



Straight Talk

A Fresh Approach to Senior Care Management

Long-Term Care

Summer 2001



by Colleen Van Horn RN, BSN, PHN, CCM



Welcome to another issue of *Straight Talk*. Today, one in nine Americans is age 65 or older.

Currently, more seniors are avoiding nursing homes while opting for in-home care or assisted living. The home health industry and assisted living facilities have grown tremendously over the past decade, while the growth of nursing homes has practically stopped.

As children, we often feel torn between the need to protect the normalcy of our own lives and families and our duty as potential caregivers of our aging parents. Each case is different: maybe you have the time to dedicate but not the money, maybe you have the money to offer but not the time to spend, or maybe you do not have either. Fortunately, there are options available for all circumstances.

Until recently, aging loved ones had two choices: move in with family or live in a nursing home. If you have managed your assets well and prepared in advance for changes associated with aging, there are many options available.

The ideal situation is to remain in ones' own home where you are familiar and secure. Assisted living also can be an ideal setting for seniors who do not need constant medical care or around the clock monitoring. They mostly need help with every day tasks such as laundry, bed changing, meals, bathing and medication dispensing. For many seniors, who require constant medical attention or have an advanced condition of Alzheimer's and can't be left alone, nursing home care may be the best choice. Medicaid and other government programs cover the costs of care for two of every three long-term nursing home patients. The uncovered one-third can opt for another type of care, purchase long-term care insurance or live with the high costs.

Case managers have an essential role of assisting with these choices by evaluation, monitoring and reassessing the needs and care plans of the elderly. They will be crucial in directing patients in their long-term care plans and decisions. Case managers assist families in coping with the stress and emotional impact of caring for an aging family member.

I hope you enjoy this issue of *Straight Talk*.

Colleen

Long-Term Care Dilemma

If you have trouble deciding which long-term care option is right for you, you are not alone.

In the US, there are over 18,000 home health agencies, 30,000 assisted living facilities and 18,000 nursing homes (Time, Aug 30, 1999).

Which one is the right match for your individual needs? Something to consider is that a recent study finds that 80% of people discharged from assisted living facilities gave the reason as needing more care*.

Consulting with a professional geriatric case manager can narrow the gap and assist with making the right choice for you.



*Source: Texas A&M University System Health Science Center and Myers Research Institute

Are You a Candidate for Long Term Care Insurance?



If you meet any two of the three following criteria, then a long-term policy may be of benefit:

- * You have more than \$150,000 but less than \$450,000 worth of retirement assets, including their home
- * You feel very strongly about preserving what remains of those assets for your heirs -- or for one surviving family member in particular, such as a disabled child or a son or daughter who is a single parent
- * You have reason to believe that you may require long-term nursing care (due to a factor in your own health or direct family history) but do not yet have a specific, diagnosed condition, such as Alzheimer's disease, that would prevent you from getting insurance

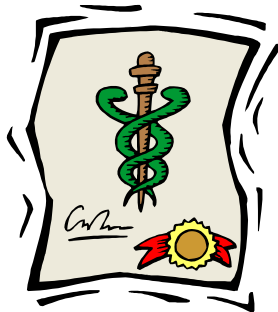
If you have over \$450,000 worth of retirement assets, you will probably be better off self-insuring or trying a combination of strategies that includes self-insuring, reverse mortgages and private insurance.

Source: Smart Money, November 1999

Tips for Purchasing Long-Term Care Insurance

Of older Americans who foresee needing long-term care services within the next year, only one in four say they would be able to pay for those services with their own family resources. If you determine that long-term care insurance is for you, here are some tips to consider in your decision-making process:

- You can reasonably predict that you will be able to pay the premium for the rest of your life.
- Stick with blue-chip firms.
- A policy with a 100-day deductible is much cheaper than policies that kick in right away and nearly as safe since Medicare will cover shorter, post-hospitalization stays anyway.
- 3-6 years of coverage should be more than enough for nearly everyone.
- Consider a plan that has "flex-care" which allows you to receive a (lower) cash benefit for home care or assisted living, as an alternative to having to go into a nursing home.



An Update on Long Term Care

*"The public has not awakened to the reality that preferred alternatives for long-term care like quality home care and assisted living require the ability to pay privately."***

Studies indicate that 43% of people over the age of 65 will spend some time in a nursing home and that 9% will spend five years or more. At an average annual cost of \$55,000 per year today, a long-term nursing home stay can quickly devastate a family financially.

Only 7% of seniors and virtually none of the baby boomers own private insurance. Most believe they will be covered by Medicare and Medi-Cal when the need arises. However, there is an increasing awareness that Medicare and Medi-Cal pay too little to assure quality home or nursing home care.

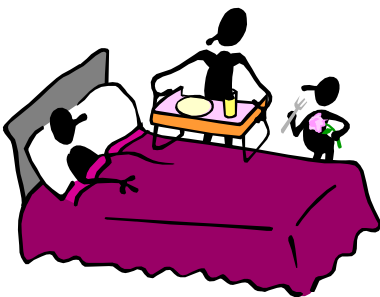
The option most seniors prefer would be to receive care in their homes and that requires private pay. Surprisingly, the cost of receiving 24-hour care in your own home may be close to the dollar amount you would pay in a skilled nursing facility! Even having a caregiver in for as short as four hours a day can cost as much as \$36,000 per year. If you need skilled nursing care in your home, you currently would pay \$100 per hour.***

** Stephen Moses, President of the Center for Long Term Care

*** Business Week, April 1996

What Is Long-Term Care?

Long-term Care is the help people need when they lose some or all of their ability to perform the normal activities of daily living, such as bathing, dressing, eating or going to the bathroom. Long-term care ranges from custodial care to skilled nursing care for serious medical conditions.



People are living longer and dying slower often in need of high-cost medical; and custodial care. Most older people like to remain independent. But later in life -- especially in the 80s and 90s -- you or someone you know may begin needing long term care.

For many people, long-term care may mean a little help from family and friends or regular visits by a home health aide. For others who are frail or suffering from dementia, long-term care may involve moving to a place where professional care is available 24 hours a day.

You may also choose to move to a place where care is available:

Assisted Living: Arrangements are available in large apartment or hotel-like buildings.

Board and Care: Homes set up for a small number of people in a "home" setting. You may have a private or semi-private bedroom and share all the other living areas with the other residents.

Different levels of care are offered, but often services include meals, recreation, security and help with bathing, dressing, medication and housekeeping. These services are not covered by federally-funded programs.

Keep in mind, that family members making their first placement decision look for availability of a private bedroom and bath as the most important factor. However, family members questioned at time of discharge, agreed that the most important criteria was the ability of the facility to adapt to changing care needs in order to avoid the need for a transfer.*

Federally-Funded Long-Term Care a Disaster?

Following are some of the reasons America's long-term care service delivery and financing system is causing deep concern:

- Seven major nursing facility chains have declared Chapter 11 bankruptcy
- Between 10-20% of all nursing home beds in the country are in bankrupt facilities today
- Hundreds of home health agencies have gone under financially
- Many new assisted living facilities are filling far more slowly than anticipated
- Long-term care stock prices are down
- New capitalization by debt or equity is almost non-existent for publicly held long-term care companies
- Caregivers are in desperately short supply, whether they are low-wage nurses' aides in long-term care facilities or unpaid friends and family in private homes.

What does that mean? It means that in the long term, federally-funded programs may not always provide a free-ride for long-term nursing care. In the short term, it means you can expect inferior nursing care in a long-term care system that is in serious financial trouble.

Currently, our health care system is based on acute-care with a dependency on government programs. We bend the needs of the chronically ill to meet the needs of the system. Many health care professionals see long-term care as the most important social issue today and look to changes in the near future where we move from system supports to self-supports.

Websites for More Information

National Institute on Aging: <http://www.nih.gov/nia>

Eldercare Locator: <http://www.aoa.dhhs.gov>

Health Care Financing Administration:
<http://www.hcfa.gov>.

National Association of Professional Geriatric Care Managers: <http://caremanager.org>

Straight Talk

A FRESH APPROACH TO
SENIOR CARE MANAGEMENT.



INNOVATIVE HEALTHCARE
CONSULTANTS, INC.
4003 S. MISSION ROAD
Fallbrook, CA 92028
Phone: (760) 731-1334
Fax: (760) 731-1490

WE'RE ON THE WEB AT
WWW.IHC4U.COM

Client Stories

Visiting her mom every day, Susan was shocked when she was told that her mom could no longer stay at the facility where she had been staying for the past five years. The prospects of having to find a place where her mom would receive more care but also would be able to care for her as

her health continued to decline was overwhelming. Innovative Healthcare Consultants was able to immediately assess Susan's Mom and find the appropriate place so she would not have to move again. Susan called to let us know her mom is doing well in her new surroundings and how good she feels about letting the experts find the solution.

IHC Mission Statement

Innovative Healthcare Consultants, Inc. is committed to assisting individuals and their families plan for and access all levels of health care necessary to maximize their health, independence and safety.

Based on a thorough assessment, IHC will provide a professional and confidential review of funding and available health care options.

As a client advocate, IHC will assist with the development and implementation of an individualized plan to meet your health care needs.

INNOVATIVE HEALTHCARE CONSULTANTS

4003 S. Mission Road
Fallbrook, CA 92028

