

legal and financial planning

for alzheimer's disease

Part 2: Financial Issues



legal and financial planning The importance of financial planning



Karen cares for her husband with dementia.

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The importance of financial planning



Karen cares for her husband with dementia.

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Paying for care

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

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Personal resources



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

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Reverse mortgages

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

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Long-term care insurance

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

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Federal tax deductions

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



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State tax deductions and credits



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

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Informal and formal care options



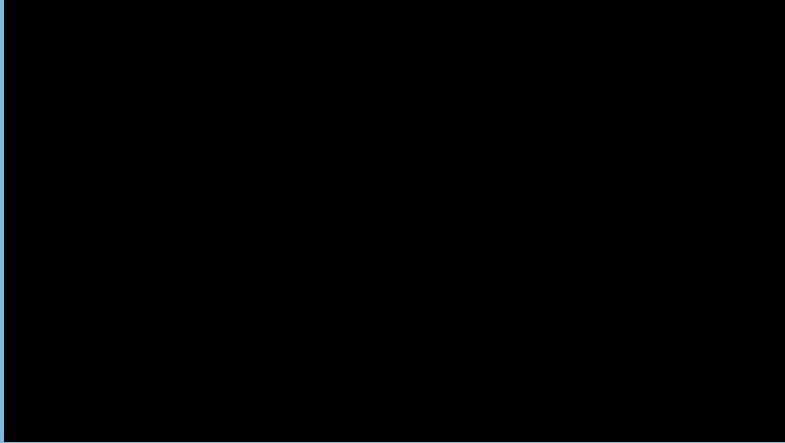
Melanie Chavin is Vice President, Program Services at the Alzheimer's Association's Greater Illinois Chapter.

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Informal and formal care options



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Informal care options

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



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Services through the Older Americans Act

- Older Americans Act authorizes funds for:
 - Supportive services
 - Nutrition services
 - Family caregiver support
 - Disease prevention and health promotion

- Accessible through Area Agencies on Aging
 (<http://www.eldercare.gov>)

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Medicare vs. Medicaid: What's the difference?

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

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Medicare: Eligibility



Medicare is federal health insurance for:

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

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Medicare

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



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Medicare: Part A – Hospital insurance

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

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Medicare: Part B – Medical insurance

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

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Medicare – Parts A & B

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



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Medicare: Part D – Prescription drug coverage

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

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Medicare Advantage Plans – Part C



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

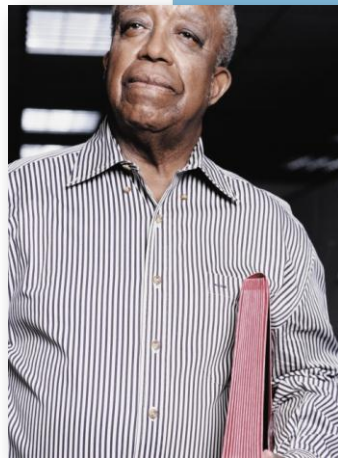
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State Health Insurance Counseling & Assistance Program (SHIP)

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



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Medigap (Medicare Supplement Insurance)



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

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What is Medicaid?

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

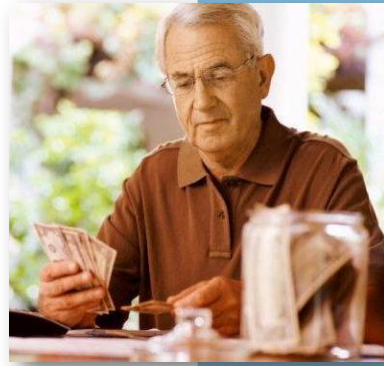
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Applying for Medicaid

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



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Utilizing Medicaid for nursing home care



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

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Veterans benefits



Rosa cares for her husband with dementia.

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Veterans benefits



Rosa cares for her husband with dementia.

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Veterans benefits

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

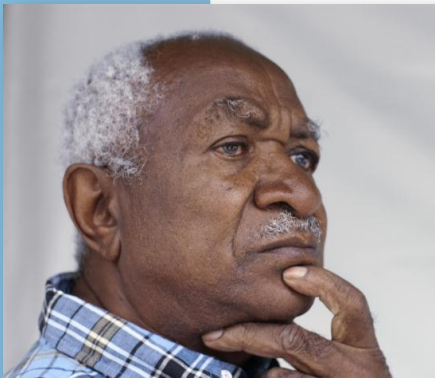


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Employment: Do a personal work assessment



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

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Employment: Explore your benefits

Do not make any employment decision before finding out what benefits are available to you, such as:

- Short-term disability plan
- Long-term disability plan
- Long-term care coverage
- Conversion options for health and life insurance
- 401k loan options
- Family medical leave
- Personal leave
- Employee Assistance Program

Employment: Communicating with your employer

- Maintain open communication
- Explore workplace accommodation options
- Provide documentation from your physician
- Meet regularly to review performance
- Plan your transition



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Employment: Telling an employer about a diagnosis



John has younger-onset Alzheimer's disease.

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Employment: Telling an employer about a diagnosis



John has younger-onset Alzheimer's disease.

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Younger-Onset: Social Security Disability benefits

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

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Younger-Onset: Applying for SSDI



Marilyn has younger-onset Alzheimer's disease.

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Younger-Onset: Applying for SSDI



Marilyn has younger-onset Alzheimer's disease.

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Younger-Onset: Supplemental Security Income

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

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The importance of planning early



Lisa has younger-onset Alzheimer's disease.

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The importance of planning early



Lisa has younger-onset Alzheimer's disease.

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Contact us - we can help

 **alz.org®**

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

 **800.272.3900**

- 24/7 Helpline – Available all day every day

 **alz.org/findus**

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

 **training.alz.org**

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

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Get involved



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