

Planning Ahead for Long-Term Care

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Overview

- Why plan for long-term care needs?
- What issues should you have in mind?
 - Paying for long-term care
 - Tools for decision-making:
 - Advance health care directives
 - Durable power of attorney
- Are there resources to help?

Long-Term Care Defined

Long-term care refers to a broad range of paid and unpaid supportive services for persons who need assistance due to a physical, cognitive or mental disability or condition.

In 2007, the University of Connecticut Center on Aging conducted a major study of the long-term care needs of older adults and people with disabilities.

The results of the Connecticut Long-Term Care Needs Assessment help inform how we should be approaching planning for long-term care.

UConn: Who Will Provide Care?

When asked who will provide needed services, respondents indicated:

- home care agency
- spouse/partner
- adult child
- assisted living staff

UConn: Payment for Long-Term Care

When asked how they plan to pay for needed services:

- 38% of all respondents indicated Medicare
- 33% said savings or investments
- 32% reported no plans or did not know

UConn: Payment for Long-Term Care (cont.)

But Medicare coverage for long-term care is extremely limited!

- fully covers only days 1-20 in a nursing facility
- home health care in general limited to 8 hours per day/28 hours per week

UConn: Payment for Long-Term Care (cont.)

And services are very costly! The Office of Policy and Management cites the following average costs of care in Connecticut in 2009:

- average private pay rate for a year in a nursing facility: \$124,400 (\$341 per day)
- a skilled nursing visit: \$133
- an hour of home health aide service: \$34
- a full day of medical model adult day care: \$77

UConn: Payment for Long-Term Care (cont.)

And people have not saved adequately!

- four out of ten respondents indicate they cannot afford to pay anything
- another 25% can pay less than \$10,000 per year
- less than 20 percent report being able to pay between \$10,000 and \$25,000 per year, or more than \$25,000 per year, for long-term care services

UConn: Sources of Information

Asked how they find out about long-term care services, respondents indicated:

- social workers or care managers (42%)
- health providers (30%)
- state agencies (27%)
- relatives or friends (21%)

UConn: Need for More Assistance

Of those who indicate that they do need paid long term care services, 38% report that they are unable to get all the services they need. Leading reasons for their inability to get services include:

- affordability (53%)
- lack of knowledge about available services (42%)
- can't find someone to hire (22%)
- unreliable or poor care (17%)
- services not available in their area (15%)

Overview of Medicaid Coverage for Long-Term Care

Medicaid covers long-term care:

- through “waivers” including the Connecticut Home Care Program (CHCPE) for Elders, for people who live in the community; and
- in nursing facilities

Connecticut Home Care Program for Elders

The Connecticut Home Care Program for Elders (CHCPE) includes:

- a Medicaid “waiver” for low-income people; and
- a state-funded option for people with higher income and assets

CHCPE Services

For eligible individuals, the CHCPE covers:

- care management; and
- a range of supportive services (e.g. adult day care, chore, companion, home health aide, homemaker, home-delivered meals, laundry, respite, personal emergency response systems, skilled nursing visits, transportation)

CHCPE Eligibility Criteria: Medicaid waiver

- Age 65 or older
- Must have three “critical needs” (e.g. bathing, dressing, using the toilet, transferring, eating, meal preparation, medication administration)
- Income Limit: \$2,022 per month (income limit updates each January 1)

CHCPE Eligibility Criteria: Medicaid waiver (cont.)

- Asset Limit: \$1,600 asset maximum (\$3,200 if both spouses receive services)

Note: "Well" spouse who not receiving services is entitled to keep at least \$23,512 (2010 figure) of the marital assets

CHCPE Eligibility Criteria: State-Funded

- Age 65 or older
- Must have one or two “critical needs” (e.g. bathing, dressing, using the toilet, transferring, eating, meal preparation, medication administration)
- Income Limit: no income limit
- Asset Limits:
 - for an individual: \$32,868
 - for a couple: \$43,824 (2010 figures)

Medicaid Coverage of Care in a Nursing Home

- Must require nursing home level of care
- Income Limit: none
- Asset Limit: \$1,600 asset maximum (\$3,200 if both spouses receive services)

Note: "Well" spouse who is not receiving services is entitled to keep at least \$23,512 (2010 figure) of the marital assets

Examples of “Exempt” Assets

- your home up to \$750,000 in value
- your home if your spouse or a child with a disability continues to live there
- your personal effects
- one car
- an irrevocable funeral contract of up to \$5,400 in value

Examples of “Exempt” Assets (cont.)

- a burial plot
- life insurance if the total face value does not exceed \$1,500
- term life insurance
- certain kinds of trusts for people with disabilities

Treatment of Transfers of Assets

At the time you apply, DSS will “look back” to determine whether you have made any “non-exempt” transfers

For non-exempt transfers made **before**
February 8, 2006:

- generally, three year (36 month) "look back"
- if you have made transfers to/from a trust, five years (60 month) "look back"

For non-exempt transfers made **on or after** February 8, 2006, five year (60 month) "look back" for all transfers

Examples of Transfers of Assets That Affect Medicaid Eligibility

- transfers of home to someone other than your spouse, a sibling, a child with a disability, or an adult child who has provided care for at least two years
- transfers or gifts of money to someone other than your spouse (PLEASE NOTE: even though it is possible to gift up to \$13,000 per year to any person and not incur gift taxes, such a transfer WILL affect Medicaid eligibility)

- unexplained withdrawals from a bank or brokerage account
- adding a joint name or owner to a bank or brokerage account or a deed
- selling an asset for less than Fair Market Value
- loaning money without a formal, written re-payment agreement
- purchasing certain types of annuities

Penalty Period for Non-Exempt Transfers

If you made a non-exempt transfer at any point within the “look back” period, DSS will:

- take the value of the asset that was transferred
- divide it by the average cost of a month in a nursing home (in 2010, this is \$9,959)

The resulting number is the number of months (the “penalty period”) within which you are **ineligible** for Medicaid benefits.

Example:

You transferred \$29,877 to your granddaughter on April 8, 2009. You apply for Medicaid on April 6, 2010.

$\$29,877$ divided by $\$9,959 = 2$ month
"penalty period"

Tools for Decision Making: Advance Health Care Directives

Advance Directives is the generic term for:

- documents that provide instructions concerning health care wishes (in Connecticut, the **living will**); and
- documents that appoint proxies (in Connecticut, the **appointment of health care representative**)

Connecticut Advance Directives

Living Will

a document that expresses your wishes concerning life support (CPR, ventilation, artificial means of providing nutrition and hydration) and other health care preferences that becomes operative only if 1) you have a terminal condition or are permanently unconscious; and 2) a doctor finds that you are unable to understand health care decisions and communicate an informed decision

Appointment of Health Care Representative

authorizes another person, in situations in which you are unable to speak for yourself, to accept or refuse any treatment, service or procedure used to diagnose or treat a physical or mental condition, including withholding or withdrawing life support systems

Advance Designation of Conservator

a document through which you can indicate whom you would wish to have serve as conservator if an appointment were ever to become necessary

Document of Anatomical Gift

authorizes donation of all or part of
your body upon or after death

Designation of Disposition of Remains

a document through which you can indicate wishes concerning custody of your body, and wishes concerning burial, cremation and interment

Methods

- single forms
- combined form
- anatomical gift by form or on driver's license
- Five Wishes

Requirements for Execution

- individual must be 18 or older
- all advance directives must be signed by the individual and two disinterested witnesses
- does not require the help of an attorney
- no longer need notarization, but a self-proving affidavit may be helpful and this must be notarized
- advance directive must generally be in “substantially” the statutory form

Requirements for revocation

- living wills can be revoked in **any** manner
- appointments of health care representative must be revoked in writing, signed by the individual and two witnesses
- anatomical gifts must be revoked in writing
- advance designations of conservator must be revoked in writing

Protections in the Law

- failure to execute directives creates no presumption concerning wishes
- comfort care and pain alleviation must be provided in all cases
- requirement that if physician or health care provider is unwilling to comply with directive, transfer must be arranged
- language prohibiting completion as condition of receiving treatment or health care benefits

Important Tips

Once you execute your advance directives:

- discuss your wishes and preferences with your health care representative and your family
- give copies of your directives to all of your doctors, family and clergy
- keep your advance directives readily available (do not store them in a safe deposit box!)

Tools for Decision Making: Durable Power of Attorney

A durable power of attorney document is used to appoint another person, the “attorney-in-fact”, to make specified financial decisions on your behalf.

Durable Power of Attorney

- attorney-in-fact is the agent of the person who gives the power of attorney
- voluntary, private and self-directed tool
- powers established and limited by form
- revocable

Requirements for Execution

- individual must be 18 or older
- must be signed by two disinterested witnesses
- must be notarized

Requirements for revocation

- a durable power of attorney must be revoked in writing
- must be signed by the individual and two witnesses
- must be notarized

By contrast . . .

Conservatorship is a legal mechanism by which the probate court of a given town appoints a substitute decision-maker for an individual who is determined to be incapable of managing his or her own 1) financial; and/or 2) personal affairs.

Conservator

- subject to oversight of the Probate Court
- appointed through hearing process, can be on an involuntary basis
- powers established and limited by statute
- court approval needed to release

In conclusion

Why plan ahead?

- helps you to establish your priorities
- safeguards privacy
- ensures that decisions are made consistent with your wishes
- supports your physician
- assists in preventing family conflict

Questions about long-term care?

- **CHOICES**

Toll-free, statewide: 1-800-994-9422

- **Connecticut Long-Term Care web site**

<http://www.ct.gov/longtermcare/site/default.asp>

- **INFOLINE 211**

Materials about advance health care directives

- Connecticut Attorney General's forms

<http://www.ct.gov/ag/lib/ag/health/advdirectivescombinedform2006alt.pdf>

- American Bar Association Tool Kit Consumers Tool Kit for Health Care Advance Planning

<http://www.abanet.org/aging/toolkit/home.html>

- Caring Connections web site

<http://www.caringinfo.org/i4a/forms/form.cfm?id=16&pageid=3462&showTitle=0>