which options are best for you. Please turn to page 53 for a list of CD tracks.

This kit is a valuable tool for helping you prepare for the years ahead so that you can meet the future with dignity, independence, and control.

Table of Contents

- Understanding Long-Term Care**3
 - What is Long-Term Care?3
 - How Likely Are You to Need Long-Term Care?4
 - How Much Does Long-Term Care Cost Today?4
 - How Long Could I Need Long-Term Care?7
- Where Should I Start?**8
 - Begin by Understanding Your Health Issues8
 - Develop Your Written Plan.....9
- Lifestyle Planning**..... 11
 - Your Life, Your Choices 11
 - Steps You Can Take Now 13
- Where Will You Live?** 15
 - Staying at Home..... 15
 - Steps You Can Take Now 18
 - Moving to a More Suitable Environment 19
 - Steps You Can Take Now 21
- Who Will Care for You?**..... 22
 - Unpaid Caregivers 22
 - Community Resources: Programs and Services..... 24
 - Professional Caregivers 25
 - Steps You Can Take Now 26
- Financial Planning for Long-Term Care** 28
 - What Does Medicare Cover? 29
 - What Does SoonerCare Cover? 30
 - Paying Out of Your Own Pocket 31
 - Using the Equity in Your House 32
 - Steps You Can Take Now 35
- Understanding Long-Term Care Insurance** 36
 - How Does It Work? 36
 - Choosing the Coverage That is Right for You 38
 - What Does Long-Term Care Insurance Cost? 39
 - Is Long-Term Care Insurance Right for Me?..... 39

Understanding Long-Term Care Insurance (cont.)	
Be a Smart Shopper.....	40
Steps You Can Take Now	42
Long-Term Care Insurance Personal Worksheet	43
Oklahoma’s LTC Insurance Partnership Program.....	46
How Does the Long-Term Care Partnership Work?	46
Steps You Can Take Now	48
Legal and Estate Planning.....	49
Important Documents to Have In Place.....	49
Review Your Estate Plan.....	50
Steps You Can Take Now	51
For More Information.....	52

A note about the symbols used in this guide:



Means a computer website address.



Means a telephone number.



Means the audio CD that accompanies this planning guide

Note: The information included in this planning guide is intended for educational purposes only. You should work with your health, financial, legal advisors, and other professionals, in developing the various sections of your long-term care plan.

Understanding Long-Term Care

Most of us learn about long-term care the hard way, when we or a loved one need care.

What is Long-Term Care?

Basically it starts with needing assistance from someone for an extended period of time with activities that are a part of your daily living routine. It may start with needing help maintaining your home inside and outside, as well as your yard. Or, you may need help with such things as managing your finances, or making appointments and getting to them and home again, or help with shopping and meal preparation.

Later, the need for assistance may increase as chronic health conditions progressively reduce your ability to care for yourself safely. Or, you may need supervision due to health conditions that reduce your ability to make decisions or remember things.

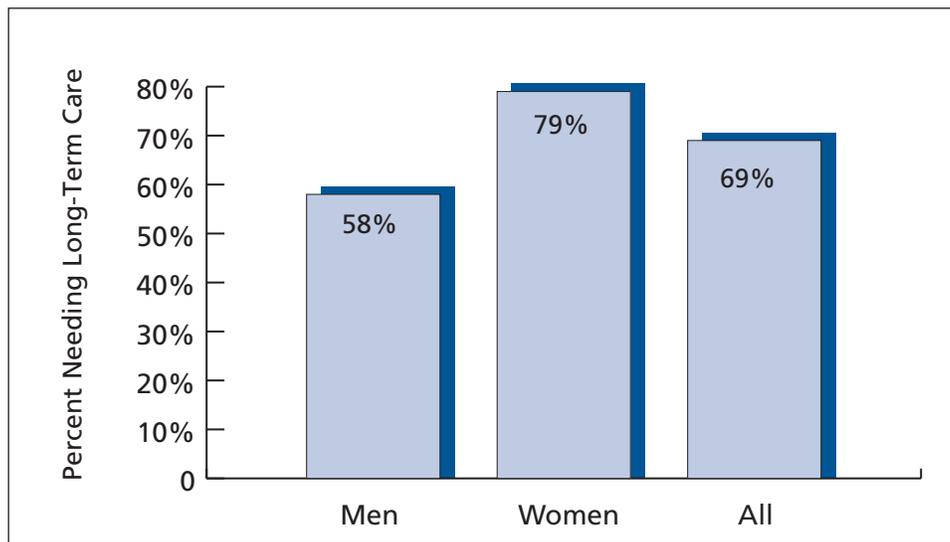
While family members and friends frequently help with the kinds of assistance needed early on, there often comes a point in time when professional help is needed. Family caregivers may not have the skills and knowledge needed to care for you safely, or they may not have the amount of time needed, or the stresses placed on them physically, emotionally, and financially may be too high.

By knowing ahead of time what can be involved with providing assistance to a loved one, you can put a plan into place that can help you start doing things now that can delay your need for assistance. Then, if and when you do need help, your plan can ensure that you continue to have a high quality of life.

How Likely Are You to Need Long-Term Care?

The risk of needing long-term care is high. Almost seven out of ten people turning 65 now will, at some point in their lives, need long-term care.

Risk of Needing Long-Term Care for Men and Women Turning 65 in 2005



Source: Kemper, Komisar, Alexih. Long-Term Care Over an Uncertain Future: What Can Current Retirees Expect? Inquiry 42:335-350, Winter 2005/2006.

While most people who need long-term care are in their 70s and 80s, young people also can require care as a result of accidents or long-term illnesses. **Nearly 40 percent of those currently receiving long-term care are between the ages of 18 and 64.**

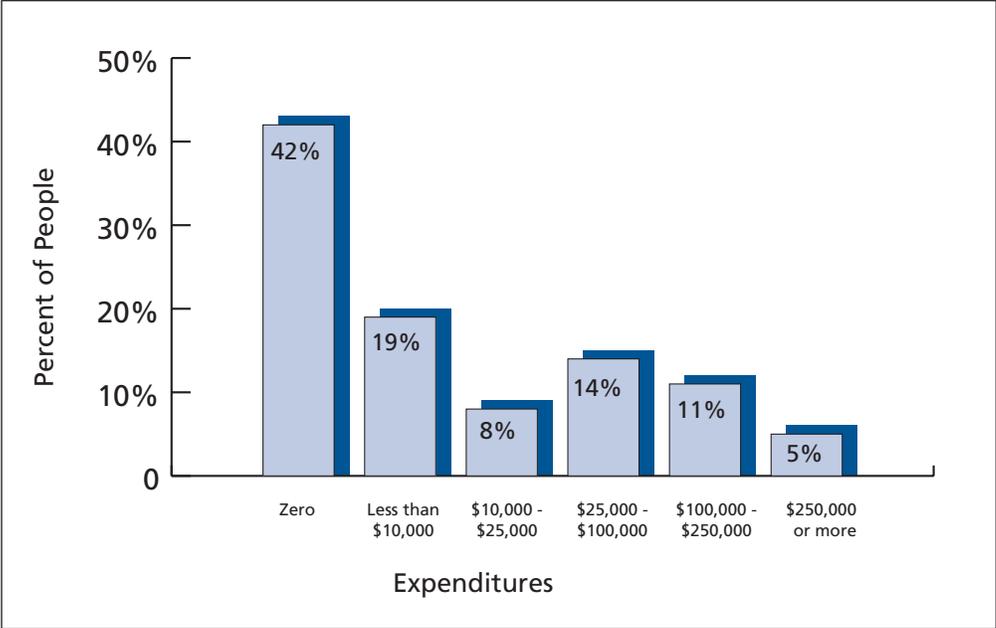
How Much Does Long-Term Care Cost Today?

Paying for care on your own is expensive – on average, a year in an Oklahoma nursing home costs from \$47,000 up to \$56,600. Expenses for care in assisted living average over \$26,500. Average hourly rates for care received at home in Oklahoma range

from \$19/hour for a state certified home health aide to \$30-\$55/hour for a Medicare certified home health aide. (Genworth, 2009 Cost of Care Survey)

The chart below shows how much someone who turned 65 in 2005 can expect to pay for long-term care over their lifetime. These represent direct out-of-pocket costs and are in today's dollars. Inflation is not factored into these figures.

Lifetime Long-Term Care Expenditures for People Turning 65 in 2005

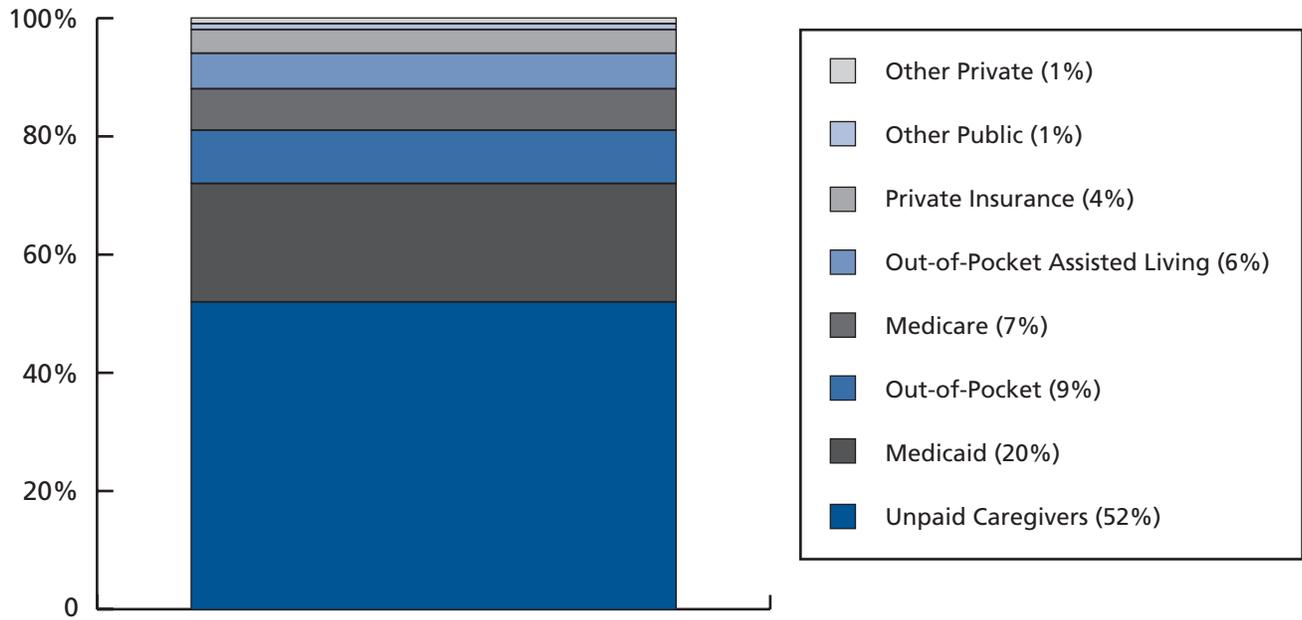


Source: Kemper, Komisar, Alexih. Long-Term Care Over an Uncertain Future: What Can Current Retirees Expect? Inquiry 42:335-350, Winter 2005/2006.

Long-term care can be a huge financial burden on your family. Nationally, the average total financial cost to a family member who provides care over a period of years is currently over \$600,000. This includes such factors as loss of wages from taking time away from work, reduction in employment benefits such as employer retirement plan contributions and contributions to Social Security, loss of promotions and/or better job opportunities, and out-of-pocket expenses that the family member pays for, among other things.

As shown in the chart below, when the true economic value of the services provided by family caregivers is taken into consideration, it represents over 50% of the total economic value of the cost of long-term care. Both direct costs and indirect costs are included in the graph below.

2004 Costs of Long-term Care Services Based on the Economic Value by Source

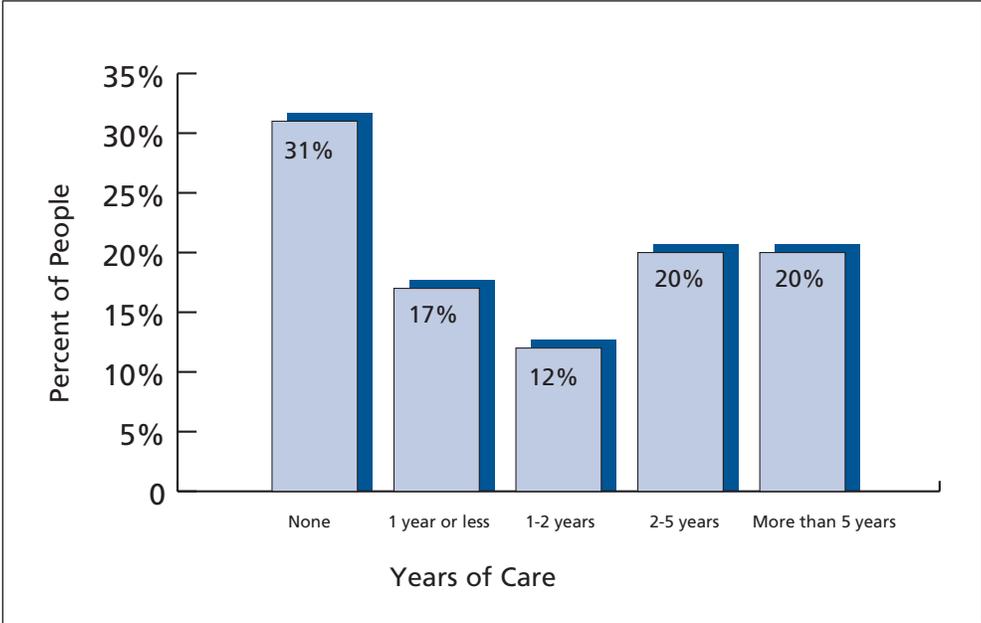


Source: "Financing Long-term Care, A Framework for America" AAHSA Finance Cabinet Study, July, 2006.

How Long Could I Need Long-Term Care?

While many people need long-term care services for only a short time, some require care for many years. The graph below shows the current average expected length of time that people will require long-term care services over their lifetimes. This includes all types of care that people might receive – care provided by family or friends, as well as paid services like home health care from a nurse or personal care aide, or care in a nursing home or an assisted living facility.

Lifetime Use of Long-Term Care for People Turning 65 in 2005
(Includes Both Paid and Unpaid Care)



Source: Kemper, Komisar, Alexih. Long-Term Care Over an Uncertain Future: What Can Current Retirees Expect? Inquiry 42:335-350, Winter 2005/2006.

Long-Term Care Plan

Section 1: Where Should I Start?

Many people don't plan for long-term care because they don't know where to begin.

Many people don't start planning until they are close to the time they need long-term care, and that is not the best way to plan. How you plan for long-term care depends on your age and life situation. While each person's situation is different, the younger you are when you start, the more choices you will have and the more affordable they will be.

Begin by Understanding Your Health Issues

Poor health is NOT an INEVITABLE consequence of aging.

This statement comes from a report by the Centers for Disease Control and Prevention titled "The State of Aging and Health in America, 2004". We all make choices about the lifestyles that we live and what behaviors we engage in. This report reveals that three behaviors – smoking, poor diet, and lack of physical activity – contribute to the development of a number of leading chronic diseases. According to a 2007 United Health Foundation Report, Oklahoma tied for sixth-worst state nationwide for the incidence of obesity and third-worst state for smoking.

The CDC report also advises that adopting healthier behaviors – a healthy diet, regular physical activity, a smoke-free lifestyle, and having regular medical screenings – can dramatically reduce the risk for most chronic diseases, which can reduce the potential for needing long-term care.

Work with your doctor to identify all of your current and potential health issues. Begin by listing all of the medications you currently take, if any, and what health conditions you take them for. Discuss with your doctor what potential future health conditions you may develop based on your current health status and your family health history. Find out if you already have or may develop one or more chronic diseases, and how each could increase your potential for needing assistance from others, and what kind of assistance that will be.

“I’ve never had health problems before. Now I have arthritis. I take medication, but would like to know more about how my diet and exercise can help me improve my health and potentially avoid or reduce further complications.”



Develop Your Written Plan

Very often family members and even spouses may not know any, let alone all, of the details of your health.

By putting the information you have gathered from your doctor into a written plan, you can provide details for each health condition you currently have to your family members when they need it. These details include the name of the health condition, the name of the doctor overseeing your care (address and telephone number) for each health issue, what medications you may be taking related to each condition (name of medicine, dosage, frequency for taking, pharmacy where you fill each prescription), and any information about insurance coverage. In addition to these basics, include information about how each health condition may progress as you grow older and how it might limit your ability to function independently. Also, include information about

what you are doing to manage your health issues. It can also be very helpful for you to provide this written information to each doctor who is involved in your health care.

Once you have evaluated your current and potential health issues, you can use that information to begin making decisions about the other sections of your plan. These should include:

- a prevention plan that includes changes you will make in your lifestyle to reduce your potential for needing long-term care,
- where you want to live if and when you require assistance,
- who will provide various types of assistance and be a part of your “support team”,
- what your choices are for paying for expenses related to long-term care,
- the legal documents that will enable your caregivers to make and carry out care decisions and implement plans, and
- your estate plan for preserving assets to pass on to your heirs and directing that distribution.

There may be other sections that you want to include in your plan depending on your unique situation. You may want to add a section that describes what your preferences are regarding your daily living habits and activities, and your living environment.

By having your plan in writing, your family and caregivers will have a guide as to what your wishes are for receiving whatever level of assistance you may need, if and when the time comes. It will give you a way to speak for yourself if for some reason you are not able to communicate your wishes. This is a good way to introduce the idea of long-term care to family members and to begin to discuss each section of your plan and what your wishes are.

To keep your plan accessible and organized, use a notebook and divide it into the various sections. This way you can make changes in your plan as needed and replace pages where changes are made or new information is added.

Section 2:

Lifestyle Planning

People who get regular exercise, don't smoke, and eat a healthy diet have 50 percent lower rates of disability than those who do not follow a healthy lifestyle.

Your Life, Your Choices

The scientific evidence is very strong. If you adopt a healthier lifestyle, your risk of developing one or more chronic conditions and related disabilities in your later years declines dramatically. Even if your lifestyle habits up until now have been less than ideal, it is never too late. Of course, not every disease or disabling condition can be prevented, but even small changes in your daily behaviors can improve your ability to function and delay the time when you will need assistance and/or long-term care services.

Eating healthy foods may lower your chances of getting life-shortening chronic diseases. Rather than “going on a diet”, put together an “eating plan” that lets you choose what healthy foods – fruits, vegetables, lean meats, whole grains, nuts, good fats, etc. – you like, and foods that work well with your health issues and medications. You may want to work with a professional nutritionist, your doctor or nurse, or use resources from your county extension office. Include your eating plan in Section 2 of your Long-term Care Plan notebook.

Modest, regular physical activity helps to control weight, contributes to healthy bones, muscles and joints, reduces falls, and helps to relieve the pain of arthritis. Physical activity also reduces symptoms of depression and stress, improves brain functioning, and can even reduce the risk of developing Alzheimer's disease or other forms of dementia.

Physical activity should include some type of aerobic activities to increase your heart rate, such as swimming, that are ok'd by your physician. Additional activities to strengthen all of your muscles, and to increase your flexibility and balance are also important. An exercise coach who works with older adults can be helpful in putting together a plan. See the resource list for information to use in writing your plan to increase your physical activities, including goals and how you are going to achieve them.

Activities to improve your brain functioning are also important. You may enjoy activities like reading, learning a new language or hobby, doing puzzles, or attending an adult education course. Look for puzzles in senior publications such as the AARP newsletter, your local newspaper, or look for software programs that you can buy or use at your local library. Include a list in your written plan of those activities that you enjoy doing and how often you do them.

There are many organizations to help with eliminating unhealthy behaviors such as smoking and overeating. Everyone recognizes that changing lifelong habits is not easy. Participation in a structured program of healthy aging has a higher chance of achieving permanent change than trying to do it on your own.



“You don’t have to be an Olympic runner. Walking is an excellent form of exercise for anyone over 21. The trick is to walk for at least 30 minutes, and at a healthy pace.”

Steps You Can Take Now

- Call your doctor's office and ask about taking advantage of health prevention benefits offered by Medicare and/or private health insurance, such as cancer screening tests, diabetes screening, comprehensive eye exams and blood pressure tests. Ask your doctor what shots you should receive (flu shot, pneumonia shot, shingles shot, etc) and how frequently you should have them.
- There are many community programs to help you stay physically active, manage a chronic illness, reduce the potential for falls, maintain proper nutrition, stop smoking, lose weight or manage substance abuse problems. In Oklahoma, you can find out about programs in your area by calling **1-800-211-2116** which will connect you to your local Area Agency on Aging.
- Contact your local senior center, community hospital, community center, parks and recreation facility or gym to find out what types of health-related and social activity programs they offer.
- Discuss your medications with your doctor or pharmacist. Ask about how each medication interacts with the other medications you are taking, and with food.
- Take steps to prevent falls. Use the checklists and information at the Web site link mentioned below. You may want to take part in a community program that addresses "fear of falling" – a common risk factor for falling.
- Stay active! Avoid isolation by getting together with friends or family, participating in community events, joining or continuing your involvement with social or religious organizations, volunteering, continuing or returning to work part-time.



For more information, consider the following websites with tips on healthy aging:

- National Institute on Aging: www.healthandage.com
- National Council on Aging: www.healthyagingprograms.org
- Exercise: A Guide from the National Institute on Aging: www.niapublications.org/exercisebook/exercisebook.asp
- Centers for Disease Control and Prevention's "Strong for Life": www.cdc.gov/aging

- First Step to Active Health: www.firststeptoactivehealth.com
- Medication Record Template: www.seniorcarepharmacist.com
- Tips on Using Your Medicines Wisely: www.seniorcarepharmacist.com
- Learn how to avoid falls:
www.cdc.gov/HomeandRecreationalSafety/Falls/index-pr.html
- Oklahoma Aging Division, Department of Human Services, Aging Division:
www.okdhs.org/programsandservices/docs/olderoklahomans.htm
- Healthy Oklahoma:
www.ok.gov/strongandhealthy/Strong_and_Healthy_Oklahoma
- Nutrition Data: www.nutritiondata.com

Section 3:

Where Will You Live?

Most people prefer to remain in the familiar surroundings of their own home for as long as possible when they get older. Yet, they also know that there may be a time when it may no longer be possible to do so. Couples should discuss this question very thoroughly. Discuss where you want to be while both of you are living, as well as, where the survivor would want to live after the other spouse is gone. Maintenance of your current home, both inside and outside, and the yard can be much more difficult and expensive for an individual.

Staying at Home

Homes that are easy to live in at age 40 or 50 can present problems later in life.

There are several things you can do to help you live independently and safely in your home as long as possible, even when you do need care.

Some changes to help you remain safely at home can be inexpensive, while other changes may be more involved and costly. Planning well ahead of time – before you need assistance from another person – will enable you to make changes gradually and to spread the costs over a longer period of time. People who are approaching retirement are looking at these issues and beginning to make changes before they retire, while they are still earning an income.

Home modifications can help you stay in your home longer

Modifying your home is an important option that can improve the safety of your living environment and help you safely perform such daily activities as bathing and

cooking without needing assistance. Home modifications may involve simply installing additional safety features in rooms like the bathroom (grab bars, chair height toilet, bathtub seating), kitchen (sink faucets with lever handles, control device to reduce hot water temperature at the tap), and other rooms (replacing door knobs with lever handles, adding handrails on walls).

Other modifications may involve structural remodeling to widen doorways and hallways, remove walls between rooms, convert a bathtub to a walk-in shower, or even add a bathroom and/or a bedroom on the first floor of a two-story home for someone who can no longer climb stairs.

Some home modifications may involve the installation of assistive technology systems such as a chair lift system on a stairway, or a home monitoring system to track an individual who may wander off. Appliances may be replaced with more technologically advanced appliances like an induction cook top surface that turns off automatically when left for a period of time. Many home modifications may also actually increase the value of your home.



“Making changes to our home over several years has made our lives a lot easier and safer. In addition, the value of our home has increased as a result. Our home is where our memories and our hearts are, and where we want to stay.”

Assistive technology can help you remain independent

There are many things we use that we don't think about being "assistive technology" such as eyeglasses, hearing aids, sound amplifiers, magnifying glasses, etc., but they are. Any device or piece of equipment that is used to improve how you do things is "assistive technology", and there are tens of thousands tools and gadgets. Assistive technology devices may be used for mobility (moving around), sensory (vision, hearing, speaking) improvement, daily living activities (eating, cooking, carrying, reaching, holding, manipulating), and/or safety/communication (emergency response systems) purposes. Additional uses may be in meeting recreational, educational and employment needs. In other words, assistive technology allows people to do things for themselves in all areas of their lives without help.

Assistive technology also includes items like an in-home hospital bed, walker or four-prong cane, a lifting device to move an immobile person from a bed to a chair, an electronic scooter chair, tub and wall grab bars, and other things that help a caregiver provide care more safely.

Selecting the right devices involves an assessment of the individual's ability to function in various settings, and then determining what devices or equipment would enable them to perform each function better and more safely. In Oklahoma, you can contact Oklahoma ABLE Tech in Stillwater for help with assistive technology needs. See the resource list for this section.

Both home modifications and assistive technology have the potential to enable people to remain in their own homes for their entire lifetimes. Resources are listed below that will help you to evaluate your own home and determine what modifications and/or technology devices or equipment may be appropriate for your health situation – now and in the future. Use the information you gathered in doing your health assessment to determine what you may need now, in the near future, and not for a period of time. Factor costs for both home modifications and assistive technology into your financial planning for long-term care.

Steps You Can Take Now

-  • Checklist of “items to review” to determine how suitable your current living situation is to meet your current needs: www.eldercare.gov
-  • Consider a medical emergency response system if you live alone: www.ftc.gov
-  • Find out about various assistive devices and in-home technology and how you can pay for these types of devices: www.eldercare.gov
-   • Oklahoma ABLE Tech in the Seretean Wellness Center on the Oklahoma State University campus is an excellent resource for help with both selecting and financing assistive technology devices and equipment. www.ok.gov/abletech or call **1-800-257-1705**.
-  • AARP has very useful resources for conducting a home assessment for modifications:
www.aarp.org/family/housing/articles/what_is_universal_design.html
-  • Harvard Medical School has a number of publications pertaining to older adults. One in particular is “Home Safety for Older Adults” and includes a home inventory:
www.health.harvard.edu/special_health_reports/home_safety_for_older_adults
-  • The National Directory of Home Modifications and Repair Programs:
www.usc.edu/dept/gero/nrcshhm/directory
-  • For help in locating a local contractor who is a Certified Aging-In-Place Specialist and has had training in counseling about home modifications, call the National Association of Home Builders at **1-800-368-5242**.



Listen to several tracks on the enclosed audio CD:

- Make sure your home remains a good fit
- Low income options for home modification and repair

Moving to a More Suitable Environment

Downsizing or a wish to reduce time spent on home maintenance often results in a move to a living environment that better matches the desired lifestyle.

You may decide that too many home modifications may be needed for you to live safely in your current home, or that the cost is more than you can afford. Or, you may be just as concerned about meeting your needs for quality social contacts as you are about the safety of your living environment. Whatever your reasons, you may simply choose to move to another living environment. There are a number of options for you to consider.

Generally the first change in living environment involves one or more of several decisions: 1) to move where certain services are provided such as housekeeping, maintenance of the outside of the building, and/or maintenance of the yard or grounds; 2) to downsize the amount of space you occupy (simplify space and possessions); 3) to move to a less expensive living environment; or 4) to move to an age-defined adult community of some type.

This move may be to a smaller residence of your own, to a duplex or four-plex, to a townhouse or condo, or to an apartment – any of which may be in a neighborhood where people of all ages live, or one that is designed as an adult neighborhood. These are independent living environments where no long-term care services are provided. You will pay to have long-term care services provided in your home by a home care agency or independent professionals.

A new independent living choice for which there is a growing demand, is a senior co-housing neighborhood. These focus on the concept of community involvement where neighbors help neighbors, and provide assistance that would normally be provided by family who for various reasons are not available. These can be good options for couples whose adult children live far away or are very busy with their own life commitments, and for single individuals who may not have family members available to assist them.

The residents who choose to live in these neighborhoods are involved in the community development process from the beginning. As a group, they choose the location, design the overall layout of the residences, design their living units, and establish their own community guidelines for shared activities. These neighborhoods include a “common house” where the residents have access to commonly used facilities like an exercise room, hobby rooms, and guest suites. They also hold social activities such as potluck suppers, movie nights, educational workshops – whatever they decide they would like to participate in as a group.

The types of residences can include free-standing homes, duplexes, four-plexes, condos or townhouses, or small apartment units. The residences frequently are designed so that people can age-in-place, as well as to be energy efficient and environmentally friendly. As demand increases for these living environments, more of them are being built and will be available.

One question to ask when looking at any living unit is whether or not they have been designed and built using “universal design” principals. Universal design results in housing that is appropriate for people with a wide range of functional capabilities. It can enable people to age-in-place rather than having to move again to an assisted living facility or a skilled nursing facility.

Another popular living environment is continuing care retirement communities (CCRCs). These are designed with independent living homes and apartments, assisted living wings or buildings, and skilled nursing wings or buildings. They may offer many options for dining services, leisure activities, recreational activities, and educational activities. The continuing care concept focuses on including living units that offer all levels of care from none to 24 hours a day.

Other senior communities offer only independent living or independent living with assisted living. The upfront one-time fees and on-going monthly fees for these communities vary widely, as do the rules for buying into and for leaving these communities. Review the contract thoroughly and make sure you fully understand it before signing.

There still are free-standing assisted living facilities and free-standing skilled nursing homes. Find out what types of assistance and care are provided at each of these facilities that you may be considering. A very important question to ask when considering these

facilities is whether they follow a “resident centered” model of care rather than the more-dated “medical facility centered” model of care. The Medicare Web site has an excellent section for comparing nursing homes, as well as home health care agencies in your local area.

One newer type of skilled care residence is referred to as a Green House® home. These represent a very different concept from the traditional nursing home. They are designed much like a home with a large open living room/dining room/kitchen area. There are generally 8 – 10 residents per house and each has a private bedroom and bathroom. The staff are designated to each house (do not “rotate”) so they get to know the residents very well. Residents can participate in menu selection and meal preparation if they are able to do so safely. The residents and staff eat meals together around a large dining room table. Residents have more control over their daily schedule. Additional information is available on the Green House® Web site.

Steps You Can Take Now



- An independent living assessment, which evaluates your ability to live independently, can be found at www.theindependentlivingassessment.com



- For information on Continuing Care Retirement Communities, start with the AARP Web site: www.aarp.org/families/housing_choices/other_options/a2004-02-26-retirementcommunity.html



- Information on universal design:
www.infinitec.org/live/homemodifications/basics.htm
www.design.ncsu.edu/cud/pubs_p/phousing.htm



- Compare nursing homes in your local area: www.medicare.gov



- Information on how to evaluate nursing homes and assisted living facilities:
assets.aarp.org/external_sites/caregiving/options/nursing_homes.html
assets.aarp.org/external_sites/caregiving/options/assisted_living.html
assets.aarp.org/external_sites/caregiving/options/comparing_facilities.html



- Learn more about Green House® skilled care homes and where they are currently located: www.ncbcapitalimpact.org/default.aspx?id=146



- Learn more about co-housing neighborhoods, and senior co-housing: www.seniorcohousing.org

Section 4:

Who Will Care for You?

Currently over 80% of the care provided to elders occurs at home and by family members and friends – who are known as “unpaid caregivers”.

You may have heard the expression that it “takes a community to raise a child”. Well, it also takes a community to care for our senior citizens. Answering the above question requires a lot of thought and discussion.

Many people say that “When the time comes, my adult children will take care of me. I’ll just move in with them!” Others say, “I do not want to be a burden to my family. I want to spend whatever time I have left enjoying my time with them.” Often the job of caregiving falls to family and friends by default. The need for care just happens, sometimes very quickly with no prior indication. Because no planning was done, the cost of providing care dictates who will provide it and where that care will happen.

Prior planning can help you determine what the best options are for your situation, and how to put together a “support team” that will result in the best possible quality of life for both you and your family and friends.

Unpaid Caregivers

The Family Caregiver Alliance reported that in Oklahoma alone during 2006 there were 370,000 caregivers who provided 400 million hours of care at a value of \$3.5 billion. These are your family and friends!

Rosalyn Carter's famous quote says it all - "There are only four kinds of people in the world – those who have been caregivers, those who are currently caregivers, those who will be caregivers and those who will need caregivers."

An excellent website to learn all about caregiving is the National Family Caregivers Association website. They provide information about who caregivers are, the impact of caregiving, caregiving and work, caregiving and health care, and the economics of caregiving.

Being a caregiver, especially the primary caregiver, can impact an individual's physical health, mental health, emotional health, and financial security. If your plan is to rely on your family and friends to provide all of your long-term care needs, a discussion with all of those persons who may be involved needs to happen NOW. There are many issues to consider and to talk about. Who is willing and able and has the time to take on these responsibilities? No one person should have 100% of your care burden. Caregiving requires a "team effort". How well do those who are willing and able to be your caregivers understand what can be involved and what demands will be placed on them? When being a caregiver lasts for years and years, even the most dedicated, loving people will experience the stresses associated with caregiving.

Elderly spouse caregivers, who themselves have a history of chronic illness and are experiencing caregiving related stress, have a 63% higher death rate than non-caregiving spouses.

Before you even get to the point of needing assistance from others and before you begin the discussion with those who may be involved, you should give a lot of thought to how you define independence (yours!) and quality of life (also yours!). How much control do you want to have over your daily living environment? How much control are you willing to hand over to your family members and friends? And then, how are you going to communicate this to your caregivers?

Initially, the need for assistance from others starts with such activities as housekeeping, maintaining the outside of your house, help with yard work, help with shopping, meal preparation, transportation to appointments and outside activities, and help with managing money. This kind of assistance may be easier for family and friends to provide, though you may prefer to have professional help with some of these activities.

Caregiving that is related to the physical needs of an individual can range from helping manage medications, monitoring food intake and nutrition, etc. to bathing, dressing, feeding, and assisting with going to the bathroom. Providing care at a more involved level requires knowledge and training. Do any of your family and friends have the appropriate training to safely provide higher levels of care?

Caregiving also involves meeting the emotional needs of an individual. Stress, and even depression, related to caregiving can occur for both the person receiving care and the person giving the care. Are family members and friends trained to recognize and deal with emotional needs? In addition, other needs that we all continue to have throughout our lives include social, spiritual, intellectual, and healthy living (nutrition and exercise).

What about managing your finances? Who is most capable to manage your income and pay your bills? Who is most capable of managing your investments and other property? Are the necessary legal documents in place to enable other people to make decisions for you if you are not able to make them yourself? At what point are you willing to pass control to someone else, and will that be your decision alone, a joint decision, or your caregivers' decision?

Community Resources: Programs and Services

 The knowledgeable staff at your **Area Agency on Aging** can help you explore these options and put you in contact with organizations, programs, and services in your community or area. Call **1-800-211-2116** to contact the Agency nearest you.

Also contact your County Health Department and your County Extension office (located in your county court house) to find out what information they may have. Check your city's Chamber of Commerce and /or Municipal (City) Hall for local services and programs.

Check with your local Council of Churches, if there is one. If not, contact each of the churches in your town to see if they have any volunteer programs. Also, contact your local high school – they frequently have organizations or classes that include volunteering and community out-reach activities.

Professional Caregivers

During your discussion with your family members, and before deciding who will take care of what responsibilities, find out what types of professionals and both licensed and non-licensed caregivers are available in your community.

Professionals may be licensed only by your state, or by your state and also be Medicare certified, or they may have licenses issued by a professional board or organization, such as Registered Nurses and Certified Nursing Assistants.

One of the first professionals you may want to visit with is a Professional Geriatric Care Manager. This person specializes in assisting aging seniors and their families with elder care concerns and long-term care issues. Among the services they perform are an assessment of the senior's situation, development of a care plan, and the implementation and supervision of that plan. They can give you a good idea of all of the types of professionals that may be involved in your care process based on your current (and potential) health issues, and how you can locate and evaluate the various professionals.

You should also contact several Home Health Care Agencies to find out the range of services that they provide, who they employ to provide those services and what kind of background check they do for each employee, and what the costs are for each of the services they offer.

In addition to professionals who provide health care services, there are a number of Home Health Aides who may not be certified professionals, but who provide services that are not considered skilled, such as housekeeping, meal preparation, companionship, transportation, and home and yard maintenance. They may be independent (self-employed) or work for a Home Health Care Agency.

Of course, assisted living facilities and skilled nursing facilities employ licensed professionals, non-licensed professionals, and non-professional workers. Asking lots of questions as to how these people are checked out before they are employed, as well as how they are evaluated is important in determining the quality of care you can expect to receive at one of these facilities. The Oklahoma Long-term Care Ombudsman program advocates for people receiving home care, assisted living and nursing home care.

Ombudsmen do not “police” nursing homes and home health agencies. Instead, they work with providers, residents, their families and other representatives to resolve problems and concerns.

Ombudsmen are advocates who provide a voice to the needs and preferences of clients. They link residents with services or agencies, offer advice on selecting long-term care providers, inform consumers about their rights and provide information and assistance with benefits and insurance.

Steps You Can Take Now

- Talk to your family about what will happen if you need help with everyday activities. Ideally, all family members should share their concerns, thoughts, and feelings.
- Think about whether moving in with other family members or sharing your home with someone else may be a viable option for you.
- Learn about your community’s services and programs and whether they are available at no or low cost. Explore resources and organizations in your local community to find out what is available.
- Contact your faith community to find out if they offer help with long-term care needs, such as transportation or companionship.



- Contact the **National Family Caregivers Association** for more information on how to talk with family or friends about long-term care. **1-800-896-3650**
www.thefamilycaregiver.org



- Learn more about caregiving at the website for the **National Alliance for Caregiving** www.caregiving.org



- Resources for caregiving services: www.familycaregiving101.com



- For information on providing support to individuals who are caring for a friend or loved one: www.eldercare.gov/Eldercare.NET/Public/Home.aspx check under Resources.



- For information on choosing long-term care services:
www.ahrq.gov



- Find out more about what a Geriatric Care Manager does and how one can help you at the website for the **National Association of Geriatric Care Managers**: www.caremanager.org



- Check out the Eldercare Locator website: www.eldercare.gov/Eldercare.NET



- Learn more about the Oklahoma Long-term Care Ombudsman program: www.okdhs.org/programsandservices/aging/ltc/



- Compare Home Health Care Agencies: www.medicare.gov



- Find out about a number of programs and services offered to older Oklahomans: www.okdhs.org/programsandservices/docs/olderoklahomans.htm



- Dial **211** for **Oklahoma Health and Human Services** Information on free and low-cost services through local government and non-profit agencies. **211** is a free call from any phone and is available 24 hours a day, every day.



Listen to several tracks on the enclosed audio CD:

- Decide who you can count on for help
- Learn what your community has to offer



“After my wife died, I didn’t know what would happen if I needed help. I love my kids, but I don’t want to live with them, and they probably don’t want to live with me either. We all talked and agreed on a plan. Between the help they can provide, and paying for some outside help, I think I’ll be just fine. But I’m glad we talked through it.”

Section 5: Financial Planning for Long-term Care

It will take a combination of resources to pay for your long-term care needs

An important part of long-term care planning is knowing how you are going to pay for the care you may need in the future. There are a number of ways to pay for care, and you should decide what financial plan works best for you.

Financial planning for long-term care includes understanding what kind of coverage is provided through federal and state programs, such as Medicare and SoonerCare, and what costs you will have to pay for yourself. Unless you qualify for SoonerCare, most of the costs for long-term care will have to be paid directly by you. In addition to SoonerCare, Oklahoma has programs and services that may be able to help you reduce your out-of-pocket costs.

This section covers financial planning for long-term care. A more detailed explanation of long-term care insurance is covered in the next section. There are many different financial products available, and you need to decide which product(s) best fit(s) your situation. There are also other ways to plan ahead for long-term care, other than buying long-term care insurance.

The most important consideration is to start planning when you are relatively young. If you wait until you are 70 or 80, it will be difficult to put aside the funds you need to protect yourself from the high costs of home care or care in an assisted living or skilled nursing facility. So make a plan today!

What Does Medicare Cover?

Medicare does not cover long-term care services.

That is why people need to take steps to protect themselves from the potentially catastrophic costs of long-term care. Medicare does cover some skilled nursing facility care, hospice care, and home health services, but only as described below.

- Medicare covers skilled nursing facility care in a semi-private room (after a 3-day minimum inpatient hospital stay for a related illness or injury) for up to 100 days in a benefit period.
- To qualify for Medicare coverage in a nursing facility, your doctor must certify that you need daily skilled care. Medicare does not cover personal care or custodial care including activities of daily living like bathing and dressing, if that is the only kind of care you need.
- If you qualify, Medicare pays the full cost of Medicare approved charges for skilled nursing facility care for the first 20 days. In 2009, you must pay \$133.50 per day for every day of coverage between days 21 and 100. You pay all costs for each day after day 100 in a benefit period.
- Medicare covers hospice care for people with a terminal illness who are expected to live 6 months or less. Coverage includes drugs, medical, nursing, social services and other support services from a Medicare-approved hospice, as well as other services not otherwise covered by Medicare (like grief counseling).
- Hospice care is usually given in your home (or other facility where you may live). Medicare may also cover some short-term inpatient stays (for pain and symptom management) and inpatient respite care (care given to a hospice patient so that the usual caregiver can rest).
- Medicare coverage of home health services is very limited and must be ordered by a physician. If you need constant skilled or personal care, the Medicare home health benefit does not cover you.
- Home health care services can only be provided by an agency specifically certified by Medicare.



“I always thought Medicare would pay for long-term care in case I needed it, but then I found out it didn’t. And I don’t want to have to rely on SoonerCare. I feel strongly about leaving something for my kids and grandkids.”

What Does SoonerCare Cover?

SoonerCare is Oklahoma’s Medicaid program.

The SoonerCare program is a major funding source for long-term care services. In FY 2007, the Medicaid program spent approximately \$109 billion nationwide (included federal and state expenditures) to support elderly and non-elderly people with long-term care needs.

In Oklahoma, federal and state expenditures were approximately \$1.18 billion for long-term services and supports. (The Henry J. Kaiser Family Foundation, www.statehealthfacts.org)



Information about SoonerCare:

- SoonerCare is a program that is jointly financed by the federal government and the state government.
- To qualify for SoonerCare, you must have limited resources. The financial criteria are strict. Income and Asset limitations apply. To find out if you may qualify for



SoonerCare, contact your county Department of Human Services office or call SoonerCare Helpline at **1-800-987-7767** for more information.

- Many people, when they start paying for long-term care services, do not qualify for SoonerCare. After they spend whatever resources they have and they meet the income limitation requirement, they then apply for SoonerCare coverage.
- Not everyone on SoonerCare necessarily gets all of the services they need. You may encounter long waiting lists for home and community-based services and/or a limit on the number of hours of personal care that you can receive due to limited state funding.

Paying Out of Your Own Pocket

It is almost impossible to estimate how much you may end up paying out of your own pocket for long-term care expenses.

As stated earlier in the section on understanding long-term care, the 2008 average cost of care in a nursing home in Oklahoma was between \$47,000 and \$56,000 a year. If you inflate that figure by an inflation rate of 5%, in twenty years the cost would be between \$124,700 and \$148,600 a year, and in 30 years the cost increases to between \$203,000 and \$242,000 per year. The average cost for assisted living today of \$26,500 increases to \$70,300 per year in 20 years and \$114,500 per year in 30 years.

Paying out of your own pocket will require that you use some or all of your income at that time, some or all of your assets at that time, or a combination of both. If you are still several years away from retiring, you should look very carefully at how much you will have accumulated by the time you retire through your employer retirement plan, your own retirement accounts such as IRAs and/or Roth IRAs, your savings and personal investments, and any other assets that you have acquired. You should also determine how much income you will have from Social Security and pension or other income, if any. Then consider what your wishes are for retirement and how you want to spend your time and money.

Setting aside assets to preserve them for potential future use to pay for home modifications, assistive technology, and long-term care services may not be something you have thought about previously.

If you are currently retired, then consider whether or not your current income and assets will be able to keep up with inflation. What impact will long-term care expenses have on your plans for the rest of your retirement?

Do you have particular goals for what you want to pass on to your heirs after you are gone? Are those goals flexible? Do you have assets you want to protect in order to pass them to your children, grandchildren, or other individuals? You may want to work with a professional financial planner and an estate planning attorney to develop a plan that will cover your potential long-term care needs.

Using the Equity in Your House

For many people the asset that they own with the greatest value is their home.

Using the equity that you have built up in your home depends on how long you have lived there, and whether or not you have borrowed against your home equity previously.

If you expect to stay in your current home for several years and don't have long-term care insurance, a reverse mortgage may be a potential option for financing long-term care. A reverse mortgage can pay for both immediate needs, as well as home modifications, so you can continue to live at home safely and comfortably.

A reverse mortgage is a special type of home equity loan that is available to homeowners age 62 and older. You receive cash against the equity of your home without selling it. You choose whether you want to receive a lump-sum payment, a monthly payment, or a line of credit. There are no restrictions on how you use the money you get from a reverse mortgage.

Unlike a traditional mortgage, a reverse mortgage does not require an income or credit history, and you make no monthly payments. Instead, the amount you owe, based on loan payouts and interest on the loan, increases over time. You do not have to repay the loan as long as you continue to live in the home. The loan comes due when you or the

last borrower (such as the remaining spouse) dies and the home is sold, or you move out of the home permanently. You or your heirs “keep the difference” if the home’s sale price is greater than the reverse mortgage loan balance when it’s time to repay the loan. Your heirs can also keep the family home if they repay the loan balance.

The total amount that you can borrow is based primarily on the age of the youngest homeowner, the value of the home, the type of reverse mortgage you select, and the current interest rate.

Reverse mortgages should include several important consumer protections:

- You continue to own your home and can never be forced to leave as long as you maintain the home, and pay property taxes and homeowners insurance.
- You must meet with a reverse mortgage counselor before your loan application can be processed or you incur any costs.
- You (or your heirs) will never owe more than the value of the home at the time you sell the home or repay the loan, even if the value of your home declines.
- Payouts you receive from a reverse mortgage are not taxable. They also do not affect your Social Security or Medicare benefits.

Sometimes a conventional home equity loan is a better option than a reverse mortgage, particularly if you are unsure how long you can continue to live at home.

Most people get a reverse mortgage through a traditional mortgage lender, like a bank. There are many reverse mortgage products available today, with different features, costs, and interest rate choices. As with any major purchase, it is best to shop around for the best deal. Study your options carefully before making any decisions.



“We love our home, and we put a lot of our savings into making improvements over the years. The way things worked out, our home is our primary financial asset right now. That’s why we started looking into a reverse mortgage as a way to pay for long-term care, should we need it.”

Additional things to consider regarding reverse mortgages:

- A reverse mortgage usually has significant upfront costs. Therefore, if there is a good chance you will be moving out of the home soon (for example, due to a health problem) it is not a good idea to take out a reverse mortgage.
- Reverse mortgage funds must first be used to pay off any existing mortgage or other debt against the home, and to make required home repairs. These expenses can greatly reduce the amount of the loan available to pay for long-term care costs.
- A reverse mortgage reduces your available home equity. A reverse mortgage with a large loan balance may limit your options if you decide you want to move at a later date.

Steps You Can Take Now

- Understand who owns your home. If you add children or grandchildren to the title, you may not be able to qualify for a reverse mortgage, since all homeowners have to be at least age 62.



- You can find a detailed overview of reverse mortgage loans, including a guide on how to compare your options and a calculator to estimate how much you can get from this type of loan at: www.aarp.org/money/revmort.



- The **National Reverse Mortgage Lenders Association** offers consumer publications, and a website with a reverse mortgage calculator. They can also help you to find a reverse mortgage lender in your state: www.reversemortgage.org.



Listen to several tracks on the enclosed audio CD:

- Focus on your finances

Section 6:

Understanding Long-Term Care Insurance

Whether to buy a long-term care (LTC) insurance policy is an important decision.

Purchasing an insurance policy transfers some of the risk of paying expenses out of your own pocket to the insurance company. Owning LTC insurance can help protect your assets, as well as protect your ability to have choices about your care, and lighten the caregiving load for your loved ones.

How Does it Work?

Long-term care insurance covers care in a nursing home, an assisted living facility, personal care in your home, and community services such as adult day care. You choose the type of coverage that is appropriate for you. Policies also include limited benefits for services such as caregiver training and home modification. Respite care is offered so that family members can have a break from care giving.

Generally, you receive benefits when a licensed health care practitioner (doctor, nurse, or social worker) certifies that you are eligible. Eligibility is determined when you meet certain criteria, and you are expected to need care for at least 90 days. That eligibility is determined in one of two ways: 1) needing substantial assistance with at least two Activities of Daily Living or 2) needing substantial supervision due to a cognitive impairment.

The **Activities of Daily Living** are:

1. bathing
2. eating
3. dressing
4. using the bathroom
5. incontinence and the related hygiene
6. moving from a bed to a chair or wheelchair

Substantial supervision and/or assistance generally require someone providing hands on assistance during an activity or being within arms' reach of the individual. It can include verbal prompting, gestures, and close observation.

Typically, there are two types of long term care insurance policies. The most common is called "reimbursement." This type of plan reimburses submitted expenses up to the benefit limits of the policy. There are also "indemnity" policies that pay cash up to purchased policy limits, and are not dependent on submitted expenses. Reimbursement policies are less expensive, but indemnity policies offer greater flexibility which is attractive for some buyers.



"I'm glad I included an assisted living benefit on my insurance policy. When I couldn't live on my own any longer, I moved in here, and my policy pays for over half the cost. If I didn't have insurance, I wouldn't have been able to move to a place this nice."

Policies vary from one insurance company to another—though the eligibility requirements and basic benefits are generally the same. Differences include the company ratings, costs, underwriting for certain health conditions, customer service, and available add-ons called riders.

Once you purchase a policy, you have a 30 day “free look” period to review it. Should you decide that you do not want your policy, you can cancel it for a full refund of premium.

While Long Term Care insurance may be vital to your plan for longevity, deciding what to purchase can be complex. It is wise to work with a long term care insurance specialist. Your agent can explain options and design a plan that meets your specific needs and budget.

Choosing the Coverage That Is Right for You

When you buy a policy, consider what amount of coverage you want and how long you want that coverage to last. Often people determine this by the average costs of care in their area. Your insurance specialist can help advise you on these costs, as well as, the average length of time care giving is required.

Policies generally pay up to a maximum amount for each day (or month) of care. If your care expenses are greater than what your benefits pay, then you will have to make up the differences from other sources. Some buyers want to purchase larger policies that will likely pay for most expenses. Others choose to insure for partial coverage. They understand this means they will have to “self insure” part of their care from income, savings, or other assets.

What Does Long-Term Insurance Cost?

There are many factors that determine the premium or cost of a policy; age and health at issue, daily benefit amount, length of coverage (aka maximum benefit multiplier), elimination period, inflation protection, facility choices (home, assisted living, nursing home), optional riders and discounts. Common discounts that may be available are for good health, more than one person applying at the same time (spouses, partners, or family members), group policies (employers or associations). You can customize the above factors to create the coverage and cost you are comfortable with. Be sure to consider the potential for future premium increases and your ability to manage those increases should they occur.

Your LTC insurance specialist can clearly explain these options, the cost and benefits of each. As a general rule, the annual premiums paid into a policy will be less than paying for just a few months of care out of your own pocket. Insuring your long-term care risk for a fraction of the cost of what LTC expenses may be makes financial sense for many people.

Is Long-Term Care Insurance Right for Me?

This is a very personal decision. Generally, financial planners recommend considering long-term care insurance if you:

- own total financial assets of at least \$75,000 (not including your home or your car);
- have annual retirement income of at least \$25,000 to \$35,000 for an individual or \$35,000 to \$50,000 for a couple;
- are able to pay premiums without financial difficulty;
- have a major financial goal to leave an inheritance to your children, grandchildren, or other heirs, including charities; or
- desire to have more choices about where and how your care will be received.

Some people buy long-term care insurance for reasons other than to protect income or assets. They also buy for peace of mind, greater independence, greater ability to receive care at home, and greater choice of care options. So, think about both the financial reasons and the care reasons as you consider purchasing LTC insurance.

Be A Smart Shopper

If you are considering buying long-term care insurance, here are some important consumer tips and some references for more information.

- Long-term care insurance is not a product you want to buy based on price alone.
- Shop carefully. Work with an agent who can compare companies' policies that are licensed and approved in Oklahoma.
- Don't be pressured into buying a policy out of fear or emotion. Make sure your financial situation indicates long-term care insurance will do what you need it to.
- Buy the amount of long-term care insurance that you can comfortably afford. Easing the burden on your family members and friends who may be your unpaid caregivers is invaluable.
- There is no "one-size-fits-all" policy. If the premium cost for the policy you are considering sounds "too good to be true" when compared to other plans, be wary. It may mean you are comparing "apples and oranges" or that a future rate increase is in store.
- It's important to ensure that your benefits keep pace with inflation. Have the options for including inflation protection explained very clearly to you.
- Choose a company with strong financial ratings, using A.M. Best or other rating services. Ask about the company's past rate increases and what percentage of claims they pay.
- Carefully read the Outline of Coverage (summary of benefits and exclusions) that companies are required to give you before they take your application.
- Beware of replacing existing coverage. If you already have long-term care coverage, it may not be in your best interests to switch, even if the new policy has some advantages. If you do decide to switch, NEVER cancel your existing policy until you are approved and issued coverage under the new plan.

- Make sure your application is completed carefully. Review all information for accuracy, and to make sure you've included all of the requested information. False or incomplete medical information could result in your coverage being cancelled or reduced, or in claims being denied.
- Carefully read your policy after you receive it. You have a 30-day "free look" period. If you aren't satisfied with your coverage, you can return it for a full premium refund within this 30-day time period.
- Once you have received your policy, make sure your family or friends know where your policy is, when premiums are due and how to submit claims. You will be asked to name at least one person beside yourself who is to receive notice of cancellation for nonpayment of premium. This is an important protection for you.



“We’re glad we took our time shopping for a policy. There were a lot of options out there that our insurance agent helped us to understand. But we ended up with a policy that provides us good coverage, yet with a monthly premium that won’t make us cut back on our lifestyle. We’re glad we took the time to compare several policies, we just wish we had bought earlier!”

Steps You Can Take Now

- Call your insurance agent or financial planner to discuss whether long-term care insurance is suitable for you and how it can fit into your long-term care plan.



- Use the Policy Comparison Checklist available from the National Association of Insurance Commissions (NAIC) to evaluate and compare the policies you might be considering. It is available for ordering from:

http://external-apps.naic.org/insprod/Consumer_info.jsp



- Contact the Oklahoma Senior Health Insurance Counseling Program toll free at **1-800-763-2828** or go to: [www.ok.gov/oid/Consumers/Information_for_Seniors/Senior_Health_Insurance_Counseling_Program_\(SHIP\)/index.html](http://www.ok.gov/oid/Consumers/Information_for_Seniors/Senior_Health_Insurance_Counseling_Program_(SHIP)/index.html). SHIP counselors can help you understand how long-term care insurance policies work, make sense of terms and phrases used in long-term care and long-term care insurance, explain other options available to pay for long-term care, and provide counseling and information on other health insurance issues for people on Medicare.



Listen to several tracks on the enclosed audio CD:

- Understand long-term care insurance
- Tips for buying long-term care insurance

Long-Term Care Insurance Personal Worksheet

These are some questions to ask yourself as you consider whether to purchase long-term care insurance.

YES NO

- It's important to me to be able to leave my estate for my spouse or children when I die. *Long-term care insurance can reduce the amount of your estate that is depleted by care expenses.*
- I have assets (investments or savings) which I would **not** want to use to pay for long-term care. *You would need between \$40,000 to \$60,000 in today's dollars and increasing at least by 5% every year to pay for your own long-term care bills for one year. You have to decide for yourself whether protecting your assets is worth the premiums you would pay to protect them.*
- If I had to go into a skilled nursing facility, I would **not** want to rely upon Medicaid to pay the bills. *If you plan on paying out of your own pocket, you should set aside assets to do so. Or, long-term care insurance may be the solution for you.*
- If I need long-term care, I would want to choose the specific nursing home or home health agency that I would use. *Most nursing homes limit the number of Medicaid recipients for whom they provide care, and provide only approved services.*
- I am unwilling to ask my children or other family members to pay for my long-term care. *Consider long-term care insurance in an amount to cover at least a percentage of your expenses.*

Although long-term care insurance may fit your goals, you should not buy it unless you can afford it out of your monthly income.

Income

Where will you get the money to pay monthly or annual premiums?

- Monthly Income Savings Family Members

What is your annual income?

- Under \$10,000 \$10-20,000 \$20-30,000 \$30-50,000 More

How do you expect your income to change over the next ten years?

- No Change Increase Decrease

If you will be paying premiums from your income, a rule of thumb is that you may not be able to afford a policy if the premiums will be more than 7% of your income.

Savings and Investments

If you buy a long-term care policy, you will probably have to pay premiums for many years, and premiums may increase over the years. Think about how changes in your financial situation (for example, retirement, changing interest rates, death of a partner) might affect your ability to pay premiums for long-term care insurance.

Not counting the value of your home, what is the approximate value of your assets (savings and investments)?

- Under \$20,000 \$20-30,000 \$30-50,000 Over \$50,000

How do you expect your assets to change over the next ten years?

- Stay about the same Increase Decrease

If you are thinking of buying a long-term care policy to protect your assets, and your assets are less than \$50,000, you may wish to consider other options for financing long-term care.

Risk Assessment

No one can predict the future. You *could* live to be 100 and never need a day of long-term care. Or a sudden stroke could cause you to need nursing home care for the rest of your life. Your chances of needing long-term care increase if:

YES NO

 My blood relatives tend to live into their eighties or older.

 I have heart problems, high blood pressure, diabetes or another chronic health problem, OR these problems run in my family. *Companies are unlikely to sell you a policy once you have received home care or nursing home care, or if you have a recent history of serious health problems.*

 I am female. *Women tend to live longer and use more long-term care than men.*

 I live alone and have no one who could help take care of me at home.

Congratulations! You have completed the worksheet.

Section 7:

Oklahoma's Long-Term Care Partnership Program

Oklahoma's Long-Term Care Partnership (OLTCP) is an alliance between the private insurance industry and our state government to help Oklahoma residents fund their future long-term needs without depleting all of their assets to pay for care. It is designed to encourage and reward Oklahomans for planning ahead for future LTC needs. Partnership and non-Partnership long term care insurance policies are virtually the same except that Partnership policies have the added benefit of allowing policyholders to protect a portion of their assets if they choose to apply for SoonerCare. Oklahoma residents, who need to apply for SoonerCare after using their Partnership policy, are allowed to keep assets equal to the amount paid on their behalf by their long term care insurance policy. Applicants must still meet level of care and income requirements to qualify for assistance from SoonerCare.

How Does the Long-Term Care Partnership Work?

For every dollar that an LTC Partnership insurance policy pays out in benefits, a dollar of personal assets can be protected (not included during the eligibility review or at estate recovery) if the insured applies for SoonerCare. This means amounts that would not be considered during the eligibility review to see if you qualify for SoonerCare or during the estate recovery process to collect the Medicaid funds expended on your LTC costs. In order to qualify for SoonerCare, one must also meet all guidelines set by the Oklahoma Health Care Authority. Limits apply to both assets and income.

For example, if an LTC Partnership policy holder with a \$200,000 policy uses all her insurance benefits and applies for SoonerCare, \$200,000 will be disregarded at the time her assets are reviewed for SoonerCare eligibility. This amount, plus the \$2,000

SoonerCare allowance, means that she will only have to spend her assets down to \$202,000 in order to meet SoonerCare's asset limit. Her income limits remain the same, and must be met prior to qualifying for SoonerCare. Oklahoma residents, who need to apply for SoonerCare after using up all the benefits of their Partnership policy, are allowed to keep assets equal to the amount paid on their behalf by their long-term care insurance policy.

All policies meet specific criteria for federal tax qualification and consumer protection provisions. They must also provide inflation protection. Inflation protection helps the policy's benefit amounts keep pace with the rising cost of LTC services.

The Oklahoma Department of Insurance (OID) must approve long term care insurance forms and rates. In addition, OID monitors company and agent conduct. These safeguards are in place to ensure the products meet partnership policy requirements. A number of Partnership products have been approved by OID.

Information identifying a policy as Partnership qualified is either included in the policy itself or attached to the policy. If you have any doubt, ask your insurance agent or call the insurance company. Partnership policies are priced roughly the same as non-Partnership policies that have similar benefit, policy, and inflation protection features.

If you have recently purchased a long-term care policy, you may be able to exchange your long-term care policy for an OLTCP policy, depending upon the policy. Check with your insurance agent.

Oklahoma participates in a national reciprocity agreement with other states. If you move out of Oklahoma to a state that participates in the reciprocity agreement, your policy retains its Partnership status. However, not all states participate in this national reciprocity agreement so you must first check with your new state's Department of Insurance or Medicaid department. In addition, you will need to meet all the Medicaid requirements for your new state of residence.

Oklahoma requires agents and brokers selling long-term care insurance, including Partnership products, to complete extensive training. Qualified agents will be listed on the agent referral sites at www.ok.gov/oid and www.okltcpartnership.com. Only qualified agents may sell the OLTCP policies.



Steps You Can Take Now



- For more information on Oklahoma's Partnership for Long-Term Care Insurance: www.okltcpartnership.org & www.ok.gov/oid/Consumers/OLTC.html
- Contact an insurance agent who has gone through the required training and ask about Partnership policies. Have them help you determine whether or not this kind of policy is appropriate for your circumstances.

Section 8:

Legal and Estate Planning

Part of your long-term care plan should include legal and estate planning. Many people don't take the few very simple steps needed to manage their legal affairs for the future.

Putting your legal affairs in order will give you peace of mind and make sure your wishes are followed even if you are physically or mentally unable to do so.

Think about what you want while you have time to think through the options. Discuss your preferences with your family. You should put your wishes in writing, just in case you cannot speak for yourself or lose the ability to make decisions on your own.

You buy insurance to prepare for moments you hope will never happen – doing so helps make sure you and your family are financially prepared. Advance directives offer a similar peace of mind that your preferences about healthcare and life-sustaining treatments will be honored.

Important Documents to Have In Place

Three types of advance directives are useful in achieving this goal:

- A **living will** describes the types of medical treatments you would or would not want if you become seriously or terminally ill. It is a document directing your doctor to withhold or withdraw certain types of life sustaining procedures that may prolong the dying process if you become terminally injured or ill.
- A **durable power of attorney for health care** names someone to make health care decisions for you if you are unable, in the judgment of one or more physicians, to make healthcare decisions. It becomes active only at that time.

- **Do-not-resuscitate (DNR)** is a written order that allows you to choose to what extent medical personnel may go to resuscitate you in the event of terminal condition.

Another important document to include in your planning is a durable power of attorney that enables the person named to manage your financial affairs if and when you are unable to do so. You should check with each institution where your money and/or investments are held to determine if that institution will accept the durable power of attorney that you have, or if they require that their own power of attorney be used. This enables the person that you have named to sell or buy investments for you, as you designate, or to pay bills and take care of any financial transactions.

This is especially important in regard to retirement accounts such as 401(k) and IRA accounts. These accounts can only be owned by individuals, and even spouses cannot implement any transactions without a durable power of attorney. If you are taking required minimum distributions from these accounts, having a durable power of attorney in force that the custodial company will accept is critical to enable someone else to manage those distributions.

Review Your Estate Plan

Meet with your estate planning attorney and review all of the different ways that you own your assets. Some assets may be individually owned or they may be owned jointly with another person either as joint tenants with rights of survivorship or as tenants in common. Ask your attorney how all of these assets can be managed if you are unable to take care of them yourself.

If you have established a revocable living trust, review what assets are actually owned by the trust. Review the person or people you have listed as co-trustees or successor trustees, and talk to them about what your wishes are if you cannot manage your assets yourself, and put this in writing.

Review any financial vehicles that have beneficiary designations to make sure these are up-to-date. The most common products are life insurance policies, annuities, retirement plans, and IRAs. Check with each company from which you purchased these products

and determine what procedures must be followed to manage them if you are unable to do so. Review life insurance policies to ensure you have sufficient coverage for your surviving family members to take care of themselves when you are gone. Also, review your medical insurance or Medicare coverage to find out what services or equipment or devices they will pay for and under what circumstances.

Talk with your attorney about what your wishes are if you become unable to manage your affairs yourself, and what your wishes are for the distribution of your assets after your death. There are times when these wishes may conflict with each other, and you may have to decide which are more important.

Visit with a financial planner to find out how long-term care costs may affect your retirement income's ability to cover your normal expenses. Ask about how one spouse needing long-term care may alter the income available for the healthy spouse.

Steps You Can Take Now



- For detailed information about Advance Directives:
www.nlm.nih.gov/medlineplus/advancedirectives.html



- Obtain printable advance directive and living will forms, listed by state:
www.uslivingwillregistry.com/forms.shtm



- Another Web site with forms and additional definitions and information about living wills and medical power of attorney forms:
<http://www.nlm.nih.gov/medlineplus/ency/article/001908.htm>
- Simplify things for yourself and your family by gathering all of your important documents, such as your health care proxy, your will, a list of financial accounts and institutions, and keep them in one place. Leave copies with your attorney and with at least one friend or family member.
- Make sure you have a living will, durable power of attorney for health care or health care proxy that expresses your wishes in the event that you become seriously ill or disabled.
- If you live in a community with a law school, find out if there is a free legal clinic or contact your local community legal aid (Look in the Yellow Pages under Legal Aid.)



Listen to the track on “Establish clear legal directions” on the enclosed audio CD.



“We have strong feelings about the care we would want, but we’d never bothered to put our wishes in writing or talk to our kids about it. We’ve completed the necessary legal documents so our kids and doctors won’t have to guess about what we want and don’t want, just in case we can’t speak for ourselves. We hope that never happens, but it’s always best to be prepared.”

For More Information

There is a new government Web site designed specifically to assist you with planning ahead for your long-term care needs. It has a variety of user-friendly tools including a map of the USA so that you can find out what long-term care costs where you live, a “savings calculator” so that you can see what it might cost you if you needed long-term care and how much you’d have to begin saving today in order to have enough to pay for your own care needs.



The website covers most of the topics addressed in this Planning Guide in greater detail. You can find the website at www.longtermcare.gov.



The enclosed audio CD is a valuable resource with real-life stories about how people have planned ahead for their long-term care needs. The CD focuses on a wide range of planning options and people in very different life situations. We urge you to take the time to listen to it; people who have done so tell us it has been a very helpful supplement to this Planning Guide.

CD Index:

1. Introduction (2:17)
2. Focus on your finances (5:50)
3. Understand long-term care insurance (7:47)
4. Tips for buying long-term care insurance (7:01)
5. Establish clear legal directions (7:50)
6. Decide who you can count on for help (8:24)
7. Learn what your community has to offer (6:57)
8. Make sure your home remains a good fit (5:49)
9. Low income options for home modification and repair (7:39)
10. Concluding comments (1:49)

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