

Finances and Alzheimer's Disease

There Are Many Such Matters Involved with 'the Long Goodbye'

By TODD C. RATNER, Esq.

November is National Alzheimer's Disease Awareness Month as well as National Family Caregiver Month. To appreciate the breadth of these issues, it is helpful to understand that, according to the Alzheimer's Assoc., 5.4 million people live with the disease, as well as about 15 million unpaid family caregivers; \$183 billion in annual costs are associated with it.

Alzheimer's disease, the most common form of dementia, is a physical and terminal illness that causes difficulties with memory, thinking, and behavior. It is not a normal part of aging.

According to the Alzheimer's Assoc., there are 10 common warning signs of Alzheimer's disease:

- Memory changes that disrupt daily life;
- Challenges in planning or solving problems;
- Difficulty completing familiar tasks;
- Confusion with time or place;
- Trouble understanding visual images and spatial relationships;
- New problems with words in speaking or writing;
- Misplacing things and losing the ability to retrace steps;
- Decreased or poor judgment;
- Withdrawal from work or social activities; and
- Changes in mood and personality.

Alzheimer's gets worse over time; however, one advantage of a timely diagnosis is that the person living with the disease can often participate in their own estate planning. This allows them to decide who will make medical and financial decisions on their behalf in the later stages of the disease, provided, of course, that they still have the

legal capacity — the level of judgment and decision-making ability — needed to sign legal estate-planning documents.

As such, it is imperative that someone diagnosed with Alzheimer's begin making legal and financial plans as soon as possible, to the extent that they can. If there are any questions as to whether or not your loved one has the necessary

decision for you.

Another essential estate-planning tool is a health care proxy. This document allows a designated person, called a health care agent, to make health-related decisions for you if you become incapacitated and cannot make them yourself. This becomes especially prevalent when Alzheimer's disease progresses, as your loved one will understand

your wishes regarding care and end-of-life decisions.

Another critical estate planning tool is a durable power of attorney. This document gives a person called the attorney-in-fact the ability to handle your financial affairs during your lifetime when you are incapacitated. This

will prevent your loved ones from having to go to court and obtain the legal right to pay your bills and handle your finances on your behalf when your disease progresses.

Estate planning is a broad term that can encompass many things, and there are more estate-planning choices available today than ever before. You may also consider various trusts to provide for the continued financial support of your family members after you lose the ability to care for them yourself.

Long-term Care Financing

While most families prefer to keep their loved one at home as long as possible, it is common for an individual with Alzheimer's to have to go to a nursing home when family members can no longer provide the necessary round-the-clock care. Due to the characteristics of the disease, Alzheimer's residents typically reside in nursing homes longer than other residents. Since the average cost of a nursing-home placement in



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legal capacity, a medical provider should be consulted.

The following should be considered immediately in the event that your loved one does not have a current or updated plan in place.

Estate Planning

Estate planning, in its most basic essence, is a process for nominating a trusted person to make medical and financial decisions and planning for the disposition of your assets upon death. Regardless of the size of your estate, there are several essential considerations.

Everyone needs a will, the most basic estate-planning document. It provides for the orderly distribution of your estate upon your death. In Massachusetts, the state has already drafted a will for you, designating that your assets pass in proportions of 50% to your spouse and 50% to your children, so if you want any customization, you'd better have an attorney draft a personalized ver-

Massachusetts is approximately \$10,000 per month, long-term care financing is a critical component of the planning process for a loved one with Alzheimer's disease. As such, effective planning for long-term care financing is a must to preserve your family's assets against being drained by a nursing home.

The available options to pay for nursing-home care include private payment, long-term care insurance, and Medicaid. Private payment can quickly evaporate a lifetime of savings and significantly limit the amount passed to designated heirs, so it is generally preferred to find an alternative form of payment.

Long-term care insurance is a wonderful way to pay for a nursing home stay, but one must be insurable in order to be eligible to purchase such insurance, which precludes most people living with Alzheimer's. It may also be expensive, thereby making it an unaffordable option.

Many people think that they can sim-

ply give away their money to family and friends freely. They often don't understand that complicated Medicaid laws include a specific look-back period on all assets, and such transfers will delay Medicaid eligibility, requiring you or your loved one to find alternative financial resources until the waiting period is satisfied. Without proper planning, this delay could financially devastate your family, but Medicaid planning or asset preservation can be accomplished by properly transferring assets in accordance with Medicaid laws, and an estate or elder-law attorney can guide you through that process. It may be your best way to prepare for an anticipated nursing-home stay.

Even if a loved one is afflicted with Alzheimer's disease and does not have an updated plan, it may not be too late. However, it is important to see a qualified estate-planning and elder-law attorney as soon as possible to ensure that the ever-changing and intricate laws and requirements regarding estate planning and long-term care

planning are followed. Such an advisor is the best resource for determining how to effectively draft an effective estate plan that can help preserve your family's resources.

You can be a voice and an advocate for the 5.4 million Americans living with Alzheimer's disease. The local office of the Massachusetts/New Hampshire Chapter will be hosting events throughout the month of November to celebrate and promote awareness of the disease. Log onto alz.org/manh to find out more. ♦

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