

Proactive and Next Generation Planning for Families that Include a Loved One with Disabilities

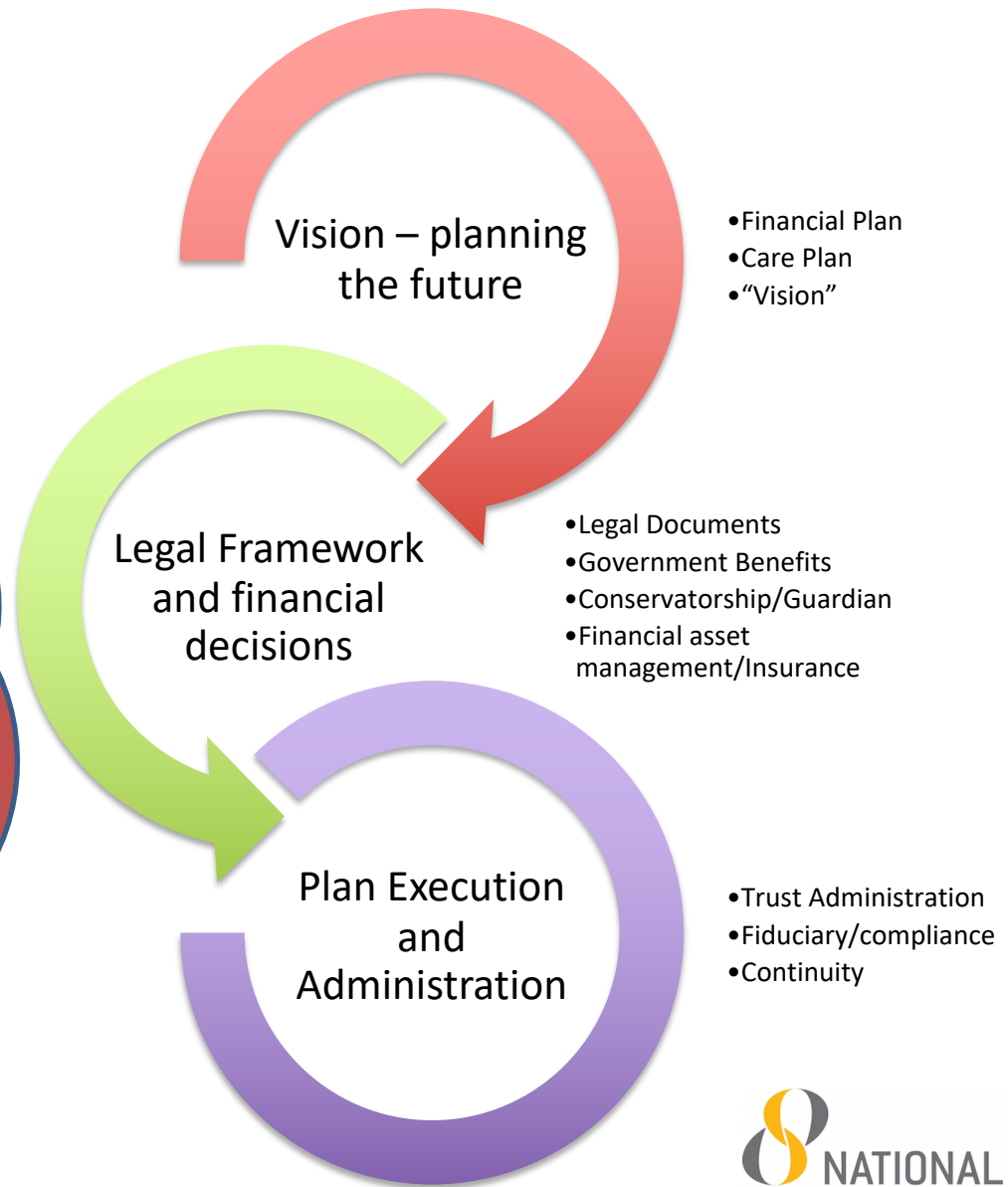
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Planning for care. For life.

Comprehensive Quality Planning

“Vision without action is a daydream. Action without vision is a nightmare”
-Japanese Proverb



Creating the Vision

Step 1 - Understanding
the “Special Needs” –
not only for today – but
throughout lifetime.

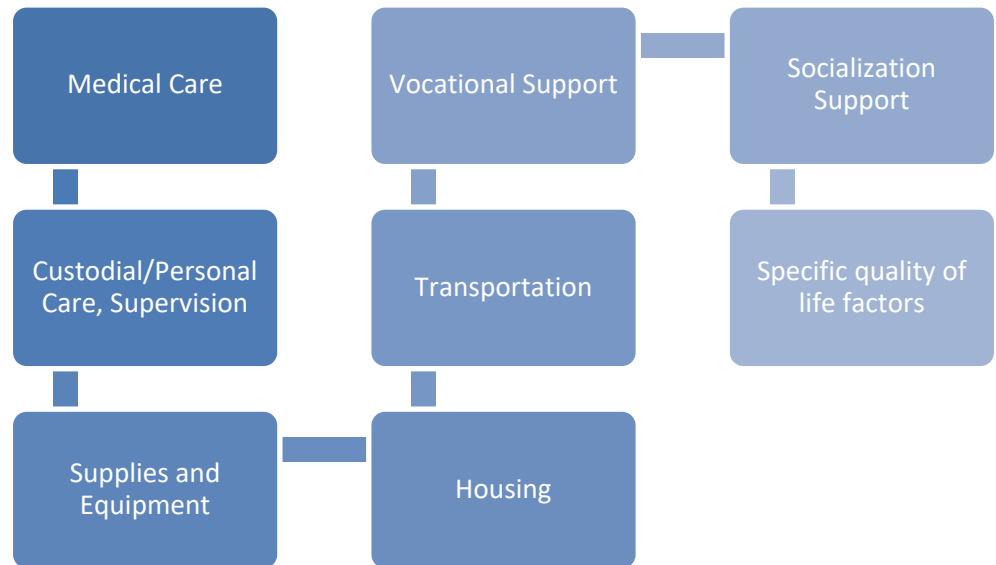
- Diagnosis and potential complications
- Family medical history
- Aging Process
- Life Expectancy

Defining the Vision

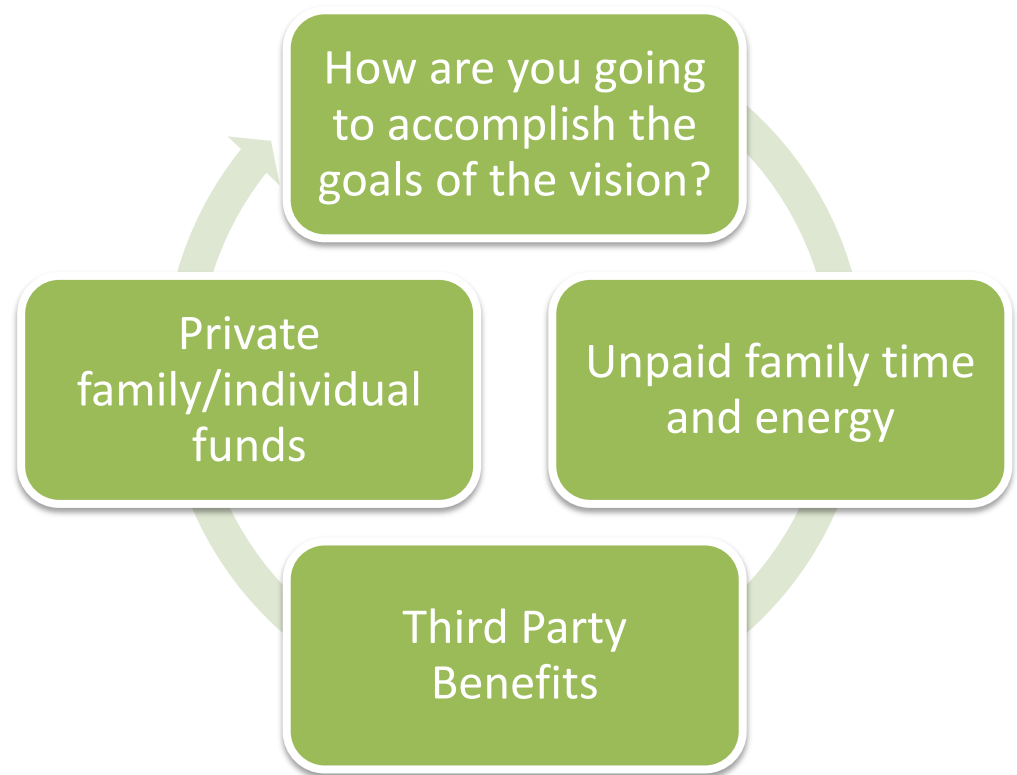
Step 2 –
Specifically, what is to
be accomplished?

- Nice to have
- Got to have

Essential Components of the Quality of Life Vision



Step 3 Accomplishing the Vision



Quantifying Benefits Over Lifetime

Income Sources –
SSI/SSDI/Pensions

Health Insurance
Sources – Medicaid,
Medicare, ACA
Insurance

Other Government
Benefits – SNAP,
Section 8,
Developmental
Disability Services

Non-Profit Resources

It's All About the Custodial Care!

If a family member requires assistance with their activities of daily living – it is going to be expensive.

The value of “means tested” (MEDI-CAL) benefits is important to the planning process, for many families.

Step 4 - Analyzing the Bottom Line

Model I	Special Needs Expenditure Projections - Parent owned apartment/home			
XXXX XXXXXX	6/8/17			Medicaid/SSI
Care Plan Service	Monthly Cost	Yearly Cost	One Time	Comments
Prescription Medications	\$ 10.00	\$ 120.00		Potential Copays - Health Insurance/Medicaid
OTC Medications/Supplements	\$ 50.00	\$ 600.00		
General/Specialist Physician Care	\$ 10.00	\$ 120.00		Potential Copay \$20/visit - Health Insurance/Medicaid
Future Procedures/Hospitalizations	\$ -	\$ -		Health Insurance/Medicaid
Psychiatrist/Psychologist	\$ 200.00	\$ 2,400.00		Private Pay (may not be in network)
Dental/Vision Care	\$ -	\$ -	\$ 20,000.00	Uncovered services over lifetime
Family Premium	\$ 150.00	\$ 1,800.00	\$ 12,600.00	Through Medicare eligibility - 7 years
Vocational Support/ Job Coaching			\$ 5,000.00	Provided through McIntosh Trail - or private pay
Custodial Support Services	\$ 1,300.00	\$ 15,600.00		20 hrs per week @ \$15/hr
Low Maintenance Apt/house			\$ 125,000.00	In current community - 2 bedroom, 2 bath, single story
Property Taxes/Homeowner's Ins.	\$ 200.00	\$ 2,400.00		To be quantified based on choice of home
Utilities/Cell Phone/Cable/Internet	\$ 400.00	\$ 4,800.00		
Furnishings/Electronics	\$ 50.00	\$ 600.00	\$ 10,000.00	Over lifetime
Maintenance - interior	\$ 50.00	\$ 600.00		Painting, plumbing, repairs, etc.
Maintenance - exterior	\$ 200.00	\$ 2,400.00		Depending on choice of house/apt
Heavy Cleaning	\$ 150.00	\$ 1,800.00		Monthly
Vehicle - Insurance/Maintenance	\$ 150.00	\$ 1,800.00	\$ 20,000.00	Reliable vehicle for caregiver to drive
Entertainment/Socialization/Food	\$ 500.00	\$ 6,000.00		
Clothing/Personal Care	\$ 150.00	\$ 1,800.00		
Specialized Camps/Social Oppor.	\$ 200.00	\$ 2,400.00		Adult special needs programming
Estimated Expenditure Totals	\$ 3,770.00	\$ 45,240.00	\$ 192,600.00	
SSI Income	\$ 735.00	\$ 8,820.00		Will increase to \$1100 when parents draw their retirement SS
Total Projected Income	\$ 735.00	\$ 8,820.00		
Net Private Funding	\$ 3,035.00	\$ 36,420.00		
2017 Dollars - Assuming preservation of Medicaid/SSI eligibility				

The Family Financial Plan Process

Aging process/care needs of other key family members

Aging process/life expectancy of individual with special needs

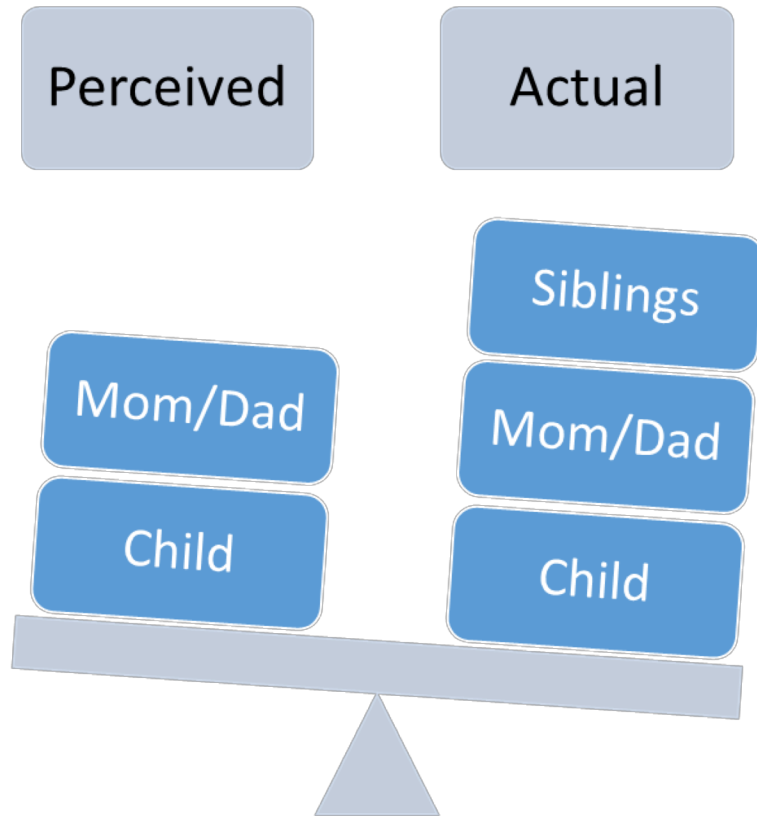
Changes in benefits

Inflation/Future Value – line item specific

Financial Plan

Plan for what you know today, then review annually.

The “Third Layer”

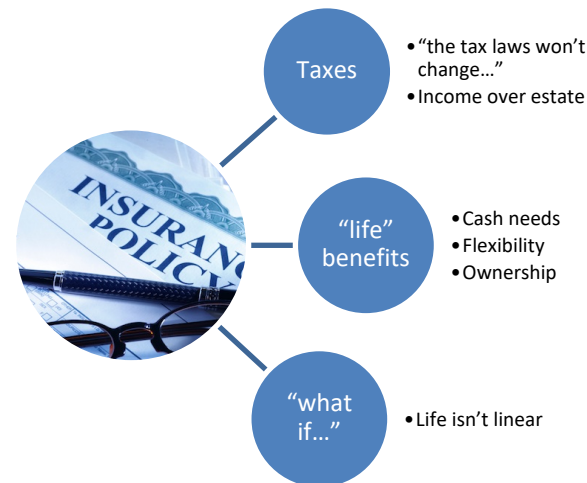
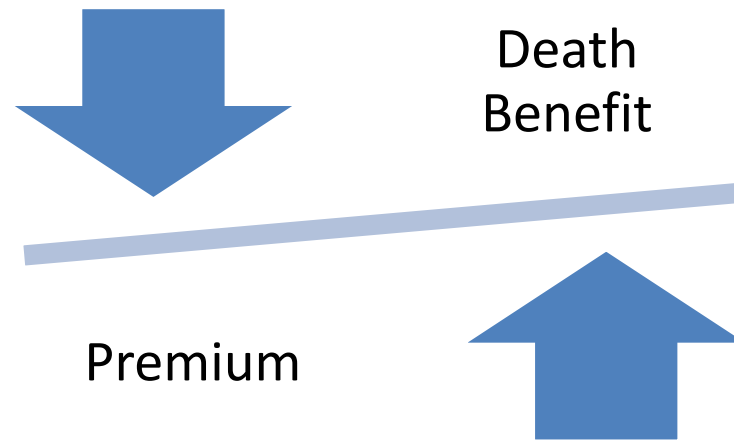


- Establish the life care plan
- Harmonize the parent’s plan
- Integrate the needs of the siblings
 - The overlooked pressure point

Balancing the plan

- Holistic approach to the family Vision
 - Paralleling the “traditional life plans”
- Strategic Financial Decisions
 - Using Insurance to increase success and balance
 - Predictable and Flexible
 - Administration – cut the complexity

Life Insurance As a Tool for funding a Third Party Special Needs Trust



Long Term Care Insurance vs Self- Insuring

Los Angeles – Average Monthly Cost:

Assisted Living Apartment - \$4,485

Skilled Nursing Facility –

Private Room - \$9,277

Shared Room - \$7,026

Home Care - \$4,563 (44hrs/wk.)

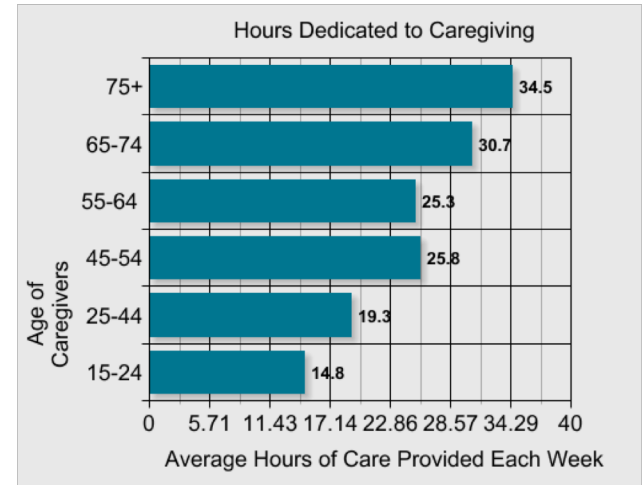
2017 Genworth Cost of Care Study

Mom – The Caregiver needs care



75% of all caregivers are female, and may spend as much as 50% more time providing care than males.

Institute on Aging. (2016). Read How IOA Views Aging in America



A vast majority of caregivers (85%) care for a relative or other loved one...

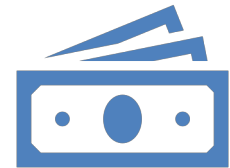
National Alliance for Caregiving and AARP. (2015). Caregiving in the U.S.

- *Its not always about the cost, it is about the plan*

Establish a dignified and secure plan early, don't wait

Legal Consultation

- Special Needs Trust
 - First Party
 - Third Party
 - Pooled
- Spendthrift Trust
- “Other” Trusts
- Durable Power of Attorney
- ABLE Accounts
- Government Benefits Preservation



Court Created Tools

- Guardianship
(Conservatorship) Protection
- Court-supervised special
needs trust



Health Care Planning

- Advance Health Care Directive
- POLST – Physician Orders for Life Sustaining Treatment

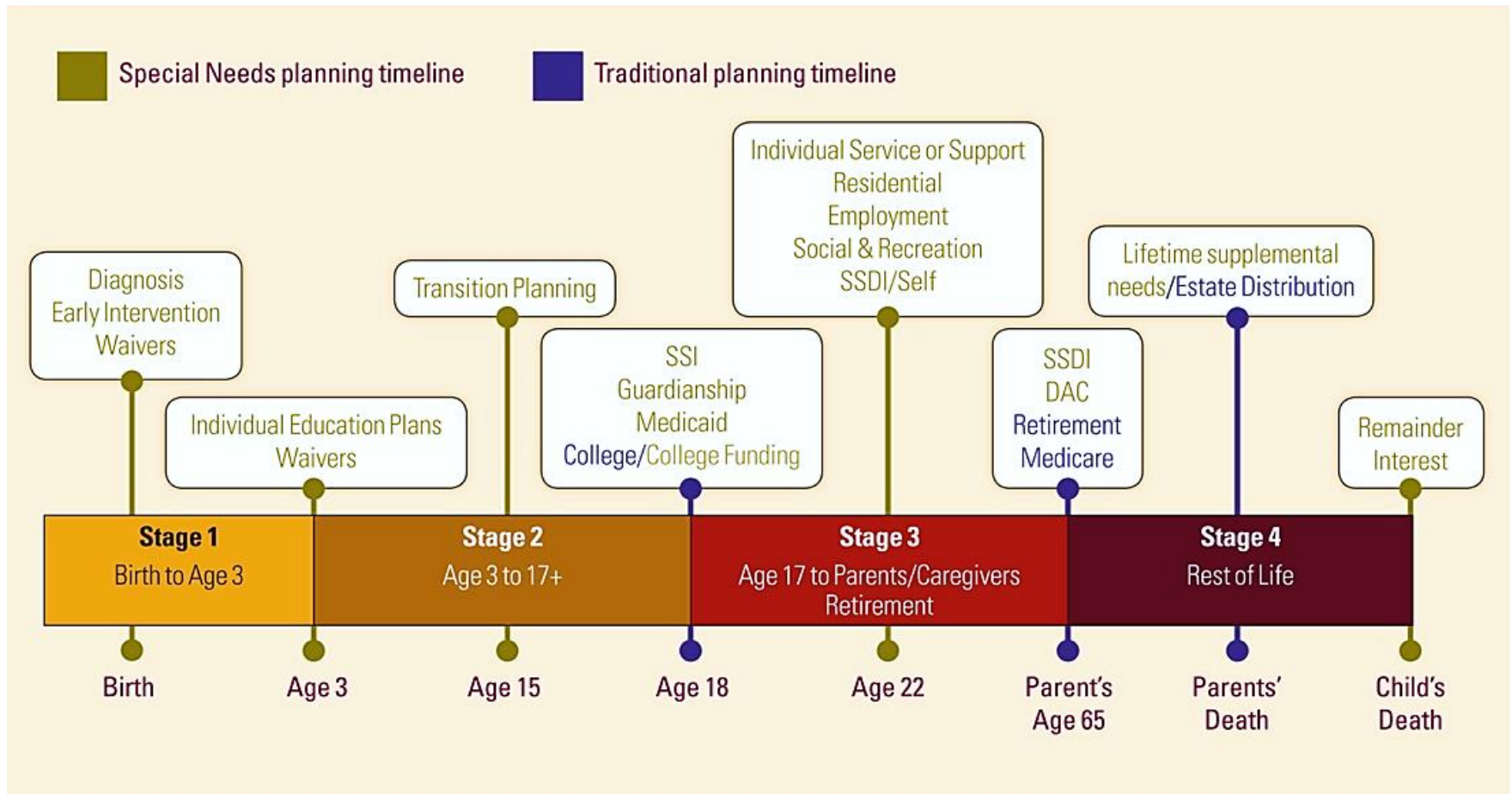


Why Do People Come to See Us?

- Birth Injury/Traumatic Incident
- Mental Illness/Substance Abuse
- Aging/Death of Primary Family Caregiver
- Generational Estate Planning

Why do Families get Stuck?

The “plank of anxiety”



Bridge Building

1

Schedule a family meeting to discuss the needs of the special needs child

2

Consider the thoughts of the siblings

3

If it is necessary, consider a mediation. This may be especially important when parents/siblings disagree

Decision Making Issues – Family or Professional?

- *Who will make the decisions?*
 - Does the person have enough ability (competence) or time?
 - Example: A young woman, who started medical school recently, will most likely not have the time to be an effective day-to-day decisionmaker for her special needs sibling.
 - Does the person actually want to take on the role?
 - Allow the person to say “no.”
 - Discuss people who serve as an alternative.
- *Introduce the professional administrator before the estate or special needs planning is complete*

Benefits to Family

Allowing the Family to be a “Family”

- Trustor can be a loving legacy provider/ parent/relative
 - Safety net
 - Allow siblings to remain siblings. Carry out their life plans.
- Beneficiary
 - Provides personal space/privacy
 - Provides consistent care

RETURN ON INVESTMENT – COLLABORATIVE PRACTICE

- *Hard* Returns:

Cost Savings – avoiding “crises costs” money in legal fees, wasted funds, wasted benefits, poor quality services that do not meet needs, investments that do not perform,
MITIGATE RISK



- *Soft* Returns:

Peace of Mind - Quality of Life for all generations.
Family Harmony
Professional Satisfaction

Questions?



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