

Alzheimer's Tips

You need to know about being prepared for Alzheimer's Disease



by Jim Schuster Certified Elder Law Attorney

Know the Disease

People fear and avoid Alzheimer's "like the plague." It *is* a plague, but one we must confront. It produces *years* of complete dependency on others for basic personal and physical needs. It requires a huge stockpile of cash to be used during these years. It requires a team to manage personal care and financial issues. It grinds down family caregivers to the point of physical illness.

Have a plan

You need a plan to make it through Alzheimer's. Inventory your human resources and your financial resources. How much personal assistance will family be able to provide and how much will we need to purchase? Will the Alzheimer's patient receive in-home assistance or need to move to a residential "assisted living" facility? Know how much of the life savings will be spent. Plan how much will be left for spouse or other family needs.

Act Now

First, the patient needs an *immediately effective* and complete, healthcare power of attorney. Most documents I see are effective only when the patient is dying. The Alzheimer's patient needs help long before then. Second, is a complete and immediately effective durable power of attorney. Other documents will be needed according to the plan. A living trust may be needed for family needs. Caregiver agreements may be necessary for estate planning, tax and Medicaid reasons. The spouse of the patient must have his or her separate estate plan in place and must address the issue of long term care insurance.

Save money from future nursing home? Act now.

Medicaid now has a five year lookback. That means that asset protection trusts, divestment, family agreements and so on must be addressed more than five years before Medicaid application. Act now because it *will* be too late sooner than you think.

Know about the Veterans Aid and Attendance Benefit

The federal Veterans Administration will pay over \$1,800 per month to eligible war time veterans who need daily living assistance. There are income and asset limits, but money can be saved by consulting a professional. Like the income tax Medicaid has allowances, exemptions and credits that you must hire an elder law attorney to be sure you covered them all.

An Assisted Living Facility Is Not a Nursing Home

It used to be that if an elder moved out of the home for health reasons, the move was to a nursing home. Not any more. Many families find very nice “assisted living” facilities with dementia care units. Often they charge almost as much as a nursing home. While these may be appropriate placements for some people, they are not medical facilities. Assisted living means a room in a secure environment with basic living services provided, such as meal preparation, cleaning and supervision. There is no payment support from Medicare or Medicaid. When the money runs out the resident moves out.

Medicare Does Not Pay for Long Term Care

Medicare only pays for a maximum of 100 days post-hospital *skilled* care. Skilled means services over and above the basic medical provisions of the nursing home.

Beware – Be Aware of Medicaid Rules

Medicaid is the program that pays for long term care in a nursing home. Watch out! The rules change and never to your benefit. It is possible to *never* be eligible for Medicaid. The new five year lookback rules raise the possibility that transfers and gifts made to children within the five years before application will prevent Medicaid payment of the nursing home. For example, suppose a parent “loans” a son \$50,000 as a down payment on a new home. Then home values slump and the parent goes into a nursing home just shy of five years later. Medicaid will not pay, parent is discharged from the nursing home and the nursing home sues.

Know That Medicaid Has Special Protections for At-home Spouses.

Yes, spouses *can* save *all* the money *but* they must hire an elder law attorney. A spouse can have an asset protection trust set up and legally apply for Medicaid *the next day*. Medicaid is a federal program and like the income tax one needs a professional who knows the rules.

Get the Advice You Need – Now

Alzheimer’s Disease is a very serious life-changing illness for the patient and all involved. It must be dealt with firmly and effectively. Get the advice you need to get your plan in place now. Don’t wait until it is too late.

Want More Information?

Call for a copy of our Alzheimer's Answer Book. It has received rave reviews from local professionals. Chapters cover the nature and the course of the disease, mastering caregiving, managing difficult behaviors, long term care insurance and a chapter by Jim Schuster, Certified Elder Law Attorney covering the legal implications of Alzheimer’s Disease.