



# A BRIEF GUIDE TO PLANNING FOR LONG-TERM CARE

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## **A BRIEF GUIDE TO PLANNING FOR LONG-TERM CARE**

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This guide is intended to provide you a brief overview to creating a long-term care (LTC) plan.

*It is not intended to:*

- ⇒ *Educate you about the huge financial, emotional or physical impact of long-term care*
- ⇒ *Bring you up-to-speed on the latest long-term care developments, or*
- ⇒ *Discuss the overwhelming body of evidence that long-term care is a major issue for us and our society*

***To implement an effective plan,***

**call us for an appointment at**

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## Some Background

*“It takes as much energy to wish as it does to plan.”*

~ Eleanor Roosevelt

Whether it’s the U.S. Congress, a healthcare professional or the spouse who has become the defacto primary caregiver, there is little doubt that long-term care is an issue for our age. Yet, *the very thought of long-term care, and planning for it, can elicit a multitude of emotions.* It’s been our experience that many of these emotions are unduly negative due to the mythology and misunderstanding surrounding long-term care.

The truth is that those who prepare to protect their financial security and reduce the emotional and physical strain that a long-term care event can have on family and friends are in the driver seat of this major issue.

What this means is that a little effort on your part will produce huge rewards.

The true benefit is the peace of mind that you, your family and friends will have knowing that there is a plan in place that addresses the hard financial, emotional and physical issues a long-term care situation often creates – *a plan that could well make life worth living.*



## Where to Begin

### Step 1: Identify who might need long-term care.

*“Start by doing what's necessary; then do what's possible; and suddenly you are doing the impossible.”*

- St. Francis of Assisi

Culturally, it's not unusual to take a “*not me*” approach to planning.

For many of us, identifying who might need care is simply a question of anticipating the future needs of parents, relatives or a spouse/significant other with little or no attention given to ourselves.

*What this means is that you are missing one of the most important persons in the planning equation - **you!***



## Step 2: Wishes and Desires

*“Developing the plan is actually laying out the sequence of events that have to occur for you to achieve your goal.”*

*~ George L. Morrissey*

A) What is your goal? *Our wishes and desires for life paint a picture of our goal(s).*

With over 40 years of long-term care experience, we have developed a set of questions designed to focus on how you and your loved ones would like life to be when that long-term care situation occurs.

The questions can be used as a guide for yourself or as a conversation starter with loved ones. They are divided into two categories, *lifestyle* and *financial*, and may be found in *Appendix A*.

B) Sometimes discovering or learning the answers is not easy. A parent or loved one may feel uncomfortable considering the answers for a host of reasons, but this should not stop the planning process. Loved ones provide us all sorts of clues about their needs and desires.



## Questions you could answer yourself can provide surprising insights.

Here are just a few to get you started.

- ⇒ Are they (you) physically active or sedate?
- ⇒ Do they (you) spend a lot of time with other people or do they prefer to be alone?
- ⇒ What type of people do they (you) like to be with?
- ⇒ What gives them (you) pleasure makes them (you) sad, angry, happy, etc.?
- ⇒ What are their (your) favorite foods?
- ⇒ Do they (you) like to travel?
- ⇒ Are they (you) involved in an organization?
- ⇒ What are the cultural expectations? (*For example, are the female children expected to be caregivers?*)

While you're thinking about this, consider how these questions apply to you.



## Step 3: Resources

*“None of us has gotten where we are solely by pulling ourselves up from our own bootstraps. We got here because somebody bent down and helped us.”*

– Thurgood Marshall

Now that you have answers, it's time to look at resources.

Resources can refer to many needs for a person requiring long-term care. Some common needs requiring resources are:

- ⇒ Transportation - *shopping, the doctor, visiting a friend*
- ⇒ Cooking - *fixing meals, help with eating, clean up*
- ⇒ Dressing - *getting dressed, laundry, etc.*
- ⇒ Contenance - *basic bodily functions*
- ⇒ Social Interaction - *participation with friends, clubs, community groups, etc.*

You may think of other needs as you consider the resource questions on the following page.



## Resource Questions

- ⇒ Who will deliver support services? (*You, a family member, a professional, etc.*)
- ⇒ When can they/you deliver those services? (*While you're at work, in the evening, over the weekend, holidays, etc.*)
- ⇒ Where can they provide those services? (*Home, work, apartment, a care facility, their office*)
- ⇒ Is there a cost? (*Average daily cost for the entire range of long-term care is \$240 to \$250/day in 2018.*) If so, what might the cost be and who will pay for it and when?

**Note:** *Appendix B* provides an outline for considering long-term care costs and financing.

- ⇒ Are there requirements for getting care? (*Medicare provides very little long-term care and Medi-Cal has strict requirements based on impoverishment.*)
- ⇒ Are there family members who can support with time or finances in ways not yet considered?
- ⇒ Do the resources fit with the concerns and desires of the person(s) being planned for?



## Step 4: Create the Plan

*“A good plan today is better than a perfect plan tomorrow.”*

- George S. Patton

No one knows for sure if and when a long-term care situation will occur. So planning should be broad enough to provide flexibility for taking care of a loved one.

What this means is that there is a good chance you won't have all the answers but you will have the basis for getting the answers.

The true benefit of a plan is *peace of mind* that you will have the tools in place to address a long-term care situation if and when it occurs.

We suggest that you put the plan(s) in writing.

Yes, we did say plans because there may be your plan, a spouse's plan, a parent's plan, etc.

The plan may be a simple one page outline, an extremely detailed document or something in-between; depending on what works best for you.



A Plan could include:

**One time immediate steps** like “purchase a long-term care policy” or “review my trust and will”

**Conditional responses** like “If I’m a surviving spouse with a long-term care need, I want *(fill in the blank)*.”

**Responsibility notes** like “If Mom and Dad need care, I will be there on the weekends, my sister will be there on M, W & F and my brother will be there for them on T & Th. Fill in care when we can’t be there will be provided by *(name the provider(s))*.”

**Financial notes** like “Mom’s CD’s will pay for care until her long-term care policy kicks in. Any extra costs will come out of Mom’s annuity and, if funds are needed beyond that, we will plan on Medi-Cal as an option.”

**Functional notes** like “Remember to let caregivers know that Dad likes See’s butterscotch lollipops” or “watching ‘Jeopardy’ on Friday afternoons.”



## Step 5: Communicate and Review

*“The single biggest problem in communication is the illusion that it has taken place.”*

*-George Bernard Shaw*

Now that you have a plan in place, you need to communicate it with those who are part of your resource circle.

This could be:

- ⇒ friends,
- ⇒ a spouse,
- ⇒ siblings,
- ⇒ parents,
- ⇒ children
- ⇒ relatives, and
- ⇒ professionals like your lawyer, financial planner, insurance professional, CPA and doctor.

Providing them some or all of a plan can be appropriate to being prepared.



## **Finishing Touches**

Now that the plans are in place, make sure that you review them on a regular basis.

This is usually done every couple of years or when major changes have occurred like a death, marriage, a change in health, a move, or even the birth of a new family member.



# Appendix A

## Long-Term Care Questions

*(Questions For Conversation And Needs Review)*

### Lifestyle

#### **If I need LTC, who will take care of me?**

- ⇒ How and where will they provide the care?
- ⇒ Do they honestly have the time? Can they care for me 24 hours a day, 7 days a week?
- ⇒ How will it affect their lives?
- ⇒ What are their other responsibilities?
- ⇒ What will they have to give up?
- ⇒ Will they have to quit their jobs?
- ⇒ If yes, how will they replace their earnings?

#### **Do I want my spouse, child, or friend providing embarrassing personal care?**

- ⇒ Who else can help?
- ⇒ How will it affect our relationship?
- ⇒ How will it affect their emotional health?
- ⇒ How will it affect the members of their family?

### Financial Considerations

- ⇒ Can I (or my family) afford \$85,000 or more a year for LTC?
- ⇒ How long will it take to run out of money?
- ⇒ Can assets be quickly converted to cash?
- ⇒ Will my spouse's lifestyle change due to the cost of my care?
- ⇒ Will my spouse's lifestyle change should he/she becomes my caregiver?



## Appendix B

### ***Protecting assets from long-term care costs!***

Ultimately, the care that can be provided in a long-term care situation boils down to financial resources.

Perhaps you have the resources to absorb all the costs or no resources which could require consideration of support programs like Medi-Cal.

For many people, long-term care insurance is a cost effective financial solution to protecting their assets and obtaining quality caregiving. Many people consider the following in determining a policy that is right for them.

- ⇒ **What is my family health history?** Are there any trends in my family that give a clue about potential long-term care issues that could impact me? *For example, a family history of Alzheimer's could be an indicator that one should consider an unlimited period policy.*
- ⇒ **How do my health habits and health stack up against my family history and current medical practices?** *(For example, high cholesterol is now routinely controlled with drugs like Lipitor.)*
- ⇒ **What are my available funds to handle a long-term care situation?** *Would I be using funds that I want to be used for taking care of a spouse, an inheritance, funding a grandchild's education, or some other item of extreme importance to me.*
- ⇒ **Are there family members who may want to help insure that I have long-term care coverage?** *(Quite often adult children are more than pleased to help.)*

***The next page provides a worksheet for you to use in considering the financial implications of caregiving.***

