

7 Keys to Being Well Taken Care of When You Need It Most



Susan M. Blais
Long-Term Care Professional

Your future will be better if you face the facts.

If you're fortunate, you're going to live a long time. If you live a long time, it is likely you'll need some help with the basic activities of living at some point.

While it's no fun to think about that, not thinking about it leaves you vulnerable to nasty surprises. Do you like nasty surprises? Neither do I. So maybe it's better to face the discomfort of thinking about what could happen, and doing something about it, than pretending it doesn't exist and leaving yourself open to much more discomfort later.

So come for this short ride with me, and learn a few things that have the potential to make your life MUCH better in the long run.

This short book will educate you on what the future holds for most Americans, including you. You will learn seven keys that, if you use them, can unlock doors that most people don't have the courage or foresight to walk through. So let's get right to it.

KEY #1: Think about your elder years and what you want them to look like.

Hopefully you're in good health now. That's great! But what is your plan if your health changes? Unfortunately it does change for seven out of ten people before they exit this life. Next to death, it's the greatest risk we all face: sobering, but true.

If your health declines gradually or suddenly, what exactly will you do about it? Take some time to think about the topics below and maybe make some notes.

- Where do you want to live: in your current home or somewhere else? Most people say they want to live at home as long as possible. That may make sense when you're living with another and/or strong enough to take care of

everything yourself. But if you don't feel so good and can't drive or get around, is that still where you want to be, especially if you're solo?

- Who do you want to live with? You may have adult children that have offered to have you live with them. That can work beautifully, or not. Have you had serious discussions about what that would look like? Where your room would be, what the daily routine would be like, who makes decisions about what you do or don't do, what you eat, wear, where you go?
- Who will take care of you if you cannot take care of yourself? If it's one of your kids, do they completely understand what full-time caregiving looks like? Are they willing and able to sacrifice their time, energy, relationships and financial wellbeing to take care of you 24 by 7? And if you're living solo and don't have kids, who will take care of you then?
- How much money will you have? Living a long life means you need the means to do it. If you need some help with basic living activities, wouldn't it be nice to have the money to pay for professional care, wherever you live? That way you get to be taken care of without burdening your family, and you can live in the setting of your choice and still be in control of the activities of your day. There is a wide array of residential and assisted living communities that can make life very pleasant.
- If you do own a home and decide to leave it, who will handle the disposition of your goods, the sale of the home, and the legal/financial aspects of that if you're not able to?
- If you have beloved pets, who will care for them? Will they be able to live with you no matter where you go?

- Who do you trust to handle your financial affairs in perfect integrity? The number of elders who are ripped off by their own kids and siblings is a national tragedy and an outrage.

Are we having fun yet?

I warned you this would not be a comfortable discussion, but it's one you need to hear, so you can prevent serious problems in the real world you're going to live in.

If you take the time to think about these topics and write down the key things you'd like to happen in your elder years, you're way ahead of 90 percent of people on the planet.

Key #2: Discuss your wishes with trusted family and friends.

I've been helping people make plans for their elderhood for over 20 years. Yet every day I talk to families who have never seriously discussed what they'll do when Mom or Dad (or they themselves) need help.

It's funny, most people spend more time planning a two-week vacation than they do planning the last 20 or 30 years of their lives. Don't be them.

Make a list of key points from the questions above or other important concerns, and set a time specifically to discuss these with your trusted people. Let them know it may be a bit uncomfortable, but that you're doing it for your own and for their ultimate wellbeing.

If they object or go into denial, it's perfectly normal. It's not pleasant to talk about getting older and infirm, but it is critically important. Grab hold of your courage and let your desires be known. No one can read your mind, and you deserve to have your wishes understood and respected. You'll all breathe a sigh of relief when the truth comes out, and then you can make plans so your desires can be made reality.

Be prepared for some surprises. It's amazing how many times people have plans for others that the others know nothing about.

- If you're planning to live with son #1, does he know about that? Has he agreed to it, and have you discussed what it would look like?
- If daughter #2 is planning to come live with you if you need help, have you agreed to that plan?
- If you're planning to sell your property and move to assisted living, have you let them know? Have you visited the communities in your area and picked out your favorites?

Getting some sunlight on unspoken ideas and plans will do wonders for your clarity of mind. And if disagreements arise, isn't it better to uncover and deal with them now, instead of waiting until you cannot speak for yourself?

Key #3: Take a hard look at your physical and financial assets.

Hopefully you've been gathering assets throughout your working life. Now is a great time to review each one and determine their current value.

- If you have life insurance policies or annuities, call the insurance companies to get an updated account statement if you don't have one. There can be hidden cash inside these policies that can make a real difference in your elder years.
- Same thing with any investment accounts such as IRAs, 401Ks, money market accounts, CDs, etc. Make a list of each account with important information such as policy numbers, user names and passwords, managing institutions and their contact information.
- Determine how much money you'll need for living expenses when you stop working if you haven't retired yet. There are many online calculators that help you do this. A good example that is simple to use is:
<https://www.nerdwallet.com/investing/retirement-calculator>.

- If you own a home, how much is it worth currently? If you have a mortgage on it, how much equity is there above the mortgage value?
- If you own any other property of value, such as land, jewelry, art, etc. include those in your current assets.
- Now the clincher: if you've figured out how much you need to retire on, have you also included extra money in case you and/or your spouse need personal care when you get older? With currently available data, you should set aside an additional \$200,000 to \$300,000 per person to make sure you're covered. If that's not possible, stay tuned.

Key #4: Expect the best, prepare for the worst.

Having a positive attitude and faith about your future is a great asset in itself, and makes life more enjoyable. But none of us can see the future, so it's important to take life's risks into consideration and prepare to the best of our ability.

For example, no matter where you live, you're subject to catastrophic natural events like hurricanes, tornadoes, floods, fires, earthquakes, and more.

- If you're smart, you have supplies on hand in case of power outages or worse when these natural occurrences arise.
- If you're really smart, you have a specific plan with your family members about where and how to connect if all technology fails.
- And, especially if you own a home, you have insurance on your most valuable assets in case they are damaged or destroyed.

But do you have a plan for who will take care of you when you cannot take care of yourself? Unlike a fire or flood, which lasts for days or weeks, frailty due to aging

can last for months or years. While it's important to protect the value of your home and possessions, isn't it more important to protect the quality of your life itself?

Who will take care of you when you're vulnerable and need it the most? Making a plan for THAT will give you peace of mind you can't get any other way.

Key #5: Understand the landscape of long-term care.

What is long-term care anyway? This is the care we need when we can no longer take care of ourselves. It is not precisely medical care, although some medical care may be involved. It is the custodial, physical support we need when we can no longer perform the basic activities of daily living, the "ADLs."

These activities are very basic indeed to our wellbeing, as follows:

- Bathing
- Eating
- Dressing
- Continence
- Toileting
- Transferring (moving about the home without danger of falling).

When you cannot perform two of these six basic ADLs, or when you have a severe cognitive impairment such as dementia or Alzheimer's Disease, you need long-term care, sometimes called extended care. The impairment must be expected to last at least 90 days to be considered long-term.

When you need long-term care, who will provide it for you? This is the crux of the matter. If you have significant financial resources or if you've planned ahead by obtaining insurance, you can get care from professional caregivers at home or in an assisted living community if that is your preference.

If you haven't the resources or insurance, then someone else will need to care for you: your spouse or partner, your kids, other family or friends. Depending how much care you need, this can take a few hours a week up to a 24 by 7 commitment. If you can avoid burdening those you love with this all-consuming sacrifice, wouldn't you prefer to take care of it beforehand?

That's what long-term care planning is all about.

Key #6: Learn the options for paying for care ahead of time.

There is an entire insurance industry built to handle the needs of our rapidly aging population. This part of the insurance industry is relatively young, only about 40 years old as of now. While insurance can be very technical and perhaps intimidating to those who aren't familiar with it, it serves a critical need and can make all the difference in the quality of your life in your elder years.

Insurance is designed to manage risk, simple as that. Many people pool their resources by buying insurance, and the insurance companies manage and invest the money so it covers the risk. Then they pay benefits to those who experience the risk they have protected against.

Long-term care insurance was created to pay for the type of care we've just described, when we cannot take care of our basic living activities. It was created because no other type of insurance pays for that risk: not health insurance, Medicare, Medicare supplements, or traditional life insurance.

Medicaid, or welfare, does pay for long-term care services, but only for those who have depleted their resources. Your choices greatly diminish when you get long-term care services through Medicaid, but it is a safety net for those who have no other options.

Long-term care insurance pays benefits when you cannot perform two of the six ADLs described above, or when you're diagnosed with a severe cognitive impairment. You can get a policy of any size or scope, to fit your budget and your specific needs. In that way it's like life insurance, where you can buy a policy for \$20,000 or \$1,000,000 in benefits. The cost in each case will be proportional to the benefits you select.

Here's a fact: even if the policy you purchase doesn't cover 100 percent of the services you're going to need, it will still make a huge difference for you and your family if you need care. Think of it this way: if you became suddenly unable to care for yourself and needed someone to come into your home to help you a few days each week, would \$2,000 or \$3,000 a month in extra resources help you? You bet it would.

In the last few years, the number of insurance options to pay for long-term care expenses has exploded, to meet the needs of millions of aging Boomers. Here are just some of the options available:

- Traditional long-term care insurance;
- Life insurance that provides benefits while you're living if you need long-term care – there are dozens of variations on this theme;
- Annuities that include benefits for long-term care or chronic illness.

These options usually require medical underwriting, which means you must meet certain health guidelines to qualify for a policy. It's better to look into this when you're younger, in your 50s or early 60s, as you're likely to be healthier and premiums are based on your age and health. That doesn't mean you can't buy a policy when you're older, but it will be more expensive and perhaps harder to qualify.

For those with medical conditions that prevent them from getting insurance coverage, there are other options to fund long-term care if you need it, including:

- Annuities that are purely financial, with no underwriting required. These pay a guaranteed monthly income for as long as you live to help pay for care;
- Home equity loans or lines of credit;
- Reverse mortgages, newly updated to meet this need;
- Cash value in life insurance policies you already own;
- Annuities that can accept money from IRAs or 401Ks to cover care expenses.

Buying insurance to pay for care provides several benefits, including but not limited to:

- Leverage: you can expand your resources and get several dollars of long-term care benefits for every dollar of premium you pay;
- Expert assistance: in addition to helping pay for your care, long-term care insurance companies employ knowledgeable people who can advise you on finding the best care options in your area;
- Tax deductibility: if you own a business, your premiums for traditional long-term care insurance may be fully or partially deductible;

- Peace of mind: you know this important risk is covered, and your children will be grateful that you have taken care of yourself so they don't need to worry about you, or sacrifice their livelihoods to care for you.

I could write a whole book on just the financial aspects of paying for care, or on each of the seven keys for that matter. My purpose here is to give you an overview and to untangle the mysteries of long-term care so it makes sense to you. And this leads to the 7th and final key.

Key #7: Find a trusted advisor to develop a customized plan for you and your family.

The underlying concepts of long-term care are not complicated: find a way to pay for quality care if you need it, so you can maintain control over your life and not burden your loved ones. Developing a personalized plan for this requires some knowledge and expertise, however.

New policies and programs are being developed constantly, and finding a professional who understands how to navigate the complexity of the financial world is important. And, working with someone who puts you first is even more critical. Protecting your lifestyle, your family, and your finances is too important to trust to just anyone.

Here are some questions to ask before selecting an insurance advisor to help you plan for long-term care:

- How long have you been providing long-term care advice to clients?
- What credentials do you have for this specific aspect of financial services?
- Do you work for a specific insurance company or are you independent with access to dozens of companies' products?
- How do you maintain current knowledge of the industry?
- What is your reason for focusing on long-term care protection versus other areas of insurance that may be more lucrative?

If you have a trusted financial or insurance advisor that understands the complexities of long-term care and the many ways to pay for it, by all means have a consultation with them. Unfortunately there are not too many advisors today who specialize in this aspect of the insurance industry.

I often get referrals from insurance professionals who don't specialize in long-term care, and from financial advisors who prefer to focus on their clients' investments and overall finances, while I help their clients in the area of my expertise.

If you'd like to have a conversation about your situation and the options for long-term care protection, I'm happy to speak with you.

I have over 20 years' experience helping thousands of people protect themselves against these specific risks. I never pressure people or push them into purchasing anything. In fact, I wouldn't want someone to purchase a product that didn't make sense for them in every way.

I ask several questions to understand my clients' health, family and financial situation, then do specific research for their case. I develop a range of options specifically for them, to fit their budgets and their lifestyles. Then I present the options and explain the pros and cons of each, advising the clients so they can decide what's best for them.

To me this work is a personal mission. I've had five people in my own family who needed care, and only one had long-term care insurance, so I've personally witnessed the difference it makes in the whole family's wellbeing.

To contact me for a phone conversation, please go to my website at www.susanblaisinsurance.com and complete the [Get A Quote](#) form, or call my office at 805-475-7900.

I hope you have found this information valuable, and I wish you and yours a long life of health, happiness, and prosperity.

All my best,

Susan Blais

Susan Blais Insurance Services
www.susanblaisinsurance.com
Office: 805-475-7900

