

Caring for an Ailing or Aging Parent

Know and Fully Understand the Personal and Financial Ramifications

By HYMAN DARLING, Esq.

Caring for a parent is often considered a job or obligation. But what if your family turned this situation around and looked at it as a rewarding experience, one that provides the opportunity to give back to your parent all of the care and nurturing he or she provided while instilling values and bringing you up?

How about looking at this as an opportunity to offer care, love, and affection, and to grow in positive ways that otherwise would not be available? While the situation may be a difficult one, what if you regarded it as a challenge with positive rewards?

If you see a situation arising in which your parent will need your care, you should begin planning as soon as possible to assess the needs of all parties. This includes communication with your siblings so you are all on the same page. For example, a sibling may mistakenly perceive you to be taking advantage of your parent because you receive financial compensation. This is a very real possibility if you need to provide care for your parent 24/7 in your home or theirs.

Often, caregiver children have to take a leave of absence under the Medical Leave Act, or perhaps even terminate a job in order to stay home and care for their aging or ailing parent. Vacations may have to be postponed, and respite care may have to be provided for your parent if you need to attend an important family function, such as a graduation or wedding.

In order to properly plan, you'll probably need the input of a geriatric care manager, who will provide professional support, giving you assistance and suggesting and coordinating other services as necessary. The focus will have to be on your parents' needs to assure that no third party will enter the picture and criticize the services provided, such as hygiene, dietary needs, medical needs, etc.

Support for you as a caregiver is also important so that you won't become burned



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out when your parents' medical needs progress and increase, and additional services are required. As caregiver, you may need counseling, especially if a parent has dementia or another memory-related disease. There are many support groups that can help you deal with the ongoing issues and preserve your own mental health.

Even the best-laid plans sometimes are not as successful as anticipated; therefore, you should have a backup plan in place. Examples include day care, permanent institutionalization, or perhaps having your parent stay with another sibling. If possible, all children should share in the parental-care process.

Needless to say, it is easy to suggest that adult children should be taking care of their own parents, but that is not appropriate for all families. Often, paid home care may supplement families caring for their parents. So planning must be attended to as soon as possible to assure the best possible chance of success.

Caretaker children often feel additional stress caused by the overwhelming burden of paying for long-term care in the event that their parent must be placed in a nursing home. It is heartbreaking to contemplate the reality that a lifetime of savings may be wiped out by long-term-care expenses. In an attempt to retain accumulated wealth, many people are tempted to transfer money as soon as illness strikes, but that is not an effective means of secur-

ing family assets.

Now that the Deficit Reduction Act has been in existence almost six years, most states have enacted regulations or laws that define the extended waiting period for long-term-care benefits paid by the state. Regardless of the value or intention of gifts, in many cases, a five-year waiting period for eligibility for federal and state long-term care benefits remains a concern for most individuals who have assets that must be used for their care, even if the assets have been gifted within the previous five years.

A good option to protect your parents' assets is to purchase long-term-care insurance. This covers the cost of nursing-home or in-home care in the unfortunate event that your parents require services. Some newer-generation policies provide updated benefits, and some policies combine life insurance, annuity, and long-term benefits within a single policy.

One of the benefits of long-term-care insurance is that your parents won't have to give away their assets until they need services or become incapacitated. Then, presuming they have a policy that provides at least five years of coverage, they may gift their assets upon entering a nursing home. Their care will be covered by their insurance company for the five-year look-back/waiting period, and upon termination of that coverage, they will then potentially qualify for Medicaid.

In the event that your parent is not able to make the gift himself or herself at the time of institutionalization, his or her attorney-in-fact, who is the person named under the durable power of attorney, will hopefully have the authority to make gifts and transfers on your parent's behalf.

The benefits that you should consider when coaching your parents through the purchase of a long-term-care insurance policy will be determined by their income, their tolerance for paying premiums, and the value of the assets they want to preserve. In several states, there is a so-called partnership plan, which means that, with minimum coverage, such as \$200,000, they will be able to maintain \$200,000 worth of assets

without any penalty or waiting period.

In Massachusetts, if a certain minimum coverage is maintained at the time of institutionalization, then assets such as your parents' home may be protected regardless of their value, providing that the coverage at the time of institutionalization meets the requirements of the state Medicaid office.

Long-term-care insurance should be considered a requirement similar to life, homeowner's, and disability insurance. It is very important that you review your parents' situation with them carefully to assure that the proper amount of coverage is purchased. This will bring peace of mind to you and your parents. ❖

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