

Prepare to Care

Making Sense of Legal and Financial Issues as a Family Caregiver

Being a caregiver can be both a joyous and difficult task. Not only can caregiving be physically and emotionally difficult, but it can also bring about legal and financial concerns. In general, financial issues tend to be a sensitive subject to discuss, but according to AARP, it is



important to caregiver decision-making, autonomy and planning. It is estimated that family caregivers spend approximately \$7,000 a year on caregiving expenses. Long-distance caregivers, due to travel and potential need for outside help, may spend closer to \$12,000 a year. Expenses often include home modifications, insurance costs and various healthcare expenses related to life quality, safety and daily living. As a result, it is important to be aware of how caregiving could potentially effect personal finances and employment. Fifty-six percent of family caregivers report making adjustments to work schedules because of caregiving demands. Working caregivers may cut back hours, work different shifts or take unpaid time off. Those who stay in the workforce reportedly experience less work productivity and some caregivers make decisions to leave their jobs due to the demands of full-time caregiving. As a result, financial issues become a family caregiving challenge and it is important to form a caregiving team to fully address a loved one’s financial concerns and to protect a loved one from financial abuse before a caregiving crisis occurs. Talking about finances as a team helps a family better understand a person’s preferences and priorities in regards to important issues such as the type of care they would like, lifestyle they wish to maintain and housing they prefer. Being aware of what it

important will help guide the conversation about how care will be paid or what alternatives/resources may exist or can be tapped if it appears finances may be a challenge.

AARP Prepare to Care: A Planning Guide for Families

Prepare to Care: A Planning Guide for Families, is a workbook published by AARP that provides families with the tools to help them think about and start conversations about caregiving for older family members or friends. The workbook suggests five steps to prepare for caregiving and provides checklists and resources to help families. Because many people become family caregivers, faculty in The University of Kentucky College of Agriculture, Food and Environment, Family Consumer Sciences, Cooperative Extension Service and College of Social Work partnered with Kentucky AARP to further translate and disseminate AARP's caregiver preparation program to help Kentuckians prepare for caregiving before a crisis. As a result of this partnership, an FCS facilitator guide and evaluation for the existing *AARP Prepare to Care* program was developed so that Family Consumer Sciences agents throughout Kentucky could more easily teach and evaluate this program in their communities. Four extension publications, including this one, were created for participants to further highlight the importance of self-care, planning for caregiving and making sense of legal and financial issues.

This publication describes why it is important to have conversations about finances in preparation for later life and uses resources from the AARP program, *Prepare to Care*, to help you get started in planning. Just because you research options and talk about/have a plan for care needs in later life does not mean you will ever have to use it. The key however, is to have plans *if* and *when* you need them. It is much easier to plan when you are not in crisis than when you are.

Plan Today for Tomorrow's Financial Caregiving Needs

To help start the financial conversation, the following discussion topics and tips are recommended. AARP also created a "Goals and Needs Checklist" to assist families in further sorting out home, health, financial and legal needs. See below for a copy of the Goals and Needs Checklist or access it online at <http://www.aarp.org/home-family/caregiving/prepare-to-care-planning-guide/>.

- Appoint a durable power of attorney
- Make sure necessary documents are in place
- Understand current medical coverage
- Properly manage your own finances

Appoint a Durable Power of Attorney

Especially in situations when there is need to take over a loved one's finances due to incapacity/anticipated incapacity for a person to manage his/her own affairs, it is important to have legal authority so that you can act on behalf of your loved one's best interest. In many cases, such authority is granted through various types of power of attorney. A durable power of attorney (POA) is a legal document that allows a competent person to appoint a trusted individual to manage his/her affairs regarding finances, health and/or property, when they are unable to do so for themselves. This document does not mean that the POA owns any of the property or money, it simply means that the POA has the authority to make decisions when their loved one can no longer do so effectively or competently. A POA can be canceled or changed at any time. When appointing a POA, it is important for the individual to specify wishes/preferences so that the POA can carry out those wishes. Different people can be assigned various POA roles. For example, a person can appoint a specific individual to be durable power of attorney for his/her healthcare and another person to be the durable power of attorney for finances or property. Planning ahead and appointing a POA helps families take appropriate measures to ensure his/her wishes are upheld.

Make Sure Necessary Documents are in Place

To best understand financial situations and need, it is important to confirm your loved one's current state of financial affairs, which includes making sure that all of the necessary documents are in place. A few items to consider include:

- Long-term insurance policies (these cover a range of services that may include nursing homes, home health care, adult day centers and assisted living. Some policies may even cover compensation for family caregivers)
- Social Security Retirement benefits
- Medicare/Medicaid (consult with specialists to discuss these plans and various supplement plans that can help with costs)
- Disability insurance (a federal assistance program for individuals who cannot work due to severe disability)
- Federal tax returns
- Assets
- Wills
- Trusts



To help a loved one get their financial affairs in order and to make the discussion about finances easier, the National Institute on Aging (NIA) recommends for people involved in the caregiving process to gather all important legal papers and put them in one safe place. This place might include a safe deposit box or a locked and fire proof filing cabinet at home. Family

caregiver teams should work towards making the decision of where the safe place for these documents will be so everyone can be on the same page. Understanding which papers and documents are important may be overwhelming. The NIA provides the following list of important paperwork to gather:

- Death and birth certificates
- Employers and dates of employment
- Education and military records
- Medication records
- Up-to-date will and power of attorney documents
- Advanced directives
- Safe deposit box location, key and permission to access
- Names and contact information for:
 - Doctors
 - Bankers
 - Lawyers
 - Financial advisors

Additional records specific to finances should include sources of:

- Income/assets
- Insurance information
- Banks and bank account numbers
- Debt/bills and due dates
- Investment income
- Names/contacts of brokers
- Mortgage and debt information
- Car title and registration
- Credit card names and numbers
- Location of the original deed of trust for a home
- Location of a safe deposit box and key

Understand Current Medical Coverage

The services that insurance and/or long-term care coverage covers is not the same among all providers. An important part in the planning process is understanding what a loved one's health insurance will pay and not pay for; this can help you and your team plan on what services are available and create a plan as to how to pay for

services that are not paid for through the medical coverage. A spouse's income may affect your loved one's eligibility for Medicaid. Medicaid is a federal-state health insurance program available to people who meet certain income/asset (or resource) standards. Sometimes even having multiple insurance carriers can actually reduce the healthcare coverage of an individual. In situations where there are multiple insurance carriers, it is important to have a clear understanding with your loved one to make one of these carriers listed as primary. According to Caregivers.org, if a healthcare provider reports that they do not accept the health insurance of your care recipient, make sure to check for yourself through the Medicare Rights Center at (212) 869-3850 or your state's Health Insurance Assistance Program at <https://www.medicare.gov/Contacts/>.

Sometimes we do not expect that someone else will have to take over financial affairs. However, when a crisis happens the need for someone to manage the finances becomes immediate. Family care teams should plan ahead before an emergency occurs so they know what to expect and where to find important legal documents and emergency contact information.

Properly Manage Your Own Finances

Family members and friends can share the responsibility of caregiving, however having several people overseeing one issue may make caregiving difficult, specifically for the example of financial matters. AARP recommends for everyone on the family care team to play a specific role in the caregiving experience. This not only helps to prevent caregiver burnout, but it also allows family members to benefit from one another's strengths and comfort levels. Creating team roles based on strength and comfort helps families work better together and meet caregiving needs. Family care teams may find it helpful to appoint one or two trusted and knowledgeable people to work towards financial planning. Having one or two people in charge of this caregiving task can help decrease the chance of confusion or disagreement in financial planning. Sometimes having family members in charge of financial planning can become an issue within the family of the loved one. In situations like this, it may

be helpful to have a trusted neutral third party, such as a faith leader or financial counselor, be present or assist in the financial decision-making process.

When participating in financial planning, the most important thing to consider is ways to pay for any care needed in the present or future. Due to the time and physical demand that some parts of caregiving requires, it is not uncommon for family caregivers to make changes to their own incomes. This may include needing to take time off from work, reduce work hours, turn down a promotion or adjust retirement plans. It is not uncommon for family caregivers to be forced to make changes to their own family or personal budget to help a loved one afford groceries, medication or necessary care. If a family caregiver feels comfortable, they may have a discussion with their boss, work supervisor or human resources department about opportunities for caregivers. There may be benefits and services for which a family caregiver is eligible and policies in place that support family caregivers. Some businesses are open to options such as allowing family caregivers to work from home, vary work hours or maintain flex-time.

According to the Association for Long Term Care Planning, it is important for caregivers to stay on top of their own financial situation.

- Research long term care deductions (to be eligible you need to be able to claim your care recipient as your dependent and that you are responsible for half of their expenses. For more information, refer to www.irs.gov for more information.
- Do not use your retirement funds. These funds need to stay intact for your own future.
- Earn income. While some caregivers may not be able to work a 9-5 job, look into other ways in which to earn income such as part-time work or online jobs.
- Secure long term care coverage sooner, versus later.

It Is Never Too Early To Start Planning Ahead

As a family caregiver, there will be both rewarding and challenging situations. Beginning the conversation with your loved one about how a family caregiver can help with financial concerns can reduce feelings of uncertainty about a loved one's personal wishes regarding their finances. Do not forget the importance of forming a team. Together a team can contribute to a better caregiving experience and decrease burnout. Most importantly, remember you are not alone. Reach out to your community providers and family to ensure that both you and your loved one has the best caregiving experience possible.

Please note that the information provided here is not meant to replace the advice of a legal or financial professional.

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The AARP Goals & Needs Checklist is being used with permission from the KY AARP

GOALS & NEEDS CHECKLIST

Use this list to start the conversation about what is most important to your loved ones and what strengths they bring to bear.

Goals	Strengths
_____ To remain healthy and active	_____ Great negotiator
_____ To stay/move near family	_____ Adequate savings
_____ To remain in my own home for as long as possible	_____ Low-maintenance single story home
_____ To stay active with religious or community groups	_____ Large network of friends
_____ To maintain hobbies	_____ Close relations with family
_____ To be around people	_____ Other
_____ To move to a residence with support services	
_____ Other	

Needs

First determine if there is an immediate need under each area. If there is not a pressing issue, prioritize the tasks to be addressed and develop a timeline.

GENERAL NEEDS ASSESSMENT (One for each individual who will need care)

Area of Need	Types of Possible Tasks	Point Person
Health Care	<ul style="list-style-type: none"> _____ Determine medical or emotional problems _____ Make, accompany, drive or make alternate logistic arrangements for doctor's appointments _____ Submit medical insurance and bills _____ Explain medical decisions _____ Medication management (fill prescriptions, fill pill boxes, give reminders, and dispense medications) _____ Perform medical tasks (wound care, injections, and catheter) 	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Communications	<ul style="list-style-type: none"> _____ Keeping family caregiving team informed _____ Coordinating team visits _____ Daily check in 	<hr/> <hr/> <hr/>
Socialization	<ul style="list-style-type: none"> _____ Sending greeting and thank you notes _____ Arranging for visitors _____ Arranging outings 	<hr/> <hr/> <hr/>
Adaptive Devices	<ul style="list-style-type: none"> _____ Ordering, maintaining, and paying for adaptive devices (e.g., wheelchair, walker, etc.) _____ Training on how to use devices _____ Other: _____ 	<hr/> <hr/> <hr/> <hr/>

PERSONAL INFORMATION CHECKLIST

(One for each individual who will need care)

NAME

X	Personal Information	Where is it kept? Contact Name <small>(attach copy of documents)</small>
	Social Security Card	
	Birth Certificate	
	Marriage Certificate	
	Death Certificate (for Deceased Spouse)	
	Divorce Papers	
	Military Records Branch of Service VA ID#: Discharge Papers:	
	Driver's License/Organ Donor Card	
	Passport/Citizenship Papers	
	Address Books (names and addresses of friends and colleagues)	
	Lists of church & community memberships and contact information	
	Information on waiting lists or contracts with retirement communities or nursing homes	
	Information on funeral arrangements	
	Pet Care: Vet, Sitter, Walker	
	Beautician/Barber	
	Lawyer	
	Other	
	Passwords	

FINANCIAL CHECKLIST

X	Item	Where is it kept? Contact Name
	Bank Records (checking/savings accounts) Pin number clues — online banking and accounts with passwords and clues	
	Trusts	
	Will	
	Durable Power of Attorney for Finances	
	Any rental agreements or business contracts	
	Complete list of assets & debts	
	List of routine household bills	
	Federal & State Tax Returns (past 3-5 years): Tax Preparer:	
	Records of any personal loans made to others:	
	Financial Planner or Broker:	
	Life Insurance Policy or Policies:	
	Disability Insurance (long- and short-term):	
	Long-Term Care Insurance:	
	Safe Deposit Box(es):	Location(s): Number(s): Keys:

HEALTH CHECKLIST

PHARMACY Name **PHONE #**

LOCATION

PHARMACY Name **PHONE #**

LOCATION

DOCTOR Name **PHONE #**

ADDRESS

DOCTOR Name **PHONE #**

ADDRESS

DOCTOR Name **PHONE #**

ADDRESS

DOCTOR Name **PHONE #**

ADDRESS

DENTIST Name **PHONE #**

ADDRESS

ADDRESS

HEALTH CHECKLIST (continued)

Item

Where is it kept? Contact Name

Medicare Original or Medicare Advantage (company name):

ID Number:

Medicare Prescription Drug Coverage (company name):

ID Number:

(does not apply to an Advantage plan with drug coverage)

Other Health Insurance Policy (Medigap):

Company:

Premium:

Payment schedule:

Veteran's Health System:

ID #:

Do Not Resuscitate (DNR) Order:

POLST form-if available in your state

Living Will

Durable Power of Attorney for Health Care

HOME MAINTENANCE CHECKLIST

X Home Item	Where is it kept? Contact Name <small>(attach copy of documents)</small>
Mortgage Company Name: Amount due:	
Rental Management Company: Amount due:	
Rental/Real Estate Agent:	
Gas/Electric/Water Company:	
Cable/Internet/Telephone:	
Homeowners Insurance Agent: Insurance Policy #: Homeowners Premium:	
Garbage Service Garbage Pickup Day is: M T W Th F (circle)	
Home Services: <ul style="list-style-type: none"> • Handy person • Lawncare • Appliances 	
Passwords Computer(s) password clue(s) Phone messages password clue	

TRANSPORTATION CHECKLIST

NAME _____

X	Item	Notes	Where is it kept?
	Auto(s):	Make(s):	
	Auto Loan Information:	Model(s):	
	Title for Car(s):		
	Auto Insurance Company:		
	Recreational Vehicles: Title: Insurance:		