A SURVIVAL GUIDE TO AGING

HEALTHY LIVING

LONG-TERM CARE

FINANCIAL STABILITY

CHRIS ORESTIS

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A Greeting from Chris

Hello and welcome to "A Survival Guide to Aging"! My name is Chris Orestis, as both CEO of Life Care Funding and a senior care advocate I have spent years working across this country to find ways to increase access to long term care. I am always looking for ways to help improve the lives of seniors and their families. And now with my second book, I am excited to bring important information to you and your family about surviving your senior years with excellence! In this book I will share information, tips, facts, resources and the latest news intended to help seniors and their families make the most of what should be among the best years of their lives.

This Survival Guide focuses on Senior Living issues such as long term care planning, finance and costs saving tips for seniors, improved longevity through exercise, eating, and healthy lifestyles, legal and political issues, events in the news, and interesting stories and events that can help shine a light on making the most out of your Senior Living years.

But, who am I and why would you consider reading my book? Well, please allow me to take a moment to introduce myself further.

In my earlier career, I was a lobbyist in Washington, D.C. where I worked on healthcare reform and long term care. In 2007 I co-founded Life Care Funding with my dear friend Don Poole and an intrepid group of pioneers including Jane Kremer and Trevor Nicholson. Over these years our company has grown and we work with families across the United States helping them to afford the costs of long term care. I have testified before numerous state legislatures and governmental bodies, and have given countless speeches around the country about improving access to long term care; I contributed to the Congressional Commission on Long Term Care; I have been featured in news stories in the New York Times, Wall Street Journal, USA Today, Kiplinger's, Woman's World Magazine, on TV, and on radio programs across the country; I have published academic white papers and have been in national publications over 50 times; and I am the author of the Amazon Best-Selling E-Book "Help on the Way".

I invite you to read this book and discuss with your friends and family these issues that impact the quality of life for seniors and those they love around them. I also invite you to be part of the discussion. If there are questions you have, issues you want addressed, information you would like to share please let me know (Chris.survivorguide@lifecarefunding.com). My goal is to speak *with* you-- and not *at* you as you read this book. **I look forward to our conversation.**

Introduction

What does it mean to be a "senior"? Well, in many ways it can mean whatever you want. The conventional definitions of aging and retirement don't apply anymore. What it once meant to be a senior 20 or 30 or 40 years ago is much different today. Life expectancy now is much longer and quality of life can be much better. But the key to making it happen is in your hands. The secret to enjoying a long and fulfilling life is for you to make "Life Investments" today that will pay great dividends in your future. Life Investments are positive efforts you put into your physical health and mental wellbeing, as well as making smart financial and planning moves for your future. There is no avoiding aging, so the more you do today to be ready the better off things will be for you and your loved ones. It doesn't matter what age you are now—it is never too late to start. You can eat better, exercise more, get active, and stay connected with family and friends. You can start informing yourself about how to be ready for long term care by understanding the different types of care, how to pay for it, how to recognize when the need for care arrives, and how to work together as a family to make sure things go as smoothly as possible.

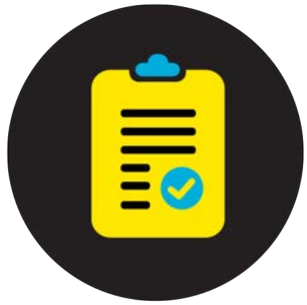
There is an old saying— "failing to plan is planning to fail". In the world of aging and long term care, truer words were never spoken. This is unfortunately a topic almost everyone avoids until it's too late. But waiting for a crisis situation to be the time to first address this topic is a disaster waiting to happen. You can take action now to improve your health. You can take action now to improve your relationships. You can take action now to improve your lifestyle. You can take action now to inform yourself and better prepare for the future. How do you do this? Simple—take action now!

"A Survival Guide to Aging" is the follow up to my first book, "Help on the Way". In this second book, you will learn about the eight *Quality of Life Factors* that impact your health and well-being. Among these you will learn how attitude, adaptability, relationships, activities, exercise, nutrition, sleep, and mental health all contribute in significant ways to your longevity and quality of life. You will learn strategies for how to improve all these factors no matter what age you are today.

But no matter how well you take care of yourself, the majority of us will need long term care support and services at some point in the later stages of our lives. To this end, you will learn about important aspects of long term care such as the primary forms of care and how to pay for them. The different forms of private pay and the differences between what Medicare and Medicaid will *and* won't cover. You will also learn how to recognize when someone is in need of care and you will learn about how to put in place a "family action plan" to be ready for when that time comes.

An apple a day keeps the doctor away. I hope as you read this book you will find in it more than one apple that you can use in your life to spare you and your family from the very expensive and difficult challenges in your future you could possibly avoid otherwise.

Part I- Survival Advice from the Experts



In this opening section of the Survival Guide to Aging, I asked a number of experts from around the country to answer one question as if they were giving advice to those they care about deeply on how best to be ready for when they reach the age of 80. I hope you will read the compassion and sincerity in their voices as these are people who work every day to help families navigate the physical, emotional, relational and financial challenges of aging and long term care.

Imagine yourself as 80 years old—what advice would you give yourself today about being prepared to live a healthy, fulfilling and secure life when you reached 80 years old?

- Living to 80 is still a few a-ways away and with time to improve my mind, body and spirit. With active 12-year old twins, a growing business, several perennial gardens, and an active standard poodle, I'm always on-the-go. Besides smiling and being involved community organizations, my secret sauce is simple though sometimes not always easy! Besides eating less red meat and more vegetables, I eat organic whenever possible and my cholesterol is beginning to reflect the effort! My faith (both my religion and meditation) helps to ground me and manage anxiety. And, I'm a sucker for 1000-piece puzzles! Puzzles keep my brain active, enable me to "hold space" (for myself and others too) and I hope this activity will help me avoid the onset of dementia, something some of my favorite relatives struggled with.
  Victoria Kuhn, Board of Directors

  Piper Shores

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- Having the benefit of working with senior citizens and their legal and health care issues, I observe first-hand the financial successes and failures of my clients. Based on that, if I were 80 and giving myself advice on how to live a healthy, fulfilling and secure life, I would share this: Drink plenty of water and sleep more. Find joy in every day no matter the situation or circumstance. Get out of and stay out of debt; it binds you in so many ways.

  Victoria Collier, Esq.

  Author: 47 Secret Veterans Benefits for Seniors (Amazon)

  Author: Bloopers in Estate Planning (GA Edition)

  Author: Don't Go Broke in a Nursing Home (GA Edition)

  Fellow, National Academy of Elder Law Attorneys (NAELA)

  *Certified Elder Law Attorney by the National Elder Law Foundation

  Appointed by Gov. Perdue to the Georgia Council on Aging

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- Get the best education possible. Invest in yourself and become a lifetime learner of everything. Work less and smarter. Love your profession. Work on your strengths. Delegate your weaknesses. Travel more. See everything you can in life – movies, theater and art. Take a class. Enjoy a hobby. Turn off the TV and all the electronics by 8:00 PM. Plant more flowers. Try to spend more time outdoors every day. Make sure you get sand between your toes as often as possible. Breathe more life into yourself. Sail more often. Meditate, pray and read a little poetry every day in the early morning hours. Protect your time with family and friends. Hug, love, laugh and share. Buy LTC insurance by age 60. In the meantime, always love yourself more than anyone else or any other task including work.
Renee Martone-Cecil, CFP®
Financial Advisor

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- At the age of 80, I would want to make sure that I was prepared for two things: First, *"What happens when I die?"* I know that I need to make sure that I have planned ahead to ensure the things that I want to go to people are able to do so in the simplest, most tax advantaged way possible. I also know it is very important to have communicated my wishes with my family members and heirs. My loved ones that I leave behind will be less likely to argue if they know in advance what the plan is and that the plan is simple to execute.

- The second thing we need to be prepared for is, *"What happens if I don't die, but get sick and end up needing long-term care?"* I want to make sure that I have taken the proper steps to leverage my money to pay for my own care. I also want to make sure that I have protected my family, my spouse, and my children or other heirs. I also want to make sure that I have protected my family, my spouse, and my children or other heirs. I also want to have a plan ahead of time to know what my options are so that I can stay home as long as possible. Once I have a plan in place, and make sure it is kept up-to-date, then I can just have fun, and enjoy being 80 without worrying about what the future holds.
Julie Steinbacher, Esq.

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- Change your focus and change your future. One of the most common ways we sabotage ourselves and limit or even destroy our potential is by giving negativity permission to live rent free in our lives. Negativity is so debilitating that it can feel like a genuine affliction, as if our imbalanced brain chemistry feeds on being in a perpetual downer state. It not only affects our mental state but also has a profound effect on our financial affairs. I think that people by and large discount the small acts of kindness, caring, and compassion that can magically change the energy around them. For example, I'm a firm believer that we cannot say "Thank you" too much. Gratitude also goes a long way. Everyone experiences an upward spiral and a downward spiral, and we each get to choose how we respond. We can be grateful, or we can complain. Step away from negativity for an hour, a day, or a week and see how different it makes you feel. Choose to surround yourself with non-toxic people. Misery loves company, and people who are miserable love you to be just like them. Realize that you are making a choice to hang out with that SOB who does nothing but complain about everything. It can be as easy as a few clicks on the computer to find a community of people whose interests can spark something positive and uplifting in you. Our ability to give, share, and receive help and support makes us feel connected and empowered and can replace the fear, dread, and isolation that dominate so much of our spirit. Exercising generosity of spirit and giving to others is one of the biggest highs we can experience. When asked what they're most proud of, famous and wealthy people overwhelmingly cite deeds of philanthropy, but you don't have to be wealthy to be philanthropic. Even the smallest gesture of kindness can be a tonic to your spirit. If everything in your life is "I can't, I can't, I can't," then nothing is going to change. *You* have to change. Even if you are only able to move the needle one degree to a more positive reading, you will begin to see results.

Scott Page, CEO
Published author of "It's Never Too Late, Growing Older, Wiser and Worry Free in Our Golden Years"

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- Choices. Life is all about choices, but frankly too often one gives sufficient significance to the importance of choices. Value and celebrate the sum of the many choices made along life's journey. And, in the time remaining, continue to always do my best to make the right choices, and always do my best to learn from the wrong ones.

  Jesse Slome, Director
  American Association for Long-Term Care Insurance

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- What I would say to the younger me is that I made a very wise decision when it came to long term care planning. It may have been good luck, but I would prefer to think I made a very smart decision. I purchased a long term care insurance policy for me and my wife that had an important feature that is not available on current policies. The feature is an unlimited benefit with a five per cent compound interest inflation benefit. Our premiums have increased by three times since we bought it, but to replace our policies with anything close to our current benefit is impossible and if it were I could not afford the premiums. So when I reach the age of 80 or beyond and should I need an income stream to pay for the cost of long term care, I have it. What you and Life Care Funding are doing today is provide a solution to those that did not or could not take the same action that I did years ago.

  Mickey Batsell, CLU, CASL, MBA

- My best advice would be to stay active and engaged in something you feel passionate about. I have observed that those who do, live much more fulfilling lives vs those who see retirement as some kind of final stage of their life. 80 is the new 65 and if your still healthy at age 80 you will most likely see 90 or even 100 years of age. Another tip would be to prepare as best as possible for the unexpected expenses, like needing long term health care. Being happy is not only dependent on your physical well-being and your emotional state but also your sense of financial independence and the ability to stay in control with where and how you live your life. As medical science progresses and we continue to live longer the likelihood of needing some kind of extended care grows exponentially. The breakthroughs on the immediate horizon will dramatically change how we age and how and where we get care. By 2025 robotic care will be pretty common for those who need help at home with their activities of daily living. Smart phones and computers will be able to monitor our vital signs 24/7 and relay them to a doctor's office or a loved one at the first sign of something going wrong. Advancements in the area of making dementia, Alzheimer's or other cognitive illnesses either curable or something we can treat like a chronic disease, like we do diabetes today, and will take away much of the stigma associated with those conditions. I have been in the Long Term Care solution business for over 26 years and over that time I have seen Long term care insurance, once bought to protect assets or to get access to quality care now include the added motivation of staying at home as long as possible as one of its best benefits. Long Term Care insurance has become nursing home avoidance protection. After all, no one wants to go to a nursing home and would prefer to stay in their own home as long as possible. If you can afford to private pay for the care you need or to modify your home to accommodate your conditions, you can stay out of the institutional care and maintain your independence. Stay young at heart

Mark Goldberg

National LTC Network

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- Wow, does it creep up on you! There is only one thing that you cannot stop or slow down – time. So, I need to make sure you really understand how important it is to plan for your later years in life. Keep in mind that little decisions you make today will make a big difference in the future. For example, if you save a little more money now (maybe spend a little less on that next big purchase), it will be very valuable to cover those healthcare bills that I have now – these expenses are much higher than I ever expected. Also, how you take care of your body will make for a much happier and healthier life in the future. Both what you put in your body and how you use it really make a difference. I have watched over the years as countless friends and family members who did not eat well and/or exercise over the last forty years went down a much different road – early health and mobility issues. So, you should think a little bit more about exercising and eating smart. Finally, I encourage you to focus on and nurture the strong relationships that you have in your life. As you get older, you cannot help but need the assistance and help of other people around you. Make sure that you find those people that you think will be there for you (and you for them) as you move along your life's journey. In summary, my advice is that you should think carefully about how you spend your savings, take care of yourself, and foster meaningful relationships.

Steven Shapiro, CEO

Q Capital Services

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- It's never too early to plan for one's elder years. Planning for these years' supports not only you, but also your family. I have witnessed many plan for their children's needs; such as education, lavish weddings, down payment support on a child's first home, but not they're own needs for their elder years. Balance and thought need to be put into one's long term care plan, because without a plan, it's a plan to fail! Your health can change in a heartbeat and what many seniors forget is that a change in a parent's health affects the entire family, not only financially, but emotionally. Children have to make decisions that they have not made before for a parent, which could have been avoided if a parent planned with the right support and products years prior. While your healthy today, plan for tomorrow. Consider products that you can qualify for today that will support your needs in your senior years. Remember; always work with a certified retirement and insurance specialist.

Jonas Roeser, CEO of Agent Review and Founder of *3in4 Need More*

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- As an elder law attorney, I have the pleasure of meeting with clients and their loved ones on a daily basis. We spend our time together talking about the aging process, their health, finances, and goals for the next chapter. Each person walks into my office with their own unique and deeply personal story. Together, we are planning for the worst, in hopes they will live their best. Although the attorney is often considered the "expert," my clients have taught me many things about "growing old." Aging is inevitable. However, my experience has been that "growing old" is a concept that we can control through physical activity and social engagement. Unfortunately, despite our best attempts, sometimes genetics and uncontrollable physical ailments persist. For that reason, it is important to begin planning for a fulfilling and secure aging experience early on in life, and to continue making adjustments throughout the aging process. My advice is to build a team of trusted advisors and loved ones that understand your values and are prepared to carry out your wishes. Financial stability does create more options through the aging process for my clients. However, in the end, most of my clients do not reflect on their life and wish for more money. Instead, they wish for more time with their loved ones. They long for experiences and not things. Recently, I was able to sit with my mentor, my inspiration, and my greatest influence, my grandfather, at his kitchen table. Behind him was a refrigerator covered in pictures of his children, grandchildren, and great grandchildren. As he gestured to the refrigerator, he said "This, this is everything. "With that in mind, my advice for you is to stay active, stay engaged, plan ahead, build your team, and never forget to cherish the time you have with those you love.
  Brenna Galvin, Esq.
  Compassionate Advocate. Client-focused Counselor. Holistic Practitioner.

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- If I were 80 years old and had a chance to talk to my now self, I would demand "Why in the heck did you stop exercising? My bones would be so much stronger if you hadn't!" But, I walk through the doors God puts in front of me each day. Sometimes He gives me wonderful ideas to share with others and perpetuate some cause and sometimes those ideas grow wings and sometimes they don't.

  - Don't hang onto things or people who aren't interested in hanging on to you.
  - Don't forget to say "thank you".
  - Do random acts of kindness. Every time you sow a seed of kindness, you are building up a barn load of Heaven's gifts.
  - Do treat people with honor and respect, and that especially includes your spouse.
  - Do not react impatiently to people who are smaller than you intellectually. They are God's children too.
  - Practice forgiveness, not forgetfulness. Forgetfulness buries the problem and it can grow back. Forgiveness wipes it away.
  - Don't ever underestimate the need of the human spirit to keep learning. The brain is a muscle. If you don't use it, it will atrophy.
  - Put more money in gold. It's the one constant safe haven.
  - Fix things. When you don't, the damage is much worse and costs more to fix.

- Don't take the people you live with for granted. Offer them your best side.
- Go out of your way to encourage people who have less than you.
- Go out of your way to encourage people who are starting new ventures. Don't forget the people who did it for you.
- Pay it forward in ways people will never trace back to you.
- Spend more time with children. They are God's mouthpiece, fresh from Heaven.
- Think more about how things can be done, not how they can't be.

Phyllis Shelton, President
***LTC Consultants* and Got LTCi**

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- Enjoy every day, looking back you will never wish you worked harder but you will wish you saved more, ate healthier and enjoyed life to the fullest – do that with a glass of wine….. ;-)
  Jim Pusateri, Senior Vice President

  Brookdale Senior Living

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- Many people would be tempted to focus on the oft-repeated advice "save enough for retirement!" That is important, yes, save enough for retirement! But saving enough money alone won't provide a fulfilling life. Having visited hundreds of senior living communities and having talked to thousands of elders over my career, I have learned that family, friends, and a support system, are of utmost importance. As a CPA I have seen how as we age, our faculties decline, for some faster than others. All the money in the bank if I have diminished faculties and fraudsters tempting me to give it away, won't do you any good if family, friends, and a community are not around me to provide support. Having been given the gift of meeting countless elders and listening to their reflections on life, I would urge myself to truly focus on friendships, family, and relationships, in order to complete a truly fulfilling retirement. Money must be saved yes, but don't focus just on money. I would tell myself, treasure your friends, and treasure your family. Strengthen the bonds with those important to you so that when you have reached 80, your family is there to love you and your friends are there to keep you smiling! And don't forget to have kids, if you haven't already!

  Elias Papasavvas is the Founder and former CEO of Elderlife Financial Services. He pioneered helping families pay for senior living with elder care loans and lines of credit. Under his leadership, over 3,500 senior living communities across the USA offer and accept the financing programs he pioneered.

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- As I imagine myself as 80 years old—the advice I would give myself *today* about being prepared to live a healthy, fulfilling and secure life when I reached 80 years old would be that there are no guarantees and as 8900 Baby boomers turn 65 each and every day that the biggest single expense after age 80 is likely to be long term care. I would advise myself today to stay active and keep my mind sharp however understanding that every 69 seconds someone in the U.S. is diagnosed with Alzheimer's. I would advise myself to create a written long term care plan that spells out what type of care I want to receive if I get sick and need long term care. By doing this there will be no confusion. Among my children as to where I want to receive my care whether that be at home receiving home care or assisted living ,adult day care or even a nursing home. Last but not least I would advise myself to secure an Asset Based Long Term Care plan by utilizing The Pension Protection Act to pay for my care using leveraged tax-free dollars to pay for long term care.

Don Quante, President Eldercare Financial
Author, *Don't Go Broke in a Nursing Home*

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- When I am 80, I want as many of the details of my life as simplified as possible…I want a plan in place to provide for my care when I can't do it myself…I want it clear with the people that are going to step in and help me, how to pay for my care, how to protect my spouse if I can't and what I want to have happen to make sure I am not a burden on my family. I want to have this conversation to discuss my plan many years before it is a crisis. And I want to let them know how much I love them and appreciate what they are doing for me when I can't do for myself.
Michael J. McGuire, Attorney at Law
California Elder Law Center

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- A wonderful life is built with people we have wonderful connections with…. I have so many examples of living well at 80+! The average owner at my condo community is about age 80 and I observe daily what makes a happy life. My maternal grandmother, happiest when serving others, lived to 97. Nearly through my 4th decade I still had a living grandparent. Today, my parents are independent and spirited in their 80s. They ensure fun with friends is a priority - and that's the big key - wonderful connections.   As I observe eldsters, my term for youthful people over 65, I find those who enjoy their lives most have six traits in common: 1) They surround themselves with a few good relationships - either with family of origin or family of choice. With effort we can nurture close relationships so we really have no excuse for loneliness. 2) They identify as risk managers not risk takers. Thinking about healthcare and other expenses, preserving living options, and having choices equates with living well. Strive to be a risk manager to be content and secure at 80+. 3) They don't worry about things out of their control and plan to control things that can be managed. By mid-life we evolve to appreciate our own judgment and not concern ourselves with opinions of those outside our chosen close circle. 4) They course correct! It's fundamental to pivot if things change suddenly. 5) They exercise mind and body. Keeping fit lets us ignore chronological age. 6) They stay productive. Both of my parents 'work' today and volunteering counts.   By 80, we've all had many hardships after a full life. Thriving through difficulties is a satisfying accomplishment for an eldster. I'm nurturing my few best relationships, staying engaged and flexible, planning ahead for my financial and healthcare needs plus the other key traits so that I too will be a happy octogenarian -- in a couple of decades.
Andria Bovey
Owner, My LTC Expert
Long Term Care Funding Specialist

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- The advice I would give myself is to be proactive when it comes to creating a healthy, vibrant lifestyle: Take the time to schedule in fitness, that is fun and feeds not just my body but my soul; from Zumba, to walking and yoga; make it part of my daily life so my body is always at its peak. I would tell myself to invest heavily in creating meaningful relationships by reaching out versus pulling in. It's not the number of days that matter but what you do with the days you have and the people you spend those days with. As it relates to security, I would be very clear about my wishes as it relates to aging from living wills to the type of environment I wish to spend my final years in so my children don't have to make those difficult decisions for me. Most of all I would say to savor every moment- take in each hug, kiss and conversation; don't take a moment for granted because this life we are so blessed to live is incredible and will be gone in the blink of an eye.

  Traci Bild, Chairwoman and CEO, Motivational Speaker

  Author, *Get your Girl Back*

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- Since I am going through the fourth long term care situation in my family currently my best advice is this = even if you cannot afford any type of Long Term Care insurance or Life Insurance with Long Term Care protection then at least have a care plan or directive of what you want someone to do in the event you need care. If we plan for anything in life when it happens it's usually a bump in the road and not a crater. So hope for the best, but always plan for the worst. Changes are if you have a plan you can deal with anything.

  Here are three tips to keep in mind--

  1) Retirement should not be the end of something but the beginning of a new chapter, a new phase in life. Life on your terms. But socially, mentally and physically no longer working is a huge change. Making sure that once you retire you maintain a purpose in life; something worth doing that drives you - if not work part time then volunteering, missionary work, something that give you a reason to wake up every day and make a difference.

  2) Because longevity means we must plan for our health and our finances to last longer than ever before we have some challenges. Today, once we reach age 65 the average life expectancy for a man is 88 and a woman 90.3, however if we are married and have a support system one spouse will make it to 94.7 years old. Which means we need to take longevity risk seriously because our health and our assets must last as long as we do in order to maintain our standard of living.

  3) A complete retirement plan will account for longevity and will ensure you have income you can never outlive. On that note - once we reach age 65 there is a 72% change we will need some form of Long Term Care and because we are living longer than any previous generation we may also need care longer. I help my clients make sure they get have a plan to receive care on their terms - most often in their homes.

  Lisa Barram, President

  Retirement Prosperity Group

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- If I was 80 years old today and looking backwards on how to live a life, I would emphasize having more gratitude in my daily life and focusing on a few key areas. First and most important, I would remind myself to be thankful for the good things in my life and trust my instincts. Always do my best to surround myself with people that have a similar value system as I do, even if they have a different way of communicating their thoughts. I would encourage myself to explore any interests that I had to limit regrets and try new things. I might be pleasantly surprised when I discovered a new talent, made new friends, or experienced something that I would have missed if I didn't take a chance. I'd remind myself that it's normal to be concerned about failing and that the real measure of person is in how they react to a situation and to not give up. Take calculated risks by always asking yourself "what's the best thing that can happen and what's the worst thing that can happen?" If you can live with either outcome, then go for it. Regarding personal growth, health, and ambition, I would need to be careful not to spend my health to gain my wealth. Aim for balance in both areas. I would live a financially literate life, so no one would ever own me and I could make grounded decisions. Lastly, to take my eyes off myself and look at others, build a deeper relationship with my faith, and to be thankful for the many blessings in my life.

  Jon Mendelsohn, CEO

  ASHAR Group

Part II- Surviving Aging

Chapter 1: Aging well through healthy living: Do you know your Quality of Life Factors?

An ounce of prevention is worth more than a pound of cure. When it comes to living a quality lifestyle as you age; truer words were never spoken. Aging is not a one-way ticket to poor health, loneliness, boredom, and a declining quality of life. There are a number of measures people can take now and carry through their entire life that will greatly increase the odds that their senior years will continue to be healthy, productive and rewarding.

There are particular aspects of life that play important roles in your quality of life. How you manage these today, and as you age through the years are very important. Key among these "Quality of Life Factors":

- Attitude
- Adaptability
- Relationships
- Activities
- Diet
- Exercise
- Sleep
- Mental Sharpness

I will discuss each of these factors in more detail over these next chapters; but, let's take a moment to expand on each of these now.

Attitude: Taking on life and aging with a positive attitude is a very important cornerstone for your quality of life. Do you take on life's challenges with zeal or dread? Are you active or sedentary? Do you nurture relationships and have hobbies, a job or volunteer? It is important to live a purposeful life because it will make you strive to be healthy of mind, body and in your attitude.

Adaptability: Your ability to adjust to the changes in yourself and the world around you is an important skill. The one thing you can count on as you age is that change will be constant. You must be prepared for, and do your best to manage in a positive way changes that will be happening to your body and mind, changes in your loved ones and relationships, changes in your career and activities, and changes in the world around you. Darwin has always been right about the fact that those who best adapt to change are best at thriving.

Relationships: A person who not only nurtures, but seeks to build new relationships is a person more likely to be living a higher quality lifestyle. Relationships with our significant other, family, friends and colleagues help to give our lives purpose. We give and take from relationships and that is why being connected is being human. As we age, relationships will change and it is important that we stay engaged in-person or from afar, and that we continue to build new relationships throughout our lives.

Activities: An object in motion tends to stay in motion. An active lifestyle consisting of hobbies, work, volunteerism, family and friends, culture, and nature is more meaningful and healthy than being a couch potato. One of the keys to people who live long lives is that their life continued to have meaning. Staying engaged in activities and bringing meaning to others will help bring meaning to you. Many people continue to work or take on second careers in later life. Hobbies, volunteer work, learning new skills, or getting more involved with your family are all paths to an active and meaningful life.

Diet: We truly are what we eat. What we ingest impacts our health and quality of life in so many ways. A diet high in fats, sugars and salt not only causes obesity but cardiovascular problems. Ingesting too much soda and alcohol, as well as tobacco and drugs will have a negative impact on longevity. A diet consisting of leafy vegetables, legumes and grains, quality proteins, staying well hydrated with water, and then enjoying “treats” like sweets, salty snacks and alcohol in moderation has been proven to improve quality of life and increase life expectancy.

Exercise: As we age all of our bodies are undergoing constant change and challenges. The key to keeping your body (and mind) sharp through this ongoing process is exercise. It is important to work on strength, balance, flexibility, and constitution. All of these physical factors will play a role in your ability to remain mobile, independent, healthy and happy over the course of your life. But, these are all areas that will become harder to maintain as you age, so the more you are doing today the better off you will be tomorrow.

Sleep: An area that is often taken for granted by people is rest. How the body, mind and attitude perform is very directly impacted by how much sleep you are getting. The optimum amount of sleep a person should get in a 24-hour period is 8 hours. There are a number of factors that can conspire to get in the way of our sleep that can be managed: what we ingest (caffeine, sugar, alcohol), how we manage stress, how active we are, and how disciplined we are to put down that book or turn off that screen. In addition, there are a number of strategies to help people better manage their sleep and combat the negative impacts of fatigue and exhaustion.

Mental Sharpness: As we age, it is not uncommon for memories to dull slightly but it is not a guarantee that this will happen to everyone. In fact, there are numerous measures we can take today to keep our minds as sharp as possible throughout our lives. Remaining active, socially engaged, good diet and exercise, proper sleep, and challenging your mind through a variety of “brain exercises” will all play important roles in how strong your mind is over the years. Some brain exercises to pursue are reading and writing, math/word games, puzzles, and strategy games such as cards and chess.

Now join me as we delve into each of these Quality of Life Factors in more detail discussing specific tips and guidelines on how to make the most of each-- and in the process make sure that we are all aging well through healthy living.

Chapter 2: Do you have the right attitude for healthy living?

As we examine how to age well through healthy living, we start by discussing one of the more difficult "Quality of Life Factors" to define and measure: attitude. Previously, we stated that living and aging with a positive attitude is a very important cornerstone for your quality of life. I asked the questions: Do you take on life's challenges with zeal or dread? Are you active or sedentary? Do you nurture relationships and have hobbies, a job or volunteer? Clearly, it is important to live a purposeful life because it will make you strive to be healthy of mind, body and in your attitude.

But what does the word "attitude" really mean? The concept of attitude can be hard to pin down and clearly define. But, simply enough, attitude is a combination of feelings, beliefs and behaviors. Many studies have clearly shown that the more positive a person is in these attitudinal factors, the healthier and longer they will likely live. Studies released by the Journal of the American Medical Association, Yale School of Public Health, and the American Psychological Association have all shown seniors they studied that maintained consistently positive attitudes in the face of the various challenges that confront people as they age were healthier and lived longer than their contemporaries who could not maintain a positive attitude.

Maintaining a positive outlook on the changes your body goes through as you age or how you take on a physical setback will have a direct impact on your body's ability to heal or avoid sickness. Also, seeking out companionship among family, friends or making new friends will keep you involved and feeling like you are making a positive contribution to the life of others. Just doing all you can to keep a day-to-day positive attitude and see life as being a glass that is half full and not half empty, will have a huge impact on not just your mental but your physical quality of life.

But is all this easier said than done? Here are ten practical ways you can maintain a positive attitude:

1. Look for the positive and not the negative in circumstances and people
2. Nurture existing and/or seek out new relationships
3. Stay active with work, hobbies and relationships
4. Set goals to accomplish and celebrate successes—no where you want to go and take time to celebrate when you arrive
5. Wake up every day with purpose and a plan—no one plans to fail but you will if you fail to plan
6. Keep your body and mind sharp through exercise and intellectual activities
7. Dress and groom yourself well—if you look good you will feel good
8. Eat well and ingest treats and vices in moderation—you are what you eat (and drink)
9. Don't live with regrets or dwell on failures—you can't change the past but you can impact the future
10. Embrace change in yourself and in others—the only constant in life is change

Many experts point to aging as a "state of mind". We all know someone in their 70's or 80's who have an outlook and lifestyle that seems younger than people we know in their 40's, 50's and 60's. There is an old saying, "if you haven't grown up by the age of 50—you don't have too" and much of that has to do with attitude! People with the right attitude tend to have a stronger will-to-live and find a lot of meaning and purpose in their family, work, and/or leisure pursuits. There are some excellent role models people can look towards as examples of those who maintained excellent attitudes despite aging or adversity, and who rose to great heights during the later years of their lives:

- John Glenn at age 42 was the first American to orbit the earth, at age 54 he was elected to the U.S. Senate, and at age 77 he returned to space aboard the Discovery Space Shuttle (while still a U.S. Senator)

- Ted Williams ended his Hall of Fame baseball career with a homerun at his last-ever at bat in Fenway Park at the age of 42, was named to the Baseball Hall of Fame at the age of 48 and then at the age of 82 was named to the IGFA Fly Fishing Hall of Fame

- Chuck Yeager was the first pilot to break the speed barrier at Mach 1 in 1947 at the age of 24, and then on the 65th anniversary of this remarkable achievement did it again at the age of 89

- Margaret Thatcher, the first and only woman to serve as British Prime Minister, was first elected at the age of 54 and served until the age of 65 helping to lead the West as a staunch ally of the U.S. through the end of the Cold War

- Ben Franklin signed the Declaration of Independence on July 4, 1776 at age 70 (double the average life expectancy of the time)

- Ronald Regan was elected President of the United States at age 69 and served two terms

- Winston Churchill served as British Prime Minister twice, first elected at the age of 66 in 1940 and elected again at the age of 77 in 1951

- Nelson Mandela was elected President of South Africa at age 76 after enduring 28 years as a political prisoner

- Grandma Moses started painting at age 76 and continued until her death at age 101

- Laura Ingalls Wilder published the beloved classic *Little House on the Prairie* at age 64

- Julia Child first learned to cook after the age of 50 and went on to publish her first cookbook and launch her PBS TV show *The French Chef*

- Gandhi led India to independence through his campaign of passive resistance and his great peace march at the age of 61

- Mother Teresa won the Nobel Peace Prize at age 69 and touched the lives of millions

Across many generations and over centuries people have lived healthy, purposeful lives and accomplished much into their Senior Living years all sharing a critical ingredient to their success and longevity—they had positive attitudes fueling them.
And you can too.

Chapter 3: Are you adaptable enough for healthy living?

Life presents challenges and opportunities to everyone. Your ability to adapt to the changes in your life that inevitably will confront you is a key "Quality of Life Factor". Previously, we raised the point that the one thing you can count on as you age is that change will be constant. You must be prepared for, and do your best to manage in a positive way changes that will be happening to your body and mind, changes in your loved ones and relationships, changes in your career and activities, and changes in the world around you.

As you age your physical and mental being will change, your professional and financial world will change, your children and grandchildren will grow and change, your relationship with your spouse will change, and your physical environment will change. The key to surviving and thriving throughout these changes is how well you adapt. But what is the definition of, and what are some of the strategies to achieve adaptation? First, adaptation means making adjustments to successfully handle changes in yourself, those around you or your environment.

Human adaptation comes in many forms to address a variety of changes that will impact our lives. First, we must all accept the fact that as we age the number and frequency of changes we must contend with will keep growing. Changes to ourselves and those around us begin to escalate as we pass the age of 50 and work our way through the subsequent decades. Maintaining a positive attitude to balance negative changes is important. You cannot get overwhelmed with a sense that all the changes are negative, and allow yourself to be bogged down by nostalgia yearning for the "good old days". Keep searching for ways to reinvent yourself, your relationships and how you dwell in your environment.

Aging will bring changes to your body-- work to keep your body healthy and strong, and find ways to compensate for declines. Aging will bring changes to your relationships-- continue to nurture your connection to those you love and embrace how they grow and evolve. Aging will bring change to how you live in your environment-- be ready for a decline in your or your loved one's ability to remain independent and be ready to give or receive help.

Adapting to physical change

Aging brings about inevitable physical and mental changes. Changes can come in the form of declining strength and dexterity, old injuries can become more troublesome, chronic conditions can emerge, and memory can become more difficult to recall. All of these circumstances can be adapted to by modifying and/or increasing physical activity, managing what you ingest, not delaying medical treatment and medications/physical therapy, and engaging your mind with mental exercises. The more positive one's attitude is as you adapt to these changes, the better your results will be.

Adapting to changes in relationships

Everyone will age and the nature of the relationships they have with those around them will constantly be evolving. Embrace the growth and independence of your children and grandchildren. Share with your spouse and friends the support and encouragement to embrace the changes occurring around all of you. Embrace also the changes between you and your spouse. The dynamic of your relationship will continue to evolve, but no matter what age, you can continue to have a fulfilling and passionate relationship together. Understand and nurture your role in every relationship, accept the constant change that is happening, and you will successfully adapt to this evolutionary process that no one can stop.

Adapting to your environment

How you react to your environment will change as you age. For some, that means leaving the cold of the north for the warmth of the south during winter. For some, it means moving into a one floor home when navigating multiple floors becomes more difficult. For some, driving may become more and more difficult so public transportation or carpooling become a more viable transportation option. One aspect of aging that most people will contend with is a loss of independence. Over time it can become difficult for you and/or your spouse to continue your normal "activities of daily living" such as bathing, preparing meals, performing housework, managing medications, or even dressing without assistance. Part of adaptation is learning how to compensate for losses in your ability to perform any of these activities of daily living on your own. Whether it is through technology, assistance from family members or the use of home healthcare service providers, there are a number of options for adapting to a loss of independence.

Conclusion

"It is not the strongest or the most intelligent who will survive but those who can best manage change." **―** Charles Darwin

Charles Darwin published The Origin of Species in 1859 and in it he spelled out the theory of evolution. The basic premise was that adaptation, or natural selection, is the key to survival and success for all living things. To age well through healthy living, adapting to the changes that will occur to you and those around you will be a key quality of life factor.

Chapter 4: Are your relationships aging well enough with you for healthy living?

We have been in relationships since before we were born. But, how you grow and nurture relationships in your life is a key "Quality of Life Factor". Previously, we discussed that a person who not only nurtures, but seeks to build new relationships is a person more likely to be living a higher quality lifestyle. Relationships with our significant other, family, friends and colleagues help to give our lives purpose. We give and take from relationships, and that is why being connected is being human. As we age, relationships will change and it is important that we stay engaged in-person, or from afar, and that we continue to build new relationships throughout our lives.

Studies have proven that people with active, healthy relationships tend to outlive people who live in isolation. There are actually physical and mental benefits to staying connected to family, friends and colleagues. Among the benefits are reduced risk for heart problems, Alzheimer's, bold pressure and depression. Also, as we age it is importance to have a support network to check in on people to make sure they are safe and sound, or to provide a little assistance with driving, shopping or a little work around the house. It has also been proven that once a person starts receiving long term care in any environment (home, assisted living community, nursing home) the quality of care, health, lifestyle and their will-to-live is much higher when there is regular visits from a family and friends vs. a person who is on their own.

But, as we age it can be more challenging to maintain relationships, not to mention make new ones. People in our lives will change jobs or retire, move away, become part of new families, become sick, disabled, or die. Despite these challenges, it is important to always keep making the effort to stay in touch with existing relationships and even looking to build new ones. With family and friends, there is no excuse for not at least staying in touch by phone—and in today's internet connected world you can video chat with people using Skype and share pictures and daily updates using Facebook. But, there is no substitute for being together so keep getting together for meals, a walk in the park, or look to share in communal activities like playing cards, board games, or watching a sporting event or movie together. You will benefit from both the social aspects and the physical and mental stimulation! When it comes to making new friends, look to join social clubs, take a class, play bingo, work or volunteer, and consider taking up a new hobby or sport.

It's one thing to say we should nurture relationships, but how do we know if we are even "doing" relationships right? The corner stone for any relationship is mutual respect and trust. If these are not present for both parties, the relationship is doomed. But with these present, the next key component of a relationship, communication, will flow and be productive. Communication comes in many forms, and if you remain open minded and engaged it will continue to flow in productive directions. If conflict does arise, an honest process of sharing perspective and looking for a mutually beneficial solution is one path to resolution. To move forward from conflict, it is best to let go of the past and not dwell on grievances. Instead focus on moving forward in a positive direction working from mutual respect and trust.

There are four distinct categories of relationships that each have their own unique characteristics and challenges:

Professional- These relationships are built around career, school or volunteer endeavors. Ironically, although these people are not usually family or friends they could be people you end up spending more time with in a week than anyone else in your life. These relationships are built on the foundation of a mutual need to succeed working as a team towards a common goal. Conflicts can arise when interests are not aligned and the best path to resolution is to keep looking for common goals that benefit all members of the team.

Social- These relationships are built around friendships. Ironically, for many people the strength of these relationships can become as strong as or stronger than those with blood relatives. These relationships are built on the foundation of mutual interests that can include geography, children, vocation, activities, backgrounds, and numerous other factors. Conflicts can arise when mutual respect and honesty comes into question or the mutual interests are no longer in place. Many friendships stand the test of time because loyalty grows and mutual interests will continue to evolve.

Ancestral-These relationships are built around your parents and children, and grows with you to include your entire family tree. These are relationships that you are born into and then in turn, your offspring expands your family relationships. These relationships are based on blood and in-law ties, as well as what is known as extended families through additional marriages beyond your first. As the saying goes—blood is thicker than water because at the end of the day it is your family that should be standing by your side and you by theirs through thick and thin. Of course as the other saying goes-- you can pick your friends but you can't pick your family. The point is that family relationships can be complicated because of the mix of personalities, and the pressure that come from sometime conflicting demands of money, children, in-laws, and spouses. But in the end, what you must always remember is that any problems are a moment in time but family is forever.

Spousal- This relationship is built around marrying your significant other. This is the only family member you choose and it is the most important choice you will make in your life. The relationship with your spouse will continually evolve and you must evolve with it. Conflict will come if you ignore or fight change in yourself or your spouse. But, if you embrace change your relationship will thrive. This is the relationship that will require the most work, but it is the relationship that can give you the greatest reward.

It is impossible to live your life without navigating one or more of these relationship types. Your success in how you grow and nurture these relationships will play a vital role in how you age well through healthy living. So call your parents, text your kids or email your colleagues and set up a lunch date today!

Chapter 5: What are the Top Six types of activities for seniors to maintain healthy living?

There is an old saying: "Youth is wasted on the young and retirement is wasted on the old." Well whether you were active in your youth or not, there is no excuse to be inactive as you age into becoming a "senior". In many ways, age can become as much a battle of your will as it is your body. One of the "Quality of Life Factors" that can have an impact on the quality of your aging years is what, if any, activities you are doing.

Previously, we pointed out that an object in motion tends to stay in motion. An active lifestyle consisting of hobbies, work, volunteerism, family and friends, culture, and nature is more meaningful and healthy than being a couch potato. One of the keys to people who live long lives is that their life continued to have meaning. Staying engaged in activities and bringing meaning to others will help bring meaning to you. Many people continue to work or take on second careers in later life. Hobbies, volunteer work, learning new skills, or getting more involved with your family are all paths to an active and meaningful life.

Here are 6 categories of activities ideally suited to promote a healthy and fulfilling lifestyle as we are aging:

1) Physical activities that will keep your body on the move and allow you to engage nature on your own or in the company of others

- Walking
- Swimming
- Fishing
- Golf
- Tennis
- Sailing
- Dancing
- Exercise

2) Games that will help keep your mind sharp, your competitive juices flowing and socially engaged

- Cards
- Chess
- Backgammon
- Cribbage
- Bingo

3) Technical pursuits that keep your mind engaged, your eye-finger coordination strong and can keep you both socially connected and possibly even making some spare money

- Wood working
- Mechanical tinkering
- Writing
- Computer skills (and staying connected through email and social media like Facebook)

4) Clubs with a purpose that will keep you socially engaged, mentally stimulated and learning new information or skills

- Book clubs
- Movie clubs
- Investment clubs
- Scrap-booking (cropping) clubs
- Gardening clubs
- Coffee clubs
- Card and Game clubs

5) Mindful activities that can uplift your spirit, mind and body

- Yoga
- Meditation
- Tai Chi
- Fly Tying
- Dating/Romance
- Religion

6) Lifestyle activities that will enrich your life that you can engage on your own, with your spouse, or with family and friends

- Travel
- Cooking
- Academic Classes
- Gardening
- Volunteerism
- Art
- Music

Now take the *Active Lifestyle Test* by circling which activities you are currently pursuing in your life. If you score one or more in at least half of these categories, you are fairly active. If you score in more than half of these categories or all of them, congratulations you are very active and it will contribute a great deal towards your continued healthy living.

Chapter 6: What are the Top Ten healthy living nutrition rules for seniors?

(*And do you know these Five best kept secrets to supercharge your health?!)*

As the saying goes, "we are what we eat". Maybe the single most important factor in our health, quality of life and longevity is what we eat and drink. A diet high in fats, sugars and salt not only causes obesity but cardiovascular problems. Ingesting too much soda and alcohol, as well as tobacco and drugs will have a negative impact on longevity. But, a diet consisting of leafy vegetables and fruits (the brighter and more colorful, the better), legumes and grains, quality proteins, fruits/berries, staying well hydrated with water, and then enjoying "treats" like sweets, salty snacks and alcohol in moderation has been proven to improve quality of life and increase life expectancy.

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But, what are the specific benefits of a healthy diet, and how does a person know what are the right foods and guidelines to eating that they can follow? More studies than can be counted have been done over the years measuring the impact of healthy eating habits and the proof-positive is irrefutable. When it comes to what you ingest (eat *and* drink) the benefits are almost too numerous to list, but some key benefits would include preventing: obesity, heart disease, high blood pressure, diabetes, osteoporosis, cancer, liver disease, and Alzheimer's. Proper nutrition can also have an impact on your energy level, the appearance of your skin and hair, and your sex life!

Here are the top 10 healthy living nutrition secrets for seniors—

1) Eat foods rich in these minerals and nutrients

- **Vitamin B** – beef and liver, clams, fish, eggs, dairy, tofu
  - Proven to help keep blood and nerves vital.

- **Vitamin C**- Cantaloupe, citrus fruits and juices such as orange and grapefruit. kiwi fruit, mango, guava and papaya, pineapple, strawberries, raspberries, blueberries, cranberries, watermelon, red/yellow/orange bell peppers
  - Proven to help the body maintain healthy tissues and a strong immune system.

- **Vitamin D** – fatty fish (salmon, tuna, sardines) and flat fish (sole, flounder), whole milk, eggs, pork, mushrooms
  - Proven to help the body absorb calcium and boosting muscles.

- **Omega 3 fatty acids—**flaxseeds, walnuts, and fatty fish like salmon and sardines
  - Proven to reduce inflammation, which can cause heart disease, cancer and arthritis.

- **Calcium—**dairy (milk, yogurt, cheese), cereals
  - Proven to preserve bone health and helps to lower blood pressure.

There are 13 vitamins—vitamins C, A, D, E, K, and the B vitamins (thiamine, riboflavin, niacin, pantothenic acid, biotin, B_6, B_{12}, and folate).

Vitamin B_{12}—2.4 mcg (micrograms) each day (if you are taking medicine for acid reflux, you might need a different form, which your healthcare provider can give you)
Calcium—Women over 50 need 1,200 mg (milligrams) each day, and men need 1,000 mg between age 51 and 70 and 1,200 mg after 70, but not more than 2,000 mg a day.
Vitamin D—600 IU (International Units) for people age 51 to 70 and 800 IU for those over 70, but not more than 4,000 IU each day
Vitamin B_6—1.7 mg for men and 1.5 mg for women each day

2) Eat foods and use oils rich in the "Good Fats"

- *Monounsaturated* fats- nuts, avocados, olive oil, and grape-seed oil, corn oil and canola oil
  - Proven to support cardiovascular health.

- *Polyunsaturated* fats- fatty fish oils, vegetable oils, sunflower and cottonseed oil
  - Proven to be protective against insulin resistance which can lead to diabetes.

3) Avoid sodium, sugar and "bad" fats (saturated, trans, cholesterol), and processed foods

- **Limit sodium content**-- Table salt accounts for only a small percent of sodium in a diet and it's more important to avoid frozen, processed or restaurant food/snacks. Fruits and vegetables have the lowest sodium content.

  - Proven to reduce hypertension – high blood pressure.

- **Limit sugar and high fructose corn syrup content--** Avoid granulated sugar, syrupy sweeteners, soda/fruit juice/sport drinks, candy, cookies/cakes, jams, sugary cereals, ice cream and processed foods/snacks. Fruits are a natural source for all the sugar a body needs.

  - Proven to reduce obesity, heart disease, diabetes.

- **Limit "Bad" fats--** Linked to an increased risk of heart disease, diabetes, and cancer.

  - Saturated fats- dairy fat (butter, cream), lard, and visible meat fats

  - Trans fats- vegetable shortening and partially hydrogenated vegetable oils

4) Focus on eating these Food types

- **Fruit** – Whole fruits are better than juices and include a lot of berries
- **Veggies** – The brighter and more diverse the colors on your plate the better
- **Calcium** – Dairy such as milk, yogurt, or cheese and Non-dairy options like tofu, broccoli, almonds, and kale

- **Grains** – Whole grains are better than processed so look for pasta, breads, and cereals that list "whole" in the ingredients
- **Protein** – Spread protein equally across meals and diversify beyond just red meat to include more fish, beans, peas, eggs, nuts, seeds, and low-fat milk and cheese

5) Treat yourself like a superhero by eating these "Super Foods"

- **Nuts**
- **Berries and Kiwi**
- **Yogurt**
- **Eggs**
- **Quinoa**
- **Beans/ Legumes/Lentils**
- **Fish (higher fat content salmon, tuna, sword, sardines)**
- **Sweet potato**
- **Broccoli**

6) Make sure you are staying hydrated by drinking plenty of the right liquids

- **Water** – Maintain your body's fluid balance, reduce appetite, energize muscles, radiant skin, flush kidneys, and improve bowel function
- **Coconut water**- Low sodium, naturally fat- and cholesterol free, fewer calories and sugar than juice or soda, and more potassium than a sports drink (more than 4 bananas)
- **Coffee**- The bad= caffeine addiction and withdrawal, teeth stain and breath, raises anxiety and stress, agitate stomach / The good= stimulant, antioxidants, fight gallstones and kidney stones, social aspects
- **Milk**- Good for bones, teeth and muscles calcium, loaded in potassium, choline, magnesium, and vitamin D (fortified)

7) Stick to smart Eating strategies

A) Choosing and preparing food

- **Reduce sodium** (salt) to help prevent water retention and high blood pressure. Avoid salty snacks, processed foods and look for the "low sodium" label at the grocery store.
- **Reduce sugar to keep weight in check, and combat heart disease and diabetes. Avoid sugary snacks, drinks and processed foods.** Watch out for hidden sugar in grocery store items like canned soup, pasta sauce, condiments, and breads. Read the labels for other forms of sugar such as corn syrup and cane juice or the additives fructose, sucrose, dextrose, or maltose.
- **Eat high quality proteins to decrease the chances of heart disease and cancer and** improve your mood and mind clarity, boost your resistance to stress, anxiety, and depression. Protein will also help with muscle mass/strength and aid recovery from exercising. Good proteins are lean beef, poultry, pork and fish / Bad proteins are processed, salty meats like hot dogs, salami, and bacon.
- **Cook with "good" fats.** Protect your body against heart disease by controlling "bad" LDL cholesterol levels and raising "good" HDL cholesterol levels. Cook with olive oil instead of butter, and eat avocados, salmon, walnuts, flaxseed, and other monounsaturated fats.
- **Avoid eating "bad" carbs.** Increase long-lasting energy and maintain balanced insulin levels by eating "good" or complex carbs such as whole grains, beans, fruits, and vegetables. Avoid the "bad" carbohydrates missing all nutrients and fiber like white flour, refined sugar, and white rice.
- **Add more fiber to your diet** with a high-fiber, whole grain cereal like Bran Flakes or try adding a couple of tablespoons of unprocessed wheat bran and fresh or dried fruit to your favorite cereal.

- **Be a smart chef.** Grill meats and vegetables. Steam vegetables instead sautéing in a pan with butter. Use low fat dairy or dairy substitutes and use “good” fats to cook like olive oil instead of “bad” fats like butter.

B) Meal Management

- **Avoid skipping meals** – Keeps your metabolism active and your energy level strong. Prevents binge eating.
- **Breakfast** – Select high-fiber breads and cereals, colorful fruit, yogurt and fruit, oatmeal and nuts, and protein to start your day strong.
- **Lunch** – Fuel up for the second half of your day with whole-grain breads, lean proteins, fruit, salad and fiber.
- **Dinner** – End the day smart—don’t overeat and avoid eating after 8pm. Eat salads, roasted veggies, grilled salmon, whole-wheat pasta, sweet potatoes instead of white potatoes and grilled meats instead of fried.
- **Snacks** – Eat almonds and dried fruit instead of chips, fruit instead of sweets, yogurt instead of ice cream, bananas or apples with peanut butter, and veggies with hummus.

8) Adapt your diet to meet the changes in your body and life as you age

- **Metabolism.** Once we pass the age of forty our metabolism slows. It is possible that if you are eating the same amount of food as when you were younger, you're likely to gain weight because you're burning fewer calories. It is also possible that you will start to become less physically active. Keep an eye on your weight and how you feel and consider seeing your doctor to discuss if you should reduce calories.
- **Weakening senses.** Taste and smell can diminish as you age. It is possible your sensitivity to salty and bitter tastes is reducing, and you might be adding more salt to your food to compensate. Older adults need less salt than when they were younger so use more herbs, spices, and olive oils with your food.
- **Illness and medications.** Medications and health issues can reduce appetite or impact your taste buds. Ask your doctor about overcoming side effects of medications or specific physical conditions.
- **Loneliness and depression.** Loneliness and depression can have an impact on your eating. Some people can lose their appetite and others may start overeating so look out if this is happening. Eating meals with others can be a cure to loneliness and lift depression.
- **Newly single.** After losing a spouse to divorce or death you may be unfamiliar with shopping for food and preparing meals on a daily basis. There are numerous resources to learn shopping and cooking skills. It is also an opportunity to possibly make new social connections.
- **Eating on a smaller, fixed budget.** Eating healthy foods can be expensive (organic is always a higher priced option), but with some planning and discipline you can stretch your dollars and eat right. Look for senior discounts, farm stands and farmer’s markets, cut out processed and junk foods, and maybe pool your resources to make communal meals and stimulate your social life

9) Set calorie limits based on your age and gender

Women over 50:

- Not physically active needs about 1600 calories a day
- Somewhat physically active needs about 1800 calories a day
- Very active needs about 2000 calories a day

Men over 50:

- Not physically active needs about 2000 calories a day

- Somewhat physically active needs about 2200-2400 calories a day
- Very active needs about 2400-2800 calories a day

Source: *National Institute of Aging*

10) make sure you include fiber to keep your bowels regular and healthy

According to the American College of Gastroenterology, a normal bowel pattern is between three times per day to three times per week. A good indicator of health is to have a daily bowel movement. Abrupt changes of more or less than that may be a warning sign worth discussing with your doctor. Eating foods high in fiber, also known as roughage or bulk, will help your digestive system and regularity. Men over 50 should consume at least 30 grams of fiber per day, and women over 50 should consume over 20 grams per day. Fiber, found mainly in fruits, vegetables, whole grains and legumes, will also help prevent the risk of diabetes, stroke and heart disease.

- Ideal sources of fiber include: whole grains, wheat cereals, barley, oatmeal, beans, nuts, vegetables such as carrots, celery, and tomatoes, and fruits such as apples, berries, citrus fruits, and pears.

****Five Best kept secrets that can supercharge your diet and your health!!****

1) Health Benefits of Berries. Boysenberries, Blackberries, Raspberries, Strawberries, Blueberries, and Cranberries are **antioxidants** that help your body fight free radicals that can lead to illness. Berries are also rich in a compound called anthocyanidins which is a type of flavonoid that helps the learning and memory centers in the brain. Berries help prevent memory loss and Alzheimer’s, diabetes, heart disease, high blood pressure, cancer, and UTI

2) Red wine has been found to have anti-aging properties. Studies released by the University of London and Harvard Medical School both pointed to the compound resveratrol, which comes from the red grape skins, to be an anti-aging property because it helps blood cells flow better to the brain. This improved blood flow can help prevent dementia as well.

3) Green tea (a superfood)- high in antioxidants to fight cancer, lower cholesterol, lower risk of type II diabetes, fight heart disease, improve eyesight, improve brain function, and can act as a fat burner

4) Put five colors on your plate. Take the “Crayola Challenge” and try to have five different colors on your plate. The richer the color the richer the nutrients (for example brightly colored choices such as: blackberries, melons, yams, spinach, tomatoes, zucchini, eggplant and peppers).

5) Psyllium is the husk of the seed of the Plantago which contains a spongy fiber that reduces appetite, improves digestion and cleanses the system. Every 100 grams of psyllium provides 71 grams of soluble fiber; a similar amount of oat bran would contain only 5 grams of soluble fiber. Research shows that psyllium has many benefits to the human body, from your heart to your pancreas. Psyllium is most commonly consumed in powder or wafer form. It is also available in capsules, granules, and in liquid form. It is the main ingredient in many over-the-counter laxatives, Psyllium absorbs liquid and can give you the feeling of being full.

Healthy eating and drinking is essential to a healthy life. The more you focus on fresh foods and quality ingredients prepared daily instead of fast food, junk food and processed food the better your diet and health will be. Healthy eating is economical, delicious, easy to prepare and can invite social opportunities. Remember, you are what you eat.

Chapter 7: Do you know the Four Corners of a solid exercise plan for healthy Senior Living?

As we age all of our bodies are undergoing constant change and challenges. The key to keeping your body (and mind) sharp through this ongoing process is exercise-- one of the key "Quality of Life Factors". If you want to maintain a long and healthy life it is critical that you work on strength, balance, flexibility, and endurance. All of these physical factors will play a role in your ability to remain mobile, independent, healthy and happy over the course of your life. But, these are all areas that will become harder to maintain as you age, so the more you are doing today the better off you will be tomorrow.

But there are so many different ways to be active and engage in "exercise" that where to begin can be confusing and intimidating. Also, whether you have been exercising regularly for years or you are getting started, as people age it is important to realize that things are going to start being different when you are over the age of 50. How should someone start? What are some forms of exercise to consider? Is it too late start? Here are some factors to consider.

Exercise doesn't necessarily mean joining a gym or training for a marathon. It really is about getting your body moving. Activity as simple as regular walking can produce big rewards for your body and mind. Exercise can also incorporate social activities like bowling or golf. The best place to start is to get off the couch and out the door.

Safety should be your #1 priority, and once you are past the age of 50 it is advisable to get a checkup and the input of your doctor. You should also not ignore your own body knowledge and limitations. If you have certain health conditions or injuries, you must take them into account. Don't feel bad about starting with lower impact exercise and build your way up to more rigorous activities. Once you start, make the commitment to be consistent such as walking or swimming daily or visiting the gym 2-4 times a week. Stick to a schedule and you are more likely to keep exercising and get better results. Don't get discouraged if you don't look like Arnold Schwarzenegger after a month. Set short term goals and work your way up over time. For example, maybe you can do 5 pushups. Set a goal of getting to 10 pushups by adding one more pushup ever week. But, don't push yourself to the point of injury or compromised health. Stay in tune with your body and listen to the messages it is sending you.

The Four Corners of Exercise:

1) Strength: Exercise to build up muscle and bone mass, power and durability. Strength training can be done with free weights, machines, elastic bands, and your own body weight.

2) Balance: Exercise to better maintain your ability to stand securely and move safely and with confidence. Activities such as yoga, Tai Chi, stretching, standing and even walking can all help build much better balance.

3) Flexibility: Exercise to keep your joints and limbs fluid and limber so you can move, turn, and reach better. Stretching and yoga not only help with balance but are also great for flexibility. In fact, many of the same exercises will improve both flexibility and balance which are both very important for physical safety as we age.

4) Endurance: Exercise to help strengthen your heart, lungs, and muscles by working out your cardiovascular system. There are many ways to work on your "cardio" including walking, running, swimming, bike riding, dancing, and playing sports which all will reduce fatigue and improve your daily

quality of life.

But, do you find it difficult to get motivated to start or are you easily bored while exercising? Start first by looking at exercise as fun and not work. Think about it—most exercise is playing and often engaging with other people. Whether it's playing games, sports, or walking and swimming it is all much more fun than sitting on the couch watching TV. And there are a number of tricks to make sure the fun is being enhanced. Exercise with friends on a regular basis and turn the activity into a social outing. Listen to music or watch TV when on an exercise machine. Take walks on the beach, on trails or at the mall. Another idea is to give yourself a reward when done like a treat to eat or drink, or a show you will watch, or taking a nice sauna or Jacuzzi. Lastly, look for opportunities in daily life to create exercise—use stairs instead of an elevator when you can for cardio, carrying grocery bags to your car can be strength training, doing housework and yardwork can work on your balance and endurance.

It is never too late to start exercising and the benefits are too numerous list. It will add to your longevity and increase your quality of life. You will feel and look better. You will be able to better keep up with your grandchildren and continue to stay active with them and your adult children. Do it for them, do it for yourself—but most of all JUST DO IT!

Chapter 8: Was that a "Senior Moment" or a sign of Dementia?

Four things everyone needs to know about Alzheimer's care for a loved one

As we age, it is not uncommon for memories to dull but it is not a guarantee that this will happen to everyone. In fact, there are numerous measures we can take today to keep our minds as sharp as possible throughout our lives. Remaining active, socially engaged, a good diet and exercise, proper sleep, and challenging your mind through a variety of "brain exercises" will all play important roles in how strong your mind is over the years. This is important because dementia and conditions such as Alzheimer's has emerged as one of the leading factors contributing to people needing long term care and a shortened life expectancy.

In fact, Alzheimer's disease has become one of the most common conditions impacting seniors in the United States. Over 5.2 million Americans are currently diagnosed with Alzheimer's, and with a half million people dying annually (more than prostate and breast cancer *combined*) it is now the 5th leading cause of death for those aged 65 and over. http://www.alz.org/alzheimers_disease_facts_and_figures.asp

This is a particularly insidious affliction because it not only robs someone of their memories but it has a devastating impact on the entire family. So often, the need to provide long term care support falls on family members in a number of ways. If you have a loved on now suffering from Alzheimer's, you may be asking yourself some very tough questions. Are you currently acting as a caregiver? Are you now responsible for finding appropriate care? Are you providing financial support while trying to figure out how to pay for long term care? For many families the answer to these questions is "YES" to all of the above.

Those suffering with Alzheimer's require a very specific form of care that is meant to address both their medical needs and their safety. You will want to seek out specifically licensed Memory Care facilities that are equipped to provide 24-hour care and protection for those with dementia and Alzheimer's. These facilities have been designed to provide cognitive-centric programs, medications, nutrition, and a safe/secure living environment. But, because this is a more intensive care environment than an assisted living community or a nursing home it can be very expensive.

Some of the costs of care such as approved medications can be covered by Medicare, but much of the costs of Memory Care are private pay because they are considered non-medical. Assistance with activities of daily living (ADL's) and providing a 24-hour secure environment to prevent wandering are both examples of non-medical necessities that must be paid for out-of-pocket. Medicaid can also pay for care for those who financially qualify as being below the poverty line and with advanced enough conditions to also qualify medically.

Four key areas you will want to focus on for your loved one diagnosed with Alzheimer's:

1- Recognizing if you or a family member is acting as a caregiver and the need to access professional care.
2- Locating licensed Memory Care facilities that will provide an appropriate and secure environment.
3- Cost of care is expensive and you need to understand what is covered by Medicare, what is going to be out-of-pocket as "private pay", and if you will be able to financially and medically qualify for Medicaid.
4- You must get the legal framework in place to be able to act on behalf of your loved once they have lost the capacity to act with a "sound mind". This means establishing the right family member as the "Power of Attorney" or if things have progressed beyond the point that a voluntary POA can be established it

would become necessary to get a court ordered "Conservatorship" to make sure financial and health decisions are being managed correctly.

What can people do to help prevent dementia? There are brain exercises to pursue on a regular basis such as reading and writing, math/word games, puzzles, and strategy games such as cards and chess. Physical exercise, diet, sleep, limiting stress, and avoiding tobacco and limiting alcohol will all contribute to maintaining a healthy brain and mental sharpness.

What can people do to recognize dementia? It is important to recognize the differences between the normal effects of aging on mental sharpness and the onset of dementia. It is normal for problem solving and thinking to slow down as we age, for memory to fade, and to see a decrease in concentration and attention span. But, there are more significant signs of diminished mental capacity that could indicate the onset of dementia such as impaired communication skills, change of personality and inappropriate behavior, confusing time and location, poor judgement and reasoning, physical problems with balance and dexterity, and a deterioration of physical appearance in grooming and safety. Pay attention for a loved one exhibiting these signs: the same questions are being asked repeatedly, getting disoriented in familiar places, can't recognize or confuses family members, and a loss of ability to care of themselves both physically (eating, grooming) and functionally (routine tasks of independent living).

Normal Memory Changes or Dementia Symptoms?	
Typical Aging:	**Symptoms of Dementia:**
Complains about memory loss but able to provide detailed examples of forgetfulness	May complain of memory loss only if asked; unable to recall specific instances
Occasionally searches for words	Frequent word-finding pauses, substitutions
May have to pause to remember directions, but doesn't get lost in familiar places	Gets lost in familiar places and takes excessive time to return home
Remembers recent important events; conversations are not impaired	Notable decline in memory for recent events and ability to converse
Interpersonal social skills are at the same level as they've always been	Loss of interest in social activities; may behave in socially inappropriate ways

Adapted from: *The American Medical Association*

Many families will not recognize that dementia is afflicting a loved one. Compounding the difficulty for families is that long term care is a topic ignored by most people until they find themselves in a crisis situation. The sooner one arm themselves with information about dementia and how long term care works, how to pay for it, and the legal implications they are facing; the better the outcome will be for themselves and their loved one.

Chapter 9: Do you get enough sleep for healthy living? Here are Five tips to help you sleep better

An area that is often taken for granted by people is sleep. How the body, mind and attitude perform is directly impacted by how much sleep you are getting. The optimum amount of sleep a person should get in a 24 hour period is 8 hours. There are a number of factors that can conspire to get in the way of our sleep that can be managed: what we ingest (caffeine, sugar, alcohol), how we manage stress, how active we are, and how disciplined we are to put down that book or turn off that screen. In addition, there are a number of strategies to help people better manage their sleep and combat the negative impacts of fatigue and exhaustion.

As people age their sleep patterns can change. Insomnia may be keeping you up at night, or you may be going to bed earlier or waking up earlier than you used to in the past. If your sleep has become disrupted it can be negatively impacting your physical, mental and emotional health. Poor sleep can make you tired during the day, cause depression, blurry vision, headaches, and over a prolonged period can contribute to significant physical and mental health problems.

Five Tips to Better Sleep

1) Do you know what's keeping you awake: Without realizing it, numerous issues such as irregular hours, drinking caffeine or alcohol, eating too late, watching TV or going online in bed, or a poor sleeping environment could be compromising your sleep.
2) Do you have bad daytime habits: There are habits that can be broken that can be contributing to poor sleep at night such as not getting enough exercise, poor diet, too much worrying, not getting enough fresh air and sunlight, and not being socially engaged are all factors that can come back to "haunt" you at night.
3) Improve your chances for good sleep: Set yourself up for success by making sure you give yourself the best possible chance to sleep by making sure your bedroom is dark with comfortable air, avoid the blue light of a computer or tablet, boost melatonin in your system, eliminate blinking lights and clocks that will distract you, and make sure your bedroom is dedicated to activities meant for bedtime.
4) Follow a regular sleep routine: Sticking to a schedule and following soothing practices like meditation, bathing, reading, and other relaxing habits will help pave the way for a much better night of sleep.
5) Does a mid-day nap help or hurt: People can find that they sleep better at night if they have also napped during the day. Everyone responds differently to napping and sleeping half the day is not as beneficial as a short "cat nap" of 10-20 minutes.

Sleep is an essential part of healthy living for all living beings. As people get older, managing your sleep becomes even more important in your daily life and also for long term health factors such as preventing Alzheimer's, heart disease, high blood pressure and resistance to sickness. Through exercise, diet, establishing a regular routine, and focusing on good habits your chances for a good night sleep will improve dramatically.

PART III- Surviving Long Term Care

Chapter 10: What you don't know can hurt you

Long term care is a topic that the vast majority of people avoid. It is an unpleasant issue to discuss with loved ones, let alone contemplate for one's self. Unfortunately, it is a reality that almost every one of us will confront in our lifetime. In fact, most of us will contend with long term care first for our parents, and then for ourselves and/or spouses. But with almost 100% certainty that this will become one of the most important and most expensive experiences of our lives, we are not educating ourselves on what long term care is all about.

Do you know the differences between private-duty home care and skilled home care? Do you know the differences between assisted living and a skilled nursing home? People operate with an assumption that they understand what long term care is and how it will be paid for when they need it. The truth is that most people don't even know what they don't know, and falsely assume Medicare, Medicaid or insurance will just pay for whatever they want. Qualifying for programs like Medicare and Medicaid to cover long term care is harder than people realize, and if you do qualify, there are many restrictions to what is covered and for how long. If you are on Medicare, it will only cover the first 100 days of rehabilitation care in a skilled nursing facility upon direct discharge from a hospital. Medicaid will cover specific forms of long term care, such as a nursing home, if you meet the eligibility requirements of medical necessity and income/asset limitations. If you are on Medicaid, you are below the poverty level and become a ward of the state with very little choice or say about your long term care options.

Private pay is the preferred method of funding by long term care service providers. In fact, some of the most desirable forms of senior care are private pay only! Most types of home care and assisted living communities only accept private pay patients, and nursing homes give priority to private pay because Medicare and Medicaid pay for services at rates below private pay levels. Many long term care providers won't accept a patient unless they can prove they have two or more years of private pay funds available and secured to be paid for services rendered. In one high profile court case in Pennsylvania, a nursing home successfully sued a man for almost $100,000 when his mother's Medicaid application was denied after 6 months of residence and she moved out with all her unpaid expenses left behind.

There are a number of private pay options people should be aware of to help them pay for long term care, including:

- Convert a life insurance policy into a Long Term Care Benefit Plan
- Veteran's Aide & Attendance Benefit
- Long Term Care Insurance
- Reverse Mortgage
- Senior Living Loan/Line of Credit
- Single Premium Income Annuity (SPIA)

Unfortunately, Long Term Care is not a subject that people spend much time thinking about– unless they need it. Until most people focus on the subject, they have a vague sense for the various forms of care and don't really know the differences between Homecare, Assisted Living, and Nursing Home care. Well, here is a simple breakdown of the four primary forms of long term care to help you better understand what they are– and the differences.

Home Health Care: Care at various levels provided at home by licensed or unlicensed workers as well as designated family members. Home health is primarily private pay, but Medicare and Medicaid will reimburse some forms of "medically necessary" home health services provided by licensed practitioners for people meeting specific eligibility requirements.

Assisted Living: Housing for the elderly or persons unable to live independently that will provide mid-level custodial care, medication support, lifestyle activities, transportation, and meals. Assisted Living is a "private pay" environment not covered by Medicare and Medicaid.

Nursing Home: Higher level "skilled care" provided in a licensed facility for people requiring long term medical or nursing care; or short term rehabilitation services for injured, disabled, or sick persons. Private pay is accepted and will allow for more choice such as private rooms, enhanced lifestyle options, and wider selection of locations.

Hospice: A specific form of care for people typically in the final 6 months of life as certified by a physician. Hospice care is primarily paid for by Medicare and can be provided at home, in an assisted living community, a nursing home, or a free standing care center

Recognizing the signs that a loved one may need care, and then understanding the various forms of care available are important steps to protect their wellbeing.

It is important that people don't wait until they are in a crisis situation to start learning about the different forms of long term care and how they will pay for it. Knowledge is power, and long term care is a situation where you do not want to wake up one day and discover you are powerless.

Chapter 11: Are you the last one to know *you* have become a care provider?

Aging and the need for long term care can take us by surprise. For some people, the need for long term care can come be brought on from a sudden event such as a fall, stroke, advancing dementia, or other health related malady. For others, it can slowly creep up over time and without realizing it one or more loved ones have become care givers. Confronting the fact that a person has transitioned in life from being independent too dependent in one way or another is difficult.

It can be difficult to realize, or admit, that as a person ages they may have shifted from the typical effects of aging such as reducing levels of strength, stamina, dexterity, and memory. As a spouse or extended family members start to offer more assistance, the need for real long term care supports and services can be mistaken for a shift in age related lifestyle. Or in other words, as you are giving more and more assistance to a loved one you may be confusing what you are doing as just part of the normal aging process without understanding that you have actually become a long term care provider.

For example, I have asked the question to families in the past if their loved one is able to shower on their own. They have answered a very certain "yes", and then go on to describe how the showering works: "My husband/wife showers on their own no problem. I do turn on the water and make sure it isn't too hot, and then I help them get in and out so they don't fall. Also, I make sure I stand by when they get out to dry-off and are getting dressed so they don't fall. So, yeah they shower on their own no problem."

Variations of that conversation happen far too often and when the subject of possible long term care provided by professionals come up, families can become defensive and insist that won't be necessary for years to come. There are two things people need to understand when they start to open their eyes to the reality of their situation:

1) Showering is just one example of what is known as "Activities of Daily Living" or an ADL. These are recognized clinical measures of safely living independent, and as these ADL's become no longer possible they are a measuring trigger for long term care supports and services. The list of ADL's includes:
    a. Feeding
    b. Toileting
    c. Selecting proper attire
    d. Grooming
    e. Maintaining continence
    f. Putting on clothes
    g. Bathing
    h. Walking and transferring (such as moving from bed to wheelchair)

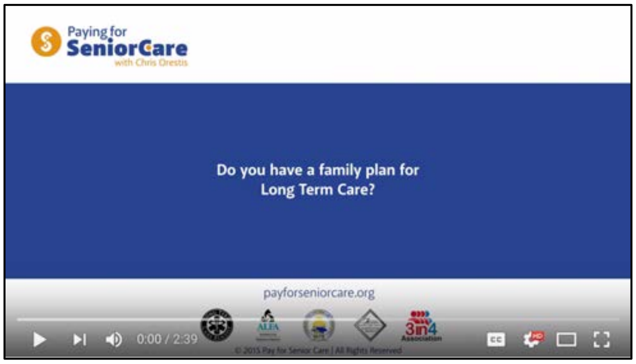
2) In addition to ADL's, there is an additional measure of independence no as "Instrumental Activities of Daily Living or IADL. These are the more complex skills of living independently that would be reasonable to expect of a young adult coming out of high school. The list of IADL's includes:
    a. Managing finances
    b. Handling transportation (driving or navigating public transit)
    c. Shopping
    d. Preparing meals

e. Using the telephone and other communication devices
f. Managing medications
g. Housework and basic home maintenance

These are the clues to look for to help determine if a loss of independence is occurring, and if you have become a care provider making up for the loss of ADL's. If you see this happening, it is time to reach out to a professional Geriatric Care Manager who can provide a professional and impartial assessment of the current situation, and what care may now be necessary. It is in the best interest of the person losing ADL's, and also in the best interest of the person(s) who are unknowingly becoming care providers. Providing proper long term care support and services is the best course of action for the health of everyone in the family.

Chapter 12: Do you have a family plan for Long Term Care?

Introduction Video:



https://www.youtube.com/watch?v=p2Jr_jZJ6J0

Have you ever discussed with your spouse and your family your wishes for long term care? If you are like most people, the answer is probably no. Studies show that families tend to avoid discussing topics that involve finances, health care, legal directives, and death. No surprise, these are not fun topics. But, if you are not planning for how to handle these important areas you should expect trouble down the road. The costs of long term care can be staggering and could easily wipe out a lifetime of savings and assets in no time. If your financial and legal records are not organized and available; if your healthcare directives are not in place; and, if your legal documents are not established you are setting yourself up for failure if you are stricken with a sudden medical crisis and become unable to address these critical issues with a “sound mind and body”. To put your family in the best possible position you will want to have an “LTC Action Plan”. Start by making sure that the siblings and in-laws, as well as a surviving spouse are on the same page about the need for care and how you will work together to move forward.

It is important that you discuss with your family your wishes. If you want to remain at home or there is a specific assisted living community or nursing home, you prefer (or want to avoid) let them know. You should let them know what kind of financial resources are available, such as savings, investments, assets, and insurance that can be drawn on to pay for the expensive costs of long term care (as well as legal fees). It also makes sense to establish power-of-attorney documents with the most appropriate family member(s) in case you become incapable or incapacitated.

Here is a checklist of questions you will want to review with your family:

1) Who lives close enough to be “hands-on” to help with driving and appointments?
2) Is there a need to establish a Power of Attorney or Conservatorship? Who should that in the family and who is the attorney?
3) Who is the right person to assess the financial situation? Are there available savings, assets and insurance that can be used to help pay for care? Will Medicaid be necessary and will they qualify?
4) Should a professional care manager be called in to help assess the health situation and devise a care plan?
5) Will the care be at home or should it be in an assisted living community or nursing home?

6) Should an elder law attorney be hired?

Don't be afraid to reach out to the experts for assistance. An elder law attorney can help guide you through understanding what is required to qualify for Medicare and Medicaid as well as establishing legal documents such as a power of attorney or living medical directives. Geriatric care managers are experienced with all forms of long term care and can advise you on what is the most appropriate form of care, and if you are in need of care now. Insurance agents can help you with life insurance which can be used in the future to pay for long term care, or with the various types of long term care insurance.

The key is for the family to come together. No one wants to be a financial burden on their loved ones, and everyone deserves choice and dignity during their "long term care years". The sooner you get your house in order by organizing your finances, discuss your wishes with your family, and seek out professional guidance the better off you and your family will be.

Chapter 13: Are You a Denier Or A Know-It-All When It Comes To Long-Term Care?

How Family Stereotypes Emerge When Aging Loved Ones Need Assistance

The statistics are staggering.

About 10,000 baby boomers turn 65 each day and the U.S. Department of Health and Human Services reports that more than 70 percent of people over 65 will require long-term care services at some point.

But few people make preparations for this inevitable part of life that can drain a family both emotionally and financially. Finally, when the need for long-term care approaches the crisis level, several family members may be thrust into participation whether ready or not.

In many situations the need for care will creep up on a family. Suddenly, people realize they have assumed duties that take up more and more of their time, and take a toll on their lives. Over the years we have seen these family members gravitate naturally to roles that fall into several stereotypes.

Family Stereotypes:

- **Caretaker** – This person provides care for the loved one at home and, without realizing it, becomes a fulltime caregiver. Usually, this is a spouse or an adult child, most often a daughter.
- **Bookkeeper** – This person focuses on the financial aspects, trying to determine what assets or insurance policies are available to help with the costs of care.
- **Chauffeur** – This family member drives the loved one to appointments, runs errands, makes grocery runs and eventually may drive the aging loved one to tour assisted-living facilities.
- **Guardian** – This family member takes on such roles as power of attorney or trustee, assuming the legal responsibilities within the family.
- **Denier** – This person can't accept or admit that the loved one, or they themselves, need care.
- **Know-It-All** – Most annoying of all, this family member constantly questions decisions, or lobs suggestions from the back bench, but isn't near the situation or involved hands-on.

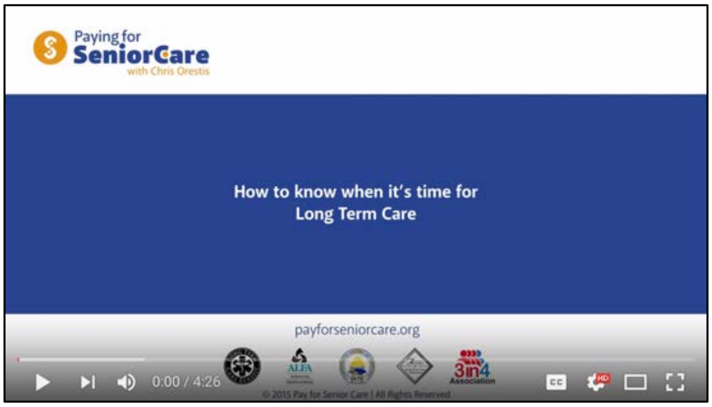
With such a lineup, it's easy for resentments to build but that needs to be avoided because the focus should be on the aging loved one and easing the transition if a decision is made to move into a nursing home or assisted-living facility.

Eventually, once it's clear professional long-term care is needed and a plan is in place to make it happen, a conversation needs to take place with the loved one, who may be apprehensive or even resistant. The conversation should be handled with compassion and delicacy, he says. Emphasize that not only will this move improve their health and safety, but there will be numerous opportunities for social activities, games, art, entertainment and great food.

The key is for the family to come together. Look for the signs that care is needed, formulate a plan, communicate effectively with your loved ones and change the perspective about long-term care from a negative to a safe, healthy and enriching experience in the continuing journey of life.

Chapter 14: How to know when it is time for Long Term Care

Introduction Video:



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Long Term Care is a reality that everyone will eventually confront—either for themselves, a loved one, or both. Unfortunately, Long Term Care is a topic that people avoid and don't understand until one day a crisis situation throws them into a world for which most people are completely unprepared. The good news is that you are not alone. Not only are most people unprepared, but when a Long Term Care crisis hits it tends to bring together and involve multiple family members.

In many situations the need for care will creep up on a family. Oftentimes, family members are acting as caregivers without realizing it. As the need for care increases, it can either seem like a normal part of aging or people are just not willing to admit that their ability to live independently is no longer possible—or safe. But there are warning signs you should be looking for that will help you recognize when the time for professional Long Term Care has arrived:

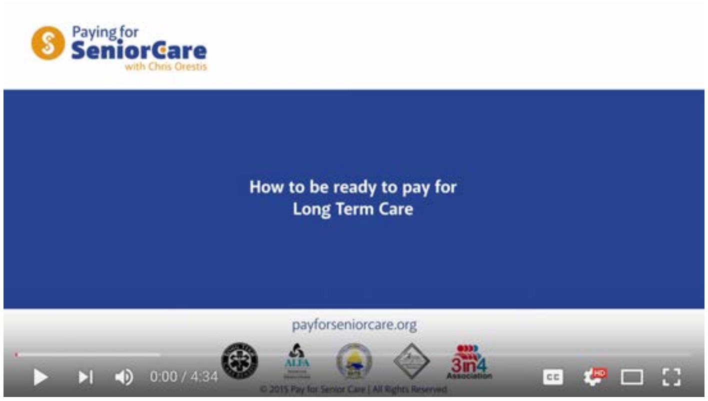
1) **Physical Deterioration**: Look for signs such as significant weight loss, balance issues and falling, loss of strength and stamina, and other losses of "Activities of Daily Living" known as an ADL such as ability to shower or toilet, dress, or eat independently.
2) **Mental Deterioration**: Do not blow off loss of memory or confusing names, dates and locations as just a "senior moment". Cognitive deterioration is an important warning sign that you should be on the lookout for dementia and Alzheimer's. These conditions can worsen quickly and can lead to many physical breakdowns and safety issues.
3) **Lifestyle Deterioration**: Is the home not being kept as neatly as in the past? Are things oddly out of place (a house plant in the fridge, pots and pans in the bathtub), or do you see signs of physical damage (the car crashing into a fence or the wall of the garage, burn marks on the kitchen wall from a flash fire)? Long Term Care is both a matter healthcare and safety.

Look for these warning signs when you are with your loved ones when you suspect they may be finding it increasingly difficult and dangerous for them to live alone.

Recognizing the signs that a loved one may need care, and then understanding the various forms of care available are important steps to protect their wellbeing.

Chapter 15: How to Pay for Long Term Care

Introduction Video:



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Long Term Care can be an expensive proposition that too few people are prepared for or understand. Unfortunately, most people don't think about how they will pay for care until they are confronted by a serious health situation for themselves or a loved one. The worst time to start planning for Long Term Care is in the midst of a crisis because the options to pay for care can be complicated and take some time to access.

It is becoming more competitive to get access to the best long term care providers as 10,000 Baby Boomers have started turning 65 every day. Statistics show that 70% or more of people over the age of 65 will require long term care services. Today there are 10,000,000 people receiving long term care in the United States. People with the ability to afford private pay care are typically given preferential access to the best care providers and locations; while those on Medicare and Medicaid are given little choice as to where they can go and will share a room with another person.

Also, the costs of Long Term Care are expensive and rising every year.

- Full time Home Care can run $5,000-$10,000 every month.
- Residing in an Assisted Living community can cost $3,500-$5,000 every month.
- Nursing Home care costs around $7,000 every month.

Tremendous pressure is being placed on tax-payers to cover Medicare and Medicaid budgets because the demand for long term care services is growing rapidly at the same time costs are rising every year. Courts and the government are doing more to push financial responsibility to cover their own care back on families. For example, the requirements to qualify for Medicare and Medicaid funded long term care services continue to become more stringent; states have the right to pursue families in probate court to recover funds spent by Medicaid if they discover that assets were in fact available; and filial responsibility laws in the states will hold extended family members legally responsible to cover unpaid long term care bills.

The three primary ways to pay for care are with Medicare, Medicaid, or Private Pay through insurance, savings or assets.

1) Medicare is an “age based” program that will cover the first 100 days of rehabilitation care in a licensed skilled nursing facility upon direct discharge from a hospital.
2) Medicaid is a “means based” program which means to qualify an applicant must meet both standards of medical necessity and be below set asset and income levels below the poverty line. Applying for Medicaid can be a challenging process that requires the applicant to submit detailed medical and financial records. Medicaid will “look back” five years at financial records to make sure that assets have not been hidden or transferred to family members.
3) Private Pay primarily comes from an individual and/or a family’s savings, insurance, assets, and income. People that are private pay can choose any form and location of care that they want.

Independent and Assisted Living, as well as most forms of Home Care are private pay only. Nursing homes are primarily covered by Medicaid for people who can qualify. Skilled Rehabilitation and Hospice are primarily covered by Medicare.

Families need to do all they can today to prepare to fund long term care and protect themselves from both the financial costs and the possibilities of legal liabilities. There are actions that people can start taking today to prepare themselves for future costs, and there are long term care funding tools that people can use to address immediate need for care as well.

What are some of today’s options for private pay funding of long term care?

- **Veteran’s Aide & Attendance Benefit**—Veterans of active combat duty and/or their spouses are eligible to receive upwards of $2,000 per month paid directly towards qualifying long term care service. Like Medicaid the applicant must meet both medical necessity and income/asset level requirements.
- **Reverse Mortgage**—Homeowners with little to no remaining mortgage balance that are age 62 or older can qualify to take a HUD backed loan against the home. To qualify the home must still be the primary residence and the loan must be paid back with interest and fees after the homeowner dies (typically through the sale of the property).
- **SPIA**—Single premium immediate lifetime annuities will pay out an income benefit for life based on the amount of the one-time premium paid in to purchase the annuity contract from a life insurance company. Certain annuities can be purchased that are considered “Medicaid Qualified” contracts.
- **Senior Living Loans**—Loans that can be secured specifically to pay for long term care services. These loans are unsecured by collateral and instead are guaranteed by family members (one or more). Interest rates are similar to a credit card. The loan makes payments directly to approved long term care service providers and are often used as a short term bridge while waiting for a home to sell or VA Benefit approval.
- **Long Term Care Insurance**—Insurance policies that will provide a fixed monthly payment to cover approved forms of qualifying long term care. Long Term Care insurance needs to be purchased while people are young and healthy to get affordable premium rates and/or to qualify. Newer “hybrid” or “combination” policies have emerged in the market that combine life insurance and long term care benefits in the future.
- **Long Term Care Benefit Plan**--A Long Term Care Benefit Plan is the conversion of an in-force life insurance policy into a pre-funded, irrevocable Benefit Account that is professionally administered with payments made monthly on behalf of the individual receiving care. This option extends the time a person would remain private pay and delays their entry onto Medicaid. It is a unique financial option

for seniors because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no premium payments. Policy owners use their legal right to convert an in-force life insurance policy to enroll in the benefit plan, and are able to immediately direct tax-exempt payments to cover their senior housing and long term care costs.

The key to successfully navigating any long term care situation is to understand your financial options and understand the differences between what will be covered by Medicare, Medicaid or Private Pay. Planning and informing yourself as far in advance as possible is best, but there are also a number of funding options available that can help people address a sudden and immediate need for care.

Chapter 16: The Primary forms of Long Term Care

The first step to caring for a loved one is recognizing that they need care. Sometimes this can sneak up on you slowly or it can happen overnight. At least 70% of the people in this country will eventually watch the progression of aging, and a growing list of impairments take over a loved one and impact those around them.

Many family members will become caregivers without even realizing that is what they have become. Some won't recognize that what seem to be the normal symptoms of aging are actually becoming far more serious conditions. Others are just not willing to admit that their ability to care for themselves is waning and the need for long term care is nearing on the horizon. Once a family reaches the point where they know it is no longer safe for a loved one to live on their own, or even to move in with other family members, it is time to start learning about the three primary forms of Long Term Care.

Primary Forms of Long Term Care

1) **Home Health Care**: Care at various levels provided at home by licensed or unlicensed workers as well as designated family members. Home health is primarily private pay, but Medicare and Medicaid will reimburse some forms of "medically necessary" home health services provided by licensed practitioners for people meeting specific eligibility requirements.
   Home Care comes in a number of forms both medical and non-medical. Non-Medical services consisting of things like light housekeeping, transportation, meals, toileting, medications, and assistance with other activities of daily living (ADL's). Medical services from licensed professionals includes such services as wound care, oxygen and ventilators, palliative care, monitoring vitals, and pain care. Non-Medical services provided at home by non-licensed workers are more common, and are considered "private pay". Because medical services are provided by licensed medical professionals they can be covered by Medicare and Medicaid for people who qualify.

2) **Assisted Living**: Housing for the elderly or persons unable to live independently that will provide mid-level custodial care, medication support, lifestyle activities, transportation, and meals. Assisted Living is a "private pay" environment not covered by Medicare and Medicaid.
   Assisted Living is sometimes looked at as the half-way point between Home Care and Nursing Home Care. If a person is not able to remain in a home based environment, but is not yet sick or impaired enough to be admitted into a Nursing Home, then an Assisted Living Community may provide the ideal mix of care and residence. Assisted Living is often designed to be a comfortable and high-end setting with a large assortment of activities, diverse dining and residential choices. Memory Care services can also be found in specific wings established in an Assisted Living Community. Assisted Living is almost always "private pay" and most communities can help families sort through a variety of funding options like the VA Benefit, converting a life insurance policy into a Long Term Care Benefit Plan, or home and credit-line loan options.

3) **Nursing Home**: Higher level "skilled care" provided in a licensed facility for people requiring long term medical or nursing care; or short term rehabilitation services for injured, disabled, or sick persons. Private pay is accepted and will allow for more choice such as private rooms, enhanced lifestyle options, and wider selection of locations.

Nursing Homes are a specific type of licensed, “skilled care” medical facility providing custodial care for people suffering from chronic, debilitating conditions. Memory Care and Hospice services can also be provided in a Nursing Home. Medicare will cover the first 100 days of rehabilitation care upon direct discharge from a hospital. Medicaid will cover long term stays if a person qualifies both financially (below allowable asset and income levels) and meets the definitions of “medical necessity”.

4) **Hospice**: A specific form of care for people typically in the final 6 months of life as certified by a physician. Hospice care is primarily paid for by Medicare and can be provided at home, in an assisted living community, a nursing home, or a free standing care center

There are many misconceptions about long term care. The more people understand about the different care options and how to pay for it the better they will be able to help themselves, or a loved one.

Unfortunately, Long Term Care is not a subject that people spend much time thinking about– unless they need it. Until most people focus on the subject, they have a vague sense for the various forms of care and don’t really know the differences between Homecare, Assisted Living, and Nursing Home care.

Chapter 17: What will you do when they come after you?

Did you know that the government has the right to come after you and your family to recover Medicaid dollars spent on your long term care? Did you know you can be held legally responsible in court to pay for long term care costs of extended family members? It's true.

The government recovers hundreds of millions of Medicaid dollars every year from families in probate court in what is known as mandated "asset recovery" actions. It is a federal law that state's must pursue families after the death of a loved one if it is determined that assets were not correctly reported or accounted for during the Medicaid application and review process. Also, "Filial Responsibility" laws give courts the legal authority to hold extended family members financially responsible to cover medical bills for long term care expenses.

Law suits and mandated claw-back actions have been brought against families in attempts to recover monies spent on long term care. Insurance and legal advisors have also been sued by clients in response to fiduciary responsibility issues about options to fund long term care, or how to derive the highest value from a life insurance policy.

These aggressive legal actions take root from laws that have existed for decades. State Filial Responsibility Laws and federal Estate Recovery Mandates are now specifically being used as tools to help long term care companies and the government to pursue extended family members to recover dollars spent on long term care. Even more symptomatic of the heightening urgency and tensions in the world of long term care is the growing list of angry clients and life policy owners looking to punish advisors and insurance companies for not informing them of all their available financial options.

Laws to recover LTC expenditures

In 1993, the federal government passed a mandate in the Omnibus Budget Reconciliation Act of 1993 (OBRA '93) that requires states to implement a Medicaid estate recovery program, and the Deficit Reduction Act of 2005 (P.L. 109-171, DRA) contained a number of provisions designed to strengthen these rules. OBRA gives states the authority, and the obligation, to sue families via probate court to claw-back Medicaid dollars spent on a loved one's long term care. In this law, states are required to sue the estates of Medicaid recipients, *" to recover, at a minimum, all property and assets that pass from a deceased person to his or her heirs under state probate law, which governs both property conveyed by will and property of persons who die intestate. Such property includes assets that pass directly to a survivor, heir or assignee through joint tenancy, rights of survivorship, life estates, living trusts, annuity remainder payments, or life insurance payouts"*.

The government has had the authority to take legal action against families to recover Medicaid dollars for over two decades. In fact, Medicaid recovers hundreds of millions from families every year, but as budget pressures increase estate recovery actions are becoming even more aggressive. Ironically, a high profile legal action recently taken against a family to recover costs spent on long term care was not initiated by the government, but was instead successfully undertaken by a nursing home company. In 2012, John Pittas, a 47-year-old restaurant owner was sued by a nursing home company for $93,000 in expenses incurred by his mother over a six month period after she was denied Medicaid eligibility. The Superior Court of Pennsylvania (***Health Care & Retirement Corporation of America v. Pittas*** Pa. Super. Ct., No. 536 EDA 2011, May 7, 2012) found in favor of the nursing home based on "filial responsibility law" (which is on the books in 28 states), and the son was forced to re-pay the entire costs for his mother's care. The court finding even granted discretion to the nursing home company to seek payment from any family members it wished to pursue. *(Forbes, 5/21/2012)*

Filial responsibility laws (filial support laws, filial piety laws) *are laws that impose a duty upon adult children for the support of their impoverished parents and can be extended to other relatives. These laws can include criminal penalties for adult children or close relatives who fail to provide for family members when challenged to do so. 28 states and Puerto Rico have filial responsibility laws in place: Alaska, Arkansas, California, Connecticut, Delaware, Georgia, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Montana, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia and West Virginia. (Wikipedia) http://law.psu.edu/_file/Pearson/FilialResponsibilityStatutes.pdf*

This outcome of course has created great concern in the elder-law community that nursing homes and other providers of senior care services have become emboldened to take family members to court to address unpaid bills. Attorneys for nursing homes are testing the laws in other states by filing lawsuits "on behalf of" the indigent parents, to recover funds. In addition to the authority found in OBRA, could this become a new way for states to recover Medicaid dollars spent on a family member's care? "Just because they haven't done so yet doesn't mean that they won't," said elder-law attorney Michael Amoruso, a past president of the New York chapter of the **National Academy of Elder Law Attorneys**. "All the states are struggling for money."

As more pressure is being put on Medicare and Medicaid from the aging Baby Boomer population and the rising costs of long term care; more emphasis is being placed back on families to cover their own long term care expenses. Not only do families need to do all they can to prepare themselves for the costs of long term care, but they also need to protect themselves from the growing threats of legal action that can be taken against them. Situations such as what happened to John Pittas in 2010 should be a wakeup call for everyone that if you and your loved ones are not prepared for the expensive costs of long term care, "they" could come after you.

Medicaid is a tax payer funded entitlement program designed to provide a healthcare safety net for the poor, disabled and children. First enacted into law in 1965 by President Lyndon Johnson, it has morphed into the default payer of long term care services for the elderly in this country.

Long term care providers prefer private pay patients over Medicaid recipients. A report released by the American Health Care Association (AHCA) indicates that due to major state budget deficits and adjustments to Medicare and Medicaid reimbursements, long-term care facilities are seeing historically low Medicaid reimbursements. It is estimated that unreimbursed Medicaid funds to nursing homes exceeded $6.3 billion in 2011 – a $19.55 shortfall per patient, per day on average.

For the last five years Medicaid has spent between $140 billion and $200 billion *annually* on the costs of long term care "supports and services" primarily for seniors. In terms of numbers of people that receive Medicaid, 80% of the dollars are spent on less than 20% of the eligible population which is almost entirely driven by long term care costs. But the irony here is that people don't want to go onto Medicaid!

When a person is on Medicaid they are no longer able to choose what they want for long term care. Most forms of homecare and assisted living are private pay—which means you must have resources other than Medicaid to be able to pay the monthly "out-of-pocket" expenses. The typical scenario for a person on Medicaid is that they will go into a nursing home and most often share a room with another patient. For most people that have worked their entire lives, raised a family, and participated in their share of the "American Dream"; spending your final days in this scenario sounds more like a nightmare.

State budgets are under extreme pressure to keep up with their share of the rising costs of Medicaid. Families would prefer to look at Medicaid as a last resort (which is what it was created to be) and don't want to spend-down their assets to get below the poverty line to qualify. Remember, if you go onto Medicaid it means you are below the poverty line and have become a ward of the state.

Families would prefer to remain in control of their health care decisions, maintain financial independence, protect their assets, and preserve dignity in their lives when it becomes time for them to start receiving long term care supports and services. To do so they must plan and prepare as much in the future as possible, and when it comes time to start receiving care they must understand their rights and options to stay private pay and in control for as long as possible.

Part IV- Survival Tips

Chapter 18: Five Tips for Productive Financial Discussions

When it comes to talking about aging, some topics are considered taboo. Often, one of those topics is money. While you may feel that financial matters are better left untouched, staying silent may lead to larger problems down the road. Do yourself (and your loved ones) a favor and broach the subject of money—you'll be glad you did! Here are five tips to keep financial discussions positive and productive.

Begin with the facts. The best way to start any important discussion is to make sure everyone has the same understanding of the situation at hand. Compile facts about you or your loved one's financial situation by reviewing records and asking questions. If necessary, consult a financial advisor with questions about bank accounts, pensions, and retirement savings.

Be prepared to listen. You may know exactly what you want, but forcing your agenda on unwilling family members will just leave everyone frustrated. Listen to the opinions of others and be willing to compromise, if it is appropriate to do so.

Think outside the box. Sometimes, the best solutions may not be the most obvious ones. Be prepared to research many different options when you're considering your financial future. This is another time when some research may be beneficial. Hop on the internet or consult an expert to find out what some of those unusual options might be.

Express emotions with "I" statements. It's normal to get frustrated during difficult conversations. Instead of making accusations, though, focus on using sentences with "I" in them. For example, use words like, "I think you could use a little extra help" instead of saying "you can't take care of yourself anymore."

Reward yourselves. Big discussions are difficult and emotionally draining. Once you've made a decision or decided to revisit the topic another day, do something nice with your family members. That might be a delicious dinner or a walk in the park. Whatever you choose to do, talk about something other than money.

Financial planning discussions often lead to questions about your options for the future.

Chapter 19: 5 Simple Things You Can Do for Your Heart

You may think that to do something good for your heart, you have to make radical changes. Perhaps you have heard that you need to cut out your favorite foods or that you should get regular, intensive exercise. While a good diet and an active lifestyle are essential to your heart health, you may not realize that making smaller changes can also keep your heart fit. Here are five simple things you can do for good cardiac health.

Take your medication regularly. If you take medicine for a heart-related issue, such as high blood pressure or high cholesterol, make sure you take it regularly. Not only will this keep you feeling your best, but you can also better recognize side effects to the medication. If you have trouble taking pills every day, consider investing in an alarm to serve as a reminder.

Manage your mental health. If you feel sad or stressed, you may be doing damage to your heart. See your doctor or schedule an appointment with a therapist to find out whether you are suffering from depression or anxiety, both of which can have negative impacts on your circulatory system.

Make sleep a priority. If you don't get your recommended 7 to 9 hours a night, you may be hurting your heart. It's not just too little sleep that can be damaging – too much sleep may also lead to health problems. If medications are to blame for sleeping too little or too much, talk to your doctor about switching to something else. Your doctor may also be able to recommend simple changes to your routine to help you get a good night's sleep.

Take up a hobby. If you have trouble getting regular exercise, consider taking up an active hobby, like senior yoga, water aerobics, or going on nature walks. Not only can active hobbies be beneficial for your physical health and general wellbeing, but they can also be a great way to meet new friends.

Get a flu shot. While the flu doesn't cause heart problems, the resulting inflammation can exacerbate preexisting coronary artery disease. In fact, recent research shows that the flu vaccine can reduce your risk of experiencing a major cardiac event in the next year by 36 percent.

Keeping tabs on your mental and physical health are essential to keeping your heart pumping strong. Life is full of unforeseen events – but planning ahead for them can help you manage anxiety and stay healthy.

Chapter 20: 5 Sneaky Costs of Long-Term Care

Planning for long-term care is a tricky proposition. Not only do you have to navigate your many, complex options for funding care, but you have to ask yourself a lot of tough questions. The cost of long-term care can be mind-boggling. Even worse, it can be hard to account for the many unseen costs that you may encounter along the way.

When you're planning for your future long-term care needs, you should consider some of these hidden costs that may sneak up on you.

The Costs that Aren't Included

You may be surprised – especially given the large price tag – at what your long-term care options don't cover. Whether you're at a facility or receiving in-home care, make sure you always ask which costs are not included in the sticker price. Typically, some of these additional expenses may be transportation, dietary supplements, personal care supplies, and furniture. You may also find that some services – like certain household tasks or one-on-one care – may not be covered. Make a list of everything you might need and ask providers what's covered and what's not.

Moving or Relocating

If you or a loved one are in a position where you have to move to a new facility, you'll likely be responsible for the costs of moving. Not only does this include any special medical transportation, but also the cost to move furniture and any move-in fees a facility might charge. Some of these costs may be covered by insurance, but others may not be. Be sure to budget for these expenses.

Assistive Devices or Equipment

One important part to planning for long-term care is to consider what your insurance covers. While it likely covers most of your medical needs, it may not cover some special devices or equipment – especially "upgrade" options – that you may need or want. Consider buying supplemental insurance or saving a little extra so that you can afford special equipment in the future.

Insurance Deductibles and Co-Pays

It's easy to fall into the assumption that if your insurance covers a service, you're set. But watch out for insurance deductibles and co-pays, which in some cases may be very steep. Use these extra costs help guide your budget planning.

Home Expenses

If your hope is to stay in your own home, you may find that you have to make some costly modifications to your dwelling to make it more habitable. These modifications might include the installation of a ramp, the addition of handicapped equipment, or widened doorways. Once again, while insurance may cover some of these costs, you may be surprised at what is not covered. Consider these expenses when you're planning your care options.

Chapter 21: Why Alzheimer’s Care Must Be Planned

The first time you look in a parent’s eyes and they stare back with threads of recognition but unsure about your name or position in their past, present or future life, you can no longer deny the existence of Alzheimer’s Disease, one of the most sinister of senior health diseases. Anyone experiencing the scene above is likely to be devastated. Imagine how it is for the parent, who the very next day, may know precisely who you are and how dear you are to them.

“No matter who you are, what you’ve accomplished, what your financial situation is – when you’re dealing with a parent with Alzheimer’s, you yourself feel helpless. The parent can’t work, can’t live alone, and is totally dependent, like a toddler. As the disease unfolds, you don’t know what to expect.” – Maria Shriver

As Alzheimer’s disease claims more victims every day, the effects are paralyzing; to the sufferer, to the family and to the lifestyles of caregivers and patients. In the beginning, many children and loved ones hold out in the belief the condition will not escalate but the odds are against the sufferer from the outset.

“It occurred to me that at one point it was like I had two diseases – one was Alzheimer’s, and the other was knowing I had Alzheimer’s.” – Terry Pratchett

Alzheimer’s disease Statistics Cannot Be Overlooked

This highly personal, devastating disease has migrated to the forefront of senior concerns and to long-term, senior living planning. When planning long-term care, the possibility of Alzheimer’s and the need for highly personalized caregiving must be discussed, strategized, budgeted and incorporated in the plan.

The increase in dedicated Memory Care programs in US Assisted Living communities is one example of how the health and medical industries have responded to the Alzheimer’s – Dementia crisis. Statistics presented by the CDC and the Alzheimer’s Association underscore the need to consider the possibility of one or more variations of memory disorders when making critical decisions about senior care.

- In 2016, the Alzheimer’s Association projects that about 5.4 million Americans of all ages have Alzheimer’s Disease.
- 5.2 million Alzheimer’s Disease sufferers are 65 years of age of older.
- By 2050, someone in the US will develop Alzheimer’s every 30 seconds and the number of sufferers will increase to 13.8 million Americans.
- The Alzheimer’s Association reports that 61 percent of the nation’s 70-year old Alzheimer’s sufferers will die before age 80. That figure amounts to twice the fatality rate by age 80 for non-Alzheimer’s patients (30 percent).

Alzheimer’s disease is real, debilitating and dangerous. As disturbing as these figures are, the toll on American families and caregivers is equally foreboding.

Undeniable Alzheimer’s Caregiving and Family Statistics

Alzheimer’s and dementia sufferers are capable of unexpected behavior that can be erratic and risky. From an unextinguished burner to unsafe walking to Sundowner Syndrome and even increased alcohol consumption, many Alzheimer's disease sufferers need round the clock care. Caregiving for these volatile personalities can be daunting and exhausting, even for caregiving professionals. The toll on American families is telling.

The Alzheimer's Association reports these statistics:

- 15.9 million family and friends provided 18.1 billion hours of unpaid caregiving the Alzheimer's and dementia patients in 2015.
- Women dominate the caregiving landscape with about two thirds of Alzheimer's and dementia caregivers being women.
- The average lost income by American Alzheimer's patient caregivers is about $15,000 per year and many family caregivers are forced to leave their jobs to become full-time caregivers.
- Caregivers rate the stress levels as high or very high. Approximately 40 percent suffer depression.

Economic Cost of Alzheimer's disease

Immediate and future projections about Alzheimer's disease are overwhelming and put a heavy emphasis on the need to plan ahead.

- Alzheimer's-related health care, long term care and hospice costs will top $236 billion in 2016. Less than half that figure will be borne by Medicare.
- Medicaid and Medicare will cover about 68 percent of Alzheimer's care costs, leaving a hefty 38 percent unaccounted.
- By 2025, projections are that Alzheimer's care will top $1 trillion in the US with Medicare forced to come to grips with a 360 percent increase.

One startling reality about the cost of Alzheimer's is that offspring in caregiving positions are often forced to cut back on their own daily necessities, including food allowances and medical care in order to help the sufferer. As imposing as the prospect of Alzheimer's disease can be, the prospect becomes more daunting when the family long term care plan does not consider the possibility this disease will strike at least one family member. Please add Alzheimer's disease to family discussions about senior care.

Chapter 22: 10 Signs of Caregiver Burnout

Do you care for an aging relative? If so, you probably know a lot about the mental and physical health of your loved one – but how in touch are you with your own wellbeing? Caregivers frequently become the victims of burnout, suffering from the negative effects of stress and frustration.

Taking on the role of a caregiver for an ill or elderly relative is a generous, selfless act. But sometimes, caregivers give too much of their time and emotional energy, leaving them feeling drained and disheartened. Burnout can have negative consequences for all involved, so it is important to identify it early and seek out solutions. Here are some common signs of caregiver burnout to consider:

- You regularly feel frustrated, angry, or irritable with the person you're caring for.
- You're not as energetic as you used to be doing the same work.
- You can't seem to be able to relax, even when there's nothing for you to do.
- You no longer enjoy caring for your loved one.
- You don't take care of yourself – by eating well, exercising, or maintaining good hygiene – as much as you used to.
- You regularly get sick with the cold, flu, or other common bugs.
- You feel tired, even when you've had enough sleep.
- You dread your visits to care for your relative.
- You feel helpless as a caregiver.
- You feel hopeless about the future.

Caregiver burnout can not only lead to negative effects for you as a caregiver, but it can also hurt your relationship with the loved one to whom you provide care. If you think you are suffering from burnout, it might be time to look into other options for caring for your loved one. See if a friend or relative can help out, or consider options for paid care, such as a home health assistant. If you feel your loved one can no longer live in his or her home independently, you may need to consider a care facility.

It can be hard to admit you're feeling burned out. But remember: burnout does not mean that you no longer care for your loved one. The best thing you can do – for both of you – is to seek out alternative options.

Chapter 23: Seniors and Mental Illness

Is it just the blues, or is your loved one experiencing something more? It can be hard to identify symptoms of mental illness in older adults because many common signs – fatigue, cognitive changes, or appetite differences, for example – are also associated with aging. You may be surprised at just how prevalent mental illness is among seniors. About 15 percent of adults ages 60 and older have some form of mental disorder, most commonly dementia or depression. These illnesses can take a serious toll on both the individual who is suffering and his or her family, friends, and caregivers.

Many factors can lead to mental illness in older adults, even those who have never suffered from mental health challenges previously. Major life changes, such as the death of a partner or loved one, or a move to a new facility, are one common cause. Another possible cause is serious illness or physical disability, which might lead your loved one to feel anxious or depressed. Mental illness and dementia may also be caused by medications or medical issues such as Alzheimer's disease.

In order to help a loved one who might be suffering, you should be aware of some common symptoms of mental illness to watch out for. These symptoms might include:

- Changes in mood (for example, your usually easy-going relative is getting angry more often)
- Less interest in doing enjoyable activities
- Feeling disoriented or having trouble concentrating
- Being less sociable or interested in social activities
- Changes in appetite, sleep, or hygiene
- Memory loss, and particular, changes in short-term memory
- Thoughts of suicide or harming oneself (if your loved one has these kinds of thoughts, seek professional help immediately)

If you notice that your loved one is experiencing any of these symptoms, you can talk to him or her to find out more about these differences you have seen. If you suspect that mental illness might be the culprit, get a doctor or mental health professional involved in the conversations. These symptoms should not be ignored, as they can lead to reduced quality of life, substance abuse, or even suicidal behavior. In an emergency, call 911.

If you are worried that your loved one is suffering from a mental illness or disorder, the good news is that many such issues can be treated by therapy, medication, or even lifestyle changes. Talk to a professional to find out which treatments might be most beneficial for your loved one. If possible, find a practitioner who specializes in the care of older adults.

Chapter 24: 5 Tech Tips for Seniors

Whether you're the tech-savviest senior in your social circle or you don't know the difference between a tablet and a Tweet, you will find that you always have more to learn about technology. This may sound daunting, but it also presents seniors with many opportunities for learning, growing, and improving their lives. You may feel like learning to use a computers or a cell phone is too much work, but by avoiding them, you are missing out on the many opportunities presented by new technology. If you want to increase your skills with technology, consider these six tech tips especially for seniors.

Ask for aid

If you struggle with using technology – or even if you're an expert, but you are trying something new – enlist a knowledgeable relative or a technology specialist to help you learn the basics of your device. For those who are just learning how to use technology, ask for your device to be set on the simplest settings and get a tutorial on the basic functions of the device.

Consider adaptive programs

You might be surprised at how many computer programs, apps, and tools are designed to help people with special needs. For those with low vision, large-print software can increase the text size on web pages. If fine motor issues make it difficult to type, voice recognition software can do the work for you. Whatever your barrier to using technology, software likely exists to help you overcome it.

Research before you invest

Read up on new devices and ask others for their advice before you invest in a new technology product. Make a list of your priorities – for example, do you want something that is easy to use, or do you prefer something with all the latest features? Then choose the device that best fits those priorities. Technology is a big investment, so make sure you're spending your money, and your time, wisely.

Learn what technology can do for you

If you're hesitant to invest time and money into a new type of technology, take the time to learn how tech tools can help you in your daily life. These days, the internet helps connect people through e-mail and through video-chatting, making it easier to keep up with your loved ones who live far away. You'll also find that technology can give you step-by-step driving directions, provide you with endless entertainment, and even help you monitor your health and give medication reminders.

Be safe – but don't get scared away

You've probably heard stories about people who have lost money on internet scams or who have been robbed or even hurt by people they met online. If you are just starting out with technology, it's important to learn some basic internet safety. Most importantly, don't share personal or financial information with others online. But don't let these horror stories scare you away from using technology, which has improved many more lives than its harmed. If you are worried, consider taking a class on how to use the internet safely and effectively.

Chapter 25: Eating for Arthritis

If you or a loved one suffer from arthritis, you know just how much the everyday symptoms can interfere with life. While your doctor may prescribe medication to help with pain, he or she may also recommend lifestyle changes, including diet adjustments, to address your symptoms.

The best diet to fight arthritis pain and symptoms is one that controls inflammation in the body. While an anti-inflammatory diet may be particularly beneficial for rheumatoid arthritis, it can also ease the symptoms of osteoarthritis, gout, and osteoporosis. While no official recommendations exist for an anti-inflammatory diet, certain foods have been shown to have anti-inflammatory effects.

Fish and Healthy Oils

Replace butter with healthy, plant-based oils such as olive, walnut, or avocado, which contain fatty acids that help reduce inflammation. When it comes to what to put on your plate, consider seafood. Like healthy plant oils, fish also contain a lot of anti-inflammatory fats. Opt for fish high in omega-3s like salmon, tuna, herring, or sardines. Gout sufferers should consider avoiding fish due to the high levels of purines they contain.

Dairy

There's a rumor out there that dairy makes arthritis worse, but actually, research shows that drinking milk can slow the progression of osteoarthritis. Dairy is also beneficial for osteoporosis sufferers.

Fruits and veggies

Produce contains vitamins that can reduce, or even prevent, osteoarthritis symptoms. As for nightshades like potatoes, peppers, and tomatoes, eat up – unless you notice inflammation after eating them. Although some arthritis sufferers report inflammation after eating them, there's no research to support the claim that nightshades increase symptoms in most people.

Soy beans and nuts

Nuts and soybeans are also sources of healthy, anti-inflammatory omega-3s, and are also high in fiber, which may lower your body's levels of a certain protein that is linked to inflammation. For this reason, high-fiber whole grains may also be an important addition to your diet.

Tea

Teas of all varieties have been shown to reduce inflammation due to their high levels of antioxidants. Green tea may yield the greatest benefits, but black and white teas also contain anti-inflammatory ingredients.

Water

Don't underestimate the power of a glass of water in fighting inflammation. Keeping hydrated will help your body eliminate toxins and lubricate your joints.

What to Avoid

Some foods may increase inflammation, so you should limit or avoid your consumption of them. While some fats help reduce inflammation, others can increase inflammation if you eat too much. Omega-6 fatty acids are among the culprits, and can be found in some plant-based oils like corn and sunflower oil. Sugar likewise can trigger inflammation.

When it comes wine pairings, you may have heard that the red varieties reduce inflammation. While research suggests that this is true, don’t consider it an excuse to drink in excess. Too much alcohol of any kind can actually increase inflammation.

Finally, food allergies and sensitivity may also lead to inflammation, so if you’re experiencing inflammation in spite of a healthy diet, talk to your doctor about possible reactions to foods you are consuming.

But please remember-- before you make any changes to your diet, talk to your doctor about the best changes for you.

Chapter 26: How to know if Your Elderly Parents are Being Scammed

Your parents worked hard to build up a nest egg that would keep them financially secure through their retirement years. You may be worried about whether their money is safe from scammers and fraudulent schemes – and your worries aren't unfounded. Americans over the age of 65 are much more likely to be targeted by financial scammers than younger people are, according to one study.

Seniors are more likely to be targeted by fraudsters for a number of reasons. They tend to have more money saved up and they may be more vulnerable due to cognitive impairments or other disabilities. So how do you know if your elderly parent is – or is in danger of becoming – the victim of a financial scam? Here are a few signs to keep an eye out for.

- Your parent gets lots of mail or phone calls announcing that he has won a contest. Often, these are attempts to get financial information out of vulnerable adults. If you are worried your parent might fall prey to one of these scams, talk to him about how such scams work and how to avoid them.
- There's a new, and possibly suspicious, person your parent's life. Often, older adults are targeted by friends or even family. If you find that someone you don't know is spending a lot of time with your mom or dad, find out more about this person. The connection might be a positive one, but this newfound friend may also have ulterior motives.
- Your mom or dad is prone to making rash decisions. Lots of scams involve fast-talking sales pitches that may sound irresistible in the moment. Older adults who jump at good-sounding deals may be at risk for falling for a scam. Research and educate your parent on common scams and how to avoid sly salespeople.
- Your parent tells you all about a new investment or prize that will bring in a lot of money. Things that sound too good to be true usually are, so if your mom or dad tells you about some recent good fortune that feels fishy, get more details. If you suspect your parent is the victim of a scam, get the authorities involved.
- You notice sudden changes in your parents' financial situation. If your shopaholic parent has suddenly become much thriftier, for example, this may be an indication that she has recently lost a lot of money. Your parent may not be aware that she was scammed, or perhaps she is too ashamed to admit it. Either way, if you suspect she is the victim of fraud, investigate the situation to find out more.

Scammers are clever and adjust their methods constantly to keep one step ahead of unsuspecting victims. Keeping vigilant is key to avoiding or catching scammers and protecting your parents' hard-earned savings.

Chapter 27: 5 Must-Read Tips for Paying for Senior Care (You Won't Regret It!)

If you are in the market for long-term senior care, or if you think you could be in the future, you may find yourself experiencing some sticker shock at the cost of your long-term care options. A recent study found that the average annual cost of a private nursing home room is $91,250, while home health care costs an average of $45,760 per year.

Those prices are enough to make just about anyone nervous about the prospect of needing senior care. Fortunately, there are some ways you can prepare for that possibility and save money, should the need arise. Here are five tips that could be used in conjunction with the Life Care Funding program for saving and paying for senior care.

Consider all your care options. If you or a family member are in need of long-term care, do research into all the care choices offered in your area. For example, live-in or home-based senior care may help you save money, and even stay in your own home. Don't be afraid to ask questions of the different care facilities or providers you research to make the best-informed choice.

Buy long-term care insurance. If you don't think you will need long-term care in the immediate future, insurance might be a good way to save money in the long run. If you plan to go this route, you may be able to save money on insurance by maintaining good health, opting for a higher deductible, or sharing benefits with your spouse or partner.

Negotiate the price. You might think that monthly rates at nursing homes or other facilities are fixed, but in fact, the prices are often more flexible than many people realize. Even if you can't lower regular rates, you may find that you can get discounts on other fees, like move-in costs or deposits.

Take advantage of community programs. Governmental, nonprofit, or religious organizations in your community might be able to provide you with free or low-cost care or services. See if local organizations can help with in-home care, free meals, or transportation to and from appointments.

Look into different ways to fund your care. If you don't have adequate long-term care insurance or retirement savings to cover your expenses, consider another option for funding your care. For example, if you own a home, a reverse mortgage is one way to receive regular income to put toward care. Or, if you have a life insurance policy, you may be able to convert it into long-term care insurance.

With a little planning and preparation, the prospect of paying for senior care does not need to seem so daunting.

Chapter 28: How you can Help Guard against Poverty

People should not be afraid to do the things that they generally don't do: getting screened for conditions that, detected early, are easily treated; seeking education about health issues, and supporting each other's well-being.

If being happier with good health isn't enough, then you should consider the extraordinarily high medical cost of poor health – especially during the retirement years. Just one health incident can wipe out an individual's savings, leaving little money for living expenses.

That can mean a major loss of independence, from having to move in with a son or daughter or worse. Baby Boomers, who are retiring in droves, have about 8 percent less wealth than those 10 to 15 years older than them, partly because of the recent recession.

In addition to taking care of their health, retired and soon-to-be-retired people can avoid flirting with poverty by exercising some financial options:

- Hold off on collecting Social Security until age 70. The life expectancy for men today is 76, an increase from past years, and it's expected to continue to climb. If you're worried about outliving your money, hold off on collecting Social Security benefits early (age 62), which results in up to 30 percent less benefits. People born from 1943 to 1959 are eligible for full benefits at 66, and those born in 1960 or later are eligible at 67. However, if you wait until age 70, you can receive up to 8 percent more in benefits.
- Turn your life insurance into a long-term care fund. Instead of abandoning a life insurance policy because you can no longer afford the premiums, policy owners can convert a portion of the death benefit value into a Life Care Benefit – Long Term Care Benefit Plan. The money is deposited into a fund earmarked for paying for private duty in-homecare, assisted living, skilled nursing, memory care and hospice care. By converting a life insurance policy, a senior does not have to resort to Medicaid and the many restrictions that come with it, but will still be Medicaid-eligible when the benefit is spent down.
- Consider investing part of your portfolio in fixed-rate indexed annuities: Having all of your retirement savings in stocks exposes retirees and pre-retirees to too much risk. As you get closer to retirement age, it's important to find alternatives that provide for growth while protecting savings. Fixed-rate indexed annuities – money loaned to an insurance company that guarantees payments over a specified length of time -- allows you to forecast the income you'll generate. Fixed-rate indexed annuities have a ceiling on interest rates, but they'll also have a floor. Your principal is safe and you can ride an up market without the risk.

Chapter 29: Three tips on how to pay for Senior Care with Limited Resources

We don't often think of living a long life as a problem, especially for those we love. But what happens when Mom, Dad, a spouse or another beloved family member are in need of regular health care yet are apparently short on finances? Actually, paying for care may be well within your loved one's means.

It's a secret the life insurance industry has managed to hide for decades: Your policy can be used to pay for long-term health care such as home care, assisted-living or nursing home expenses.

Many people who need long-term care can't afford it, so they drop the policies they've been paying on for years in order to qualify for Medicaid. The life insurance companies profit from the fact that they get all those years of premiums and never have to pay out a death benefit.

Chris Orestis, who's been lobbying state Legislatures across the country for years to make the public aware of their legal right to use this option, says seniors can instead sell their policy for between 30 and 60 percent of its death benefit value. The money can be put into an irrevocable benefit account designated specifically for their care.

Other tips for paying for a senior's health care:

- Don't go straight to Medicaid. If your first thought is skipping right to Medicaid, the government's health-care safety net for the very poor, then you may be heading for a trap. Once you have Medicaid paying the bills, you and your loved ones have little say in how you're cared for and by whom. This policy conversion option allows you to live in a place where you're happy and comfortable and it saves taxpayers millions of dollars every year. Also, with 30 percent of the Medicaid population consuming 87 percent of Medicaid dollars spent on long-term care services, more individuals will be forced to find their own resources to pay for those needs.
- Consider what you've already paid for. The practice of converting a life insurance policy into a Life Care Benefit has been an accepted method of payment for private duty in-homecare, assisted living, skilled nursing, memory care and hospice care for years. Instead of abandoning a life policy because your loved one can no longer afford the premiums, policy owners have the option to take the present-day value of the policy while they are still alive and convert it into a Life Care Benefit – Long Term Care Benefit Plan. By converting the policy, a senior will remain in private pay longer and be able to choose the form of care that they want but will be Medicaid-eligible when the benefit is spent down.
- Think again before tapping other assets. It costs more than $80,000 a year on average to pay for a loved one's stay at a nursing home, according to the National Consumer Voice for Quality Long Term Care. And, $178 billion is spent out-of-pocket by individuals and families, accounting for 22 percent of the money spent on nursing homes, according to the Kaiser Family Foundation. This can lead down a costly path of tapping other forms of wealth, or even seeking loans. Before doing this, consider utilizing a life insurance policy first. Conversions include provisions for funerals, and whatever money is not spent on care goes automatically to policy beneficiaries.

Chapter 30: How to Financially Survive Your Golden Years

Three tips on how to Maximize Money for an Aging Population

Americans are living longer these days from an average 47 years in 1900 to more than 78 years as of 2010. We are also experiencing a deluge of adults reaching retirement age now that includes 10,000 Baby Boomers turning 65 *every day*.

By 2030, when the last of the baby boomers have turned 65, nearly one in five Americans will be retirement age, according to the Pew Research Center's population projections. Money will be a big problem for many of them, especially if boomers develop health problems that affect their ability to live independently.

With 30 percent of the Medicaid population consuming 87 percent of Medicaid dollars on long-term care services, we can see that's not going to be sustainable. More individuals will be forced to find their own resources to pay for those needs. That's why states such as California, Florida, New York and Texas are embracing legislation requiring seniors to be notified that they can convert their life insurance policy into a Long Term Care Benefit Plan for 30 to 60 percent of its death benefit value. The money can be put into an irrevocable fund designated specifically for any form of care they choose.

Here are other tips for how seniors might handle long-term care and other budgetary issues:

- **Senior discounts really add up!** Restaurants, supermarkets, department stores, travel deals and other merchants give various senior discounts with minimum age requirements ranging from 55 to 62. Some of these places are worth making habits, with 15 percent off the bill at Applebee's, 30 percent off at Banana-Republic and 60 percent off at Food Lion on Mondays! Don't forget your free cup of coffee at Dunkin' Donuts if you're 55 or older, and don't be shy – at many of these places you'll have to ask for the discount.
- **Long-term care is a matter of survival, so use your best options.** The practice of converting a life insurance policy into a Life Care Benefit has been an accepted method of payment for private duty in-home care, assisted living, skilled nursing, memory care and hospice care for years. Instead of abandoning a policy when they can no longer afford the premiums, policy owners have the option to take the present-day value of the policy while they are still alive and convert it into a Long Term Care Benefit Plan. By converting the policy, a senior will remain in private pay longer and be able to choose the form of care that they want but will be Medicaid-eligible when the benefit is spent down.
- **Your "last act" may be decades away, so plan accordingly.** It makes sense to finally enjoy your money after a lifetime of savings, but be smart about it. Take time to organize your paperwork and create a master file that holds things such as insurance policies, investments, property, wills and trusts, etc. so you have your financial picture in one place. Also, live smart today and hold off on that new car if you don't need a new one. Suppose you're looking at buying a car with a $300 monthly payment. If your current car is paid off and you sit tight for an additional two years, you've just saved an extra $7,200 for your long-term care. Invest that money effectively, and assuming a 7% annual return, in 20 years you'd have almost $23,000 tucked away. Refinancing your home may also be a very good idea, since rates are still hovering around their all-time lows. Get at least three quotes, compare rates, terms and potential penalties to make sure you're getting the best deal. Also, live healthy and buy more fruits and vegetables and less junk food to lessen the chance you'll need long-term care in the future.

- **Get an Energy Audit on Your Home**. There are plenty of ways to reduce energy costs in your home. Rather than doing all the research yourself, though, why not let your energy provider do it for you? If your provider offers in-home energy audits - and many do - a representative can come to your home, complete a thorough inspection, and provide you with a report detailing all the ways you can save. I did one several years back and ended up reducing my energy bills by roughly 30%.
- **Start Paying Down Credit Card Debt**. No matter your level of credit card debt, start paying it down now. If you have trouble disciplining yourself, try sticking to one simple rule: if you can't afford to pay it off by the end of the month, then you just can't afford it. Leave the card in your wallet, and enjoy the security of knowing your sunset years are financially secure.

Chapter 31: Long-Term Care Crisis Prompts More Aggressive Collection Tactics

Five Tips for Protecting Your Family from "Filial" Support Laws

Most people do not understand filial support laws, which are spreading to more states – now at 28 and counting.

We're living longer, but for many of us, that also means we'll require some type of long-term health care at some point. It's a problem no matter what your age because we're experiencing a "Silver Tsunami" of retiring baby boomers and the costs of long-term care can be extremely high. Medicaid is the only option for many seniors, and that's straining the funding for that safety net. Many people are not eligible for Medicaid, but also cannot afford the expense of care.

As a result, long-term care providers and the federal government are bringing lawsuits and mandating claw-back actions against families, insurance companies and legal advisors, he says. Many are turning to filial support laws, which impose a duty upon adult children for the support of their impoverished parents. Medicaid also has the right to sue families in probate court to "claw-back" funds spent on care.

To avoid a financial catastrophe, families should consider these five tips:

Know your and your family's health-care rights as a veteran. Veterans who have honorably served their country should take advantage of their VA benefits – not only for their well-being, but also for their family's health. Additional programs that may apply to family members include the VA Civilian Health and Medical Program (CHAMPVA), a comprehensive health-care program in which the VA shares the cost of covered services and supplies for eligible beneficiaries; the spina-bifida health-care benefits program for certain Korea and Vietnam veterans' birth children; and TRICARE, another health-care program serving uniformed service members, retirees and their families.

You can convert your life insurance policy for long-term care. There is $27.2 trillion worth of in-force life insurance policies in the United States, according to the National Association of Insurance Commissioners – that's triple the amount of home equity today! Rather than cancel or drop a policy to save on premiums when faced with long-term care needs, you can use it to pay for home care, assisted-living or nursing home expenses. "I've been lobbying state Legislatures to make the public aware of their legal right to use this option," says Orestis, CEO of Life Care Funding, (www.lifecarefunding.com). Seniors can sell their policy for 30 to 60 percent of its death benefit value and put the money into an irrevocable, tax-free fund designated specifically for their care.

Don't be so quick to attempt to qualify for Medicaid. Many people who need significant long-term health care can't afford it, so they drop life insurance policies that they've been carrying for years in order to qualify for Medicaid. Families often turn to Medicaid to pay for nursing home care, but it comes with many restrictions, including choice of facilities. In a situation where one spouse is healthy and the other is not, the spouse living independently will also face restrictions on the amount of assets he or she can retain, for instance, a maximum $2,898.00 for monthly maintenance.

Refinance Your Home Loan. Mortgage rates are still hovering around their all-time lows, but they're starting to creep back up. Do some Internet research and reach out to friends or family who can recommend mortgage refinance specialists. Get at least three quotes, compare rates, terms, and potential penalties to make sure you're getting the best deal. Then earmark your monthly savings in a separate account designated for your long-term care expenses.

Cut Food Costs. Switching to a healthier diet based more on fresh fruits and produce can not only save you money but can decrease your chances of needing significant long-term care. Instead of a local big box retailer or supermarket, get your produce at a local farm or farmers market, which offers higher quality and better prices. Then, get out those scissors and start clipping coupons. Although it may seem passé, it can lead to a significant reduction of your food bill.

Chapter 32: Did you know that 10,000 Baby Boomers turn 65 every day?

Families across the United States are struggling with how to pay for the costs of long term care. Not enough people plan for the almost certain eventuality that they will need to pay for long term care for themselves or a loved one. The costs of long term care increase every year. The monthly costs of Homecare or an Assisted Living community can easily reach $5,000 and can last 3-5 years. Long Term Care insurance won't cover this and neither does Medicaid. Almost half of people who will require long term care in their life will end up in a nursing home. But, Medicare will only cover the first 100 days of rehabilitation in a nursing home; after that you either need to have private pay resources or go onto Medicaid *if* you can qualify. One overlooked solution that is in the hands of millions of Americans is converting a life insurance policy into a Long Term Care Benefit Plan that can pay for any form of Homecare, Assisted Living, Memory Care or Nursing Home Care. Before abandoning a life insurance policy, the owner should always find out what the conversion value of the policy is first. Insurance agents, legal professionals or the staff at an assisted living community, homecare company or a nursing home can help you find out more information on how to use a life insurance policy to help pay for long term care expenses for yourself or a loved one.

Chapter 33: Did you know that there are four primary forms of long term care?

Long Term Care is not a subject that people spend much time thinking about– unless they need it. Until most people focus on the subject, they have a vague sense for the various forms of care and don't really know the differences between Homecare, Assisted Living, and Nursing Home care. A nursing home– something you visited a long time ago when your grandparents were there? Homecare– is it care at home? Assisted Living– sort of like a really nice nursing home? Here is a simple breakdown of the four primary forms of long term care to help you better understand what they are– and the differences.

Home Health Care: Care at various levels provided at home by licensed or unlicensed workers as well as designated family members. Home health is primarily private pay, but Medicare and Medicaid will reimburse some forms of "medically necessary" home health services provided by licensed practitioners for people meeting specific eligibility requirements.

Assisted Living: Housing for the elderly or persons unable to live independently that will provide mid-level custodial care, medication support, lifestyle activities, transportation, and meals. Assisted Living is a "private pay" environment not covered by Medicare and Medicaid.

Nursing Home: Higher level "skilled care" provided in a licensed facility for people requiring long term medical or nursing care; or short term rehabilitation services for injured, disabled, or sick persons. Private pay is accepted and will allow for more choice such as private rooms, enhanced lifestyle options, and wider selection of locations.

Hospice: A specific form of care for people typically in the final 6 months of life as certified by a physician. Hospice care can be provided at home, in an assisted living community, a nursing home, or a free standing care center. Private pay is accepted and not subject to requirements to be medically re-certified every 60 days.

The Long Term Care Benefit covers all of these forms of senior care by converting an existing life insurance policy from a death benefit that may have been purchased many years ago into a living benefit to meet today's expensive senior care needs.

Chapter 34: Did you know Medicare and Medicaid will only cover certain types of long term care

People are often confused about the differences between Medicare and Medicaid, how to qualify and what exactly will they pay for. Medicare is for people over the age of 65 that will cover the first 100 days of rehabilitation in a nursing home if a person is discharged from a hospital. Medicaid is for people below the poverty line that meet medical and financial requirements to qualify for care in an approved nursing home. Some Homecare can be covered by Medicare and Medicaid if the person meets the eligibility requirements. Assisted Living is not covered by Medicare or Medicaid.

Private pay means a person is paying for their care with savings, investments, private insurance or a Long Term Care Benefit Plan. When a person is private pay they can choose any form of care that they want. If a person wants to be in Homecare or move into an Assisted Living community, they can make that decision without worrying about government approvals. When a person converts a life insurance policy into a Long Term Care Benefit Plan the monthly payments will keep them private pay for as long as possible. Also, there are no more premium payments required, and the amount of the monthly payments is set by the family to cover the costs of care, and can be adjusted as needs change. But, because the Benefit Plan is a Medicaid qualified spend-down, if a person exhausts their Benefit account they can then make a seamless transition over to Medicaid. Finally, the Long Term Care Benefit Plan provides a final expense benefit to help families with funeral expenses and if there is any remaining account balance it will all go to the family.

Chapter 35: Did you know any type of life insurance policy can pay for long term care?

Life insurance is legally recognized as an asset and your property ownership rights are guaranteed by the Supreme Court. The Long Term Care Benefit Plan is a unique financial option for seniors because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no premium payments or anything to pay back. Policy owners use their legal right to convert an in-force life insurance policy to enroll in the benefit plan, and are able to immediately direct payments to cover their choice of senior housing and long term care costs including homecare, assisted living, memory care and nursing home care.

A Long Term Care Benefit Plan is not long term care insurance, and it is not a policy loan that costs fees and interest and must be paid back. When a policy owner converts their life insurance policy into a Long Term Care Benefit Plan, there are no fees, no premium payments, no interest charges and nothing ever needs to be paid back. The policy owner is actually obtaining the maximum present day value of the policy and protecting the funds in an irrevocable Benefit Account that keeps them private pay. The policy is no longer considered an asset that could count against them for future Medicaid eligibility.

All types of life insurance can qualify to be converted into a Long Term Care Benefit including term life policies, whole life, universal life and group life. Cash value does not matter in a policy conversion because it is the death benefit that is being converted into a "living benefit". There are no costs or obligations to apply for a policy conversion. The underwriting process is simple, and the entire enrollment from beginning to end takes about 30 days. Once a policy has been converted and the Long Term Care Benefit is set up, monthly payments immediately start being made to any form of senior care that is desired. The Benefit will pay for Homecare, Assisted Living, Memory Care, or Nursing Home and Hospice care. The Benefit Plan is designed to be flexible to meet the changing needs of care. For example, the Benefit could start out at $1,000 a month for Homecare services but then switched at a later time to $5,000 a month to pay for Assisted Living if the person needs for care have changed.

"Many people who need Assisted Living or Home Care can't afford it, so they drop life insurance policies they've been carrying for years in order to qualify for Medicaid. A system that encourages people to abandon their policies to go onto public assistance is broken and has to change. Seniors and their families lose out from the fact that they have made premium payments for years on a policy that they will end up abandoning", said Chris Orestis, CEO of Life Care Funding, Senior Care Advocate and former insurance industry lobbyist.

"The problem is they don't know it can be converted into a Long Term Care Benefit Plan. It's a secret that's been kept from seniors for decades: Your life insurance policy can be used to pay for all forms of senior care such as Home Care, Assisted Living and Nursing Home expenses."

The Long Term Care Benefit Plan is a Medicaid qualified financial option to address an immediate need for long term care services. Instead of lapsing or surrendering a life insurance policy, the owner will get a much higher value that will help them pay for the expensive out-of-pocket costs of long term care.

Chapter 36: Hobbies- A New Day for Seniors

As Ahsoka Tano announced in Star Wars; “This is a new day, a new beginning.” That is the way many seniors have come to view their hobbies, old and new. In terms of senior mind, body and spirit wellness, there are few things as beneficial as hobbies to keep seniors active, safe and healthy.

Senior caregivers are proponents of anything that encourages motion, stimulates the mind and encourages social interaction. For most seniors, passionately pursuing a hobby creates all of the above and then some.

Senior Living Communities Embrace Hobbies

That is why the finest senior living communities in the US promote hobby activities by retaining instructors like artists, carpenters, musicians and more to help seniors learn, practice and work with other seniors. The wellness elements of hobbies have been recognized by most senior living communities and are definitely preferred over inactive activities like watching television.

This helps explain why so many senior communities have invested in and marketed designated hobby areas and instructional programs. One noted psychologist explains that because many seniors have lost friends, a spouse and/or other family members, the social interaction created by working with other like-minded seniors on hobbies is an extremely positive experience.

Hobbies are not as much a distraction as they are exercises in focus and friendly interaction with instructors and other hobbyists. Most hobbies require degrees of mental dexterity and healthy amounts of eye-hand coordination, both valuable attributes. Hobbies, like gardening, that require movement and that can be safely pursued outdoors are especially desirable.

Painting, building model airplanes, writing clubs, movie clubs, book clubs and playing card games, especially bridge, are all encouraged by today’s senior communities. Many seniors have such regard for these activities that they plan their week around these hobbies.

Physicians and psychologists report that there are distinct health benefits to being active and engaged. Specifically, hobbies are an excellent line of defense against heart disease, diabetes, certain cancers and arthritis. Physical exercise is also effective against brain disorders and dementia. Hobbies relieve physical and emotional stress as increased social engagement helps most seniors stay in the present and live a more balanced life.

Leisure Time Carries Weight

Leisure time, physical activity and hobbies work hand-in-hand to encourage healthy aging. This is why senior communities place so much emphasis on their fitness, hobby and wellness programs. We see more and more senior communities encouraging water aerobics, walking classes, bird watching, caravans to museums and participation in bridge clubs.

Whatever the activity, sharing the experience with others builds bonds and forges much needed relationships. At the same time, as confidence grows, seniors restore their self-esteem and improve their self-confidence. The key is consistency.

Senior communities that sponsor a variety of hobbies can expect seniors to be safe and busy as often as the classes or hobby rooms are open. Research has shown that seniors get a psychological lift from hobbies. When seniors are a little low, they gain positive stimulation from leisure time and exploring their hobby of choice.

The pursuit of a hobby is often likely to encourage the senior to explore new things and new activities. Hobbies can also open the door to new friends with shared interests. Dancing and travel clubs are especially helpful for these benefits.

If your loved one is enthusiastic about a new hobby or activity and expresses interest in returning to an old hobby that has been missing from their life, be supportive. Your enthusiasm can influence their decision to engage senior mind, body spirit wellness. If the senior living community has hobby and wellness initiatives, encourage your loved one to get involved. Once seniors are engaged, the change is magnetic. Let’s promote senior activities!

Chapter 37: Veteran Assisted Living Benefits

The Veteran's Administration and VA hospitals have come under fire in recent years. Congress has charged the VA to get its act together and take care of those troops who served when the country needed them most, in wartime. Many veterans 65 and older and even some who are younger as well as surviving spouses of vets who served during war years may be entitled to financial assistance during retirement years. The vet need not have served in combat to qualify.

The benefits are real but, like all things bureaucratic, require patience and follow through. Navigating the process through the Department of Veteran's Affairs (VA) can be extraordinarily complicated and trying.

Who Qualifies for VA Benefits

For veterans aged 65 and older and their families who are struggling to pay for senior care, qualified vets must have served during wartime years, defined by the VA as follows:

- For World War II, the veteran must have been in service from between 12/7/1941 and 12/31/1946.
- For the Korean Conflict, eligible vet must have been in service between 6/27/1950 and 1/31/1955.
- For veterans of the Vietnam War, service must have been between 8/5/1964 and 5/7/1975, although veterans who served "in country" as early as 2/28/1961 may also qualify.
- Veterans of the Gulf War must have been in service between 08/2/1990 to a date to be determined by U.S. government.

Veterans below 65 years of age but who are 100% disabled may also qualify for a VA pension. Dates of service must be supported by official discharge papers. If these papers are lost, they can be obtained through the National Archives. In any case, these dates of service are the first threshold veterans must meet in order to qualify for any of three distinct tiers of VA benefits.

Three Distinct Tiers of VA Benefits

For senior wartime veterans and their spouses, the revamped Veterans Benefits program identifies three distinct tiers or levels of pension benefits.

- Tier One – Basic Pension – This benefit is a cash assistance program to help low income vets and their dependents. The veteran can be healthy but must have low income to qualify for this tier.
- Tier Two – Housebound – For Housebound Tier Two recipients, the vet must need assistance with day-to-day activities on a regular basis.

- Tier Three – Aid and Assistance – Under Tier three, the wartime veteran Aid and attendance assistance must be required on a daily basis.

Veteran benefit awards increase as the Tiers and levels of required assistance increase. Supporting documentation may be required.

Financial Eligibility Requirements

The VA describes veteran benefits as “means tested,” meaning that only wartime veterans who genuinely qualify and need benefits will receive them. The veteran’s income, assets and needs are compiled and considered on a case by case basis.

There are cases where veterans whose incomes and assets exceed the maximum threshold can still qualify for pension assistance. Age of the applicant can play an important role in the process. The key is to gain an understanding of how the VA accounts for “countable income.” In any case, the worst outcome is that the veteran’s application will be rejected. There is neither a penalty for a rejection nor a fee to file an application for Veteran’s Benefits.

How to Apply

For senior veterans unfamiliar with the VA, filing an application can be an intimidating process. The application and methods tend to be complex, and, yes, “hurry up and wait” still applies to the VA!

Many vets opt to contact an accredited attorney or VSO Benefits representative. Veterans Services Officers are also often found at local American Legion locations ort at Veterans of Foreign Wars (VFW) lodges.

Many wartime vets are entitled to and can benefit from VA pensions. Take a few minutes to see if your country can now serve you.

Chapter 38: Ten Facts about Cataracts

If you are an older adult, you probably have received eye exams that include cataract screenings. Cataracts, while painless, can significantly impair your vision, affecting your independence and quality of life. The key to catching cataracts is understanding them and getting regular exams.

So what do you need to know about cataracts? And what can you do to treat a cataract if you do have one? These 10 facts about cataracts can help you understand this common vision problem and how to treat it.

Cataracts can't be prevented. As far as doctors and researchers can tell, you cannot prevent the development of cataracts. Early detection, however, can help you stop or slow vision loss.

Some factors are linked to greater risk for cataracts. If you have a history of vision problems or diabetes, you may be at increased risk for cataracts. Regular eye exams can help you catch problems early.

Cataracts can cause a wide range of vision problems. While cloudy or blurry vision are most often the symptoms associated with cataracts, sufferers may also experience faded colors, double vision, increased light sensitivity, or other vision changes.

Environmental factors may increase your risk. Cigarette smoke, polluted air, and heavy drinking can all increase your risk for developing cataracts.

Cataracts are surprisingly common. More than half of Americans who reach the age of 80 have or previously had at least one cataract.

You may have cataracts, even with good vision. Early-stage cataracts may not impair your vision enough for you to notice. With regular eye exams, your doctor can catch cataracts in this early stage and intervene with appropriate treatment.

Wearing sunglasses may help. Although researchers do not have definitive evidence that cataracts can be prevented, research suggests that sunlight may play a role in cataract development. Wearing sunglasses to shield your eyes from UV rays may help.

People of any age can get cataracts. Although cataracts are often associated with old age, many people develop them in their 40s or 50s. Some types of cataracts can affect people at even younger ages.

Surgery can make a world of difference. Nine out of every 10 people who get cataract surgery see improvements to their vision.

Getting an annual eye exam can help catch cataracts. If you’re aged 65 or older, you should be getting eye exams each year to check for cataracts and other vision problems.

Chapter 39: Five Questions for Assisted Living Candidates

Through no fault of ours, we have begrudgingly arrived at the intersection of independent living and assisted living. The road ahead is unclear and the highway ahead seems too invasive and though options exist to the right and left, it is clear that the wonderful road traveled thus far is in need of repair. Where independent living meets assisted living, there is no turning back.

Unfortunately, this intersection is one seniors dread. But, are senior concerns unjustified or misguided? Sometimes the answer lies in the senior's perception of what assisted living really is. In a landscape where change has dramatically modified assisted living from 10, 20 or 30 years ago, many of us do not fully understand the flexible reality that assisted living facilities offer seniors and their caregivers.

Indeed, making an informed decision about changing senior environments requires dedicated exploration of Assisted Living Facilities (ALF's) and their offerings. Of course, affordability is a major concern but this should never be the only factor in such an important decision. ALF's have many advantages from every perspective, including the senior's physical, emotional and psychological profile.

Misconceptions about Assisted Living Facilities

The first thing seniors from the Baby Boomer generation must understand about Assisted Living Facilities is that today's facilities are not the assisted living facilities of the past. 21^{st} century ALF's are far from the 20^{th} century "nursing homes."

In reality, 21^{st} century assisted living facilities place high priority on such important senior concerns as independence, safety and privacy as well as on excellent clinical care and acute medical care. The only way to know what ATFs offer is to do your homework. And, the sooner you perform your ALF due diligence, the better your eventual solution is likely to be.

5 Questions That Point to Assisted Living

If it were up to will power alone, we would live independently forever. However, honestly answering these five questions may give seniors and their caregivers more insight about the future.

1) Can the senior(s) manage their own personal care on a daily basis? For how long?
2) Can the senior prepare healthy meals and eat on a regular basis?
3) Does the senior drive safely? Is there another alternative to driving?
4) Do the seniors walk safely around their home and surrounding area?
5) Do the seniors remember crucial daily tasks like turning on the television, flushing the toilet, turning off burners or using the phone and/or responding to phone calls?

Today's ALFs are nothing like the past. In fact, many are in amazing destinations where luxury, carefree living is possible. Yet, caregivers must be careful not to enroll too early or too late. The distance between independent living and assisted living is a delicate line. The transition is likely to be resisted. Remember these are Baby Boomers that shaped the modern world.

Start senior care planning today by researching early in order to smoothly transition to the tight Assisted Living Facility solution tomorrow.

Chapter 40: Summer Safety for Seniors

As the sun heats up and everyone heads outside, seniors may be tempted to throw worry to the wind. While the dog days of summer are a wonderful excuse to push your cares away and enjoy the moment, take some time to prepare for the dangers that come with the change of seasons.

Whether you're a caregiver of a senior or an older adult yourself, you can take steps to enjoy a fun-filled – and safe – summer, both indoors and out. These safety guidelines will set you up for a safe season:

- **Stay out of the sun whenever possible.** Sit in the shade, wear sunscreen, and bring a hat or an umbrella with you when you go outside. The sun's UV rays, which are particularly strong in the middle of the day, can cause cancer and eye problems.
- **Drink lots of water.** Dehydration can lead to injury and heat-related illnesses, particularly in warmer months. Don't substitute coffee, alcohol, or caffeinated soda, because all of these can actually make you more dehydrated.
- **Stay cool**. Overheating can exacerbate certain medical conditions or can cause potentially life-threatening reactions. Even indoors, heat can lead to problems. If it's a hot day and you need to keep cool, plan a day trip to an air-conditioned locale like the movie theater or mall.
- **Wear bug spray.** Mosquito-borne illnesses can be especially dangerous for seniors and those with compromised immune systems. If you are heading out of doors, and particularly if you plan to go to the woods or a lake or river, spray on some bug spray to keep the bugs at bay.
- **Prepare for emergencies.** In many parts of the country, summer also means an increased risk for certain natural disasters like hurricanes and thunderstorms. Pack emergency supplies like flashlights, extra medications, and food in case your power goes out or you can't leave your home.

The warmer months are a great time for active seniors to get out and about, and with a little care, you can avoid summertime injuries and illnesses. Summertime get-togethers are also a great time to discuss the future.

Chapter 41: The White Collar Rule and Senior Care

With passage of the new and improved White Collar Rule, many seniors and their caregivers can only wonder what the impact will be on senior living. The US Labor Department's newest statute will allow weekly workers who earn $46,476 or more per year or $913 per week to earn overtime pay for hours logged beyond 40 hours a week. Until the law goes into effect on December 1, 2016, these workers do not earn overtime.

Since witnessing mother's residency in her terrific senior living community, I have been amazed at the number of hours, managers and supervisors seem required to work. Long workweeks make sense because people in authority need to be on the job around the clock with workloads that easily surpass 40 hours per week.

If you are a caregiver, guardian or senior resident, you quickly realize that one key to success in managed care communities is consistency. Consistent personnel and consistent community policies make for happy senior residents in happy senior communities.

The only way to ensure consistency is with long-term employees. As with other industries, turnover presents challenges, especially when seniors quickly attach to staff and community policies. Change is also nerve racking for caregivers who understand how inconsistency and change affect their loved ones.

So, how will new White Collar Rules impact happy Moms and Dads living in safe and healthy senior communities?

White Collar Rule Overview

The changes that drive the new White Collar Rule are subtle and do not affect all senior community staff members but will eventually affect managers, supervisors and administrators who earn $913 or more per week. The law is a bit more complicated than in this overview that is solely intended to highlight the importance of the White Collar Rule on senior living communities.

Hourly employees are not affected by the new rule because, by federal law, hourly workers in senior care facilities must earn overtime pay if their workweek exceeds 40 hours. To avoid paying overtime, senior communities try to have enough qualified hourly workers to keep individual workweeks under the overtime threshold.

Because weekly workers have not qualified for overtime in the past, administrators, supervisors and managers are routinely expected to work long workweeks. Many of these weekly workers earn more than $913 per week and until the new law goes into effect will not earn overtime pay, regardless of how many hours they work.

This has long been a sensitive topic for medium income workers. Until now, the US Labor Department has permitted this policy which is often abused by employers inside and outside the senior living industry.

To allow a smooth transition, the Labor Department's White Collar Rule implements a limited non-enforcement policy for providers of Medicaid-funded services to individuals with intellectual or development disabilities in residential homes and in facilities with fewer than 15 beds. The exclusion is authorized from December 1, 2016, when the White Collar Rule is implemented, through March 17, 2019.

The new rules apply to all other employers, regardless of number of employees. As implied, the law is intended to treat the weekly worker with more balance and prevent employer abuse. To ensure fairness, the new rule wage threshold will be reviewed every three years.

Is the White Collar Rule Fair

It's only natural to fear that this law might change employment standards and possibly cause senior communities to raise their prices. Having seen the long workweeks that supervisors, managers and administrators work at Mother's senior community, the present system seems abusive.

Consistency is worth so much! Senior communities may have to choose whether to pay overtime to weekly workers or to hire more of these management-type weekly workers to avoid overtime. Either solution will increase the cost of operations at senior communities.

Then, the challenge becomes how the senior community can stay price competitive. As senior care requires "round the clock" service, trimming staff does not seem a reasonable or safe solution.

This is a tough call. From the caregiver – guardian standpoint, the White Collar Rule means we have to ask the right questions when considering the most appropriate senior community. I want to know if weekly worker staff levels will be consistent and if the community is committed to retaining consistent levels of care and service after the White Collar Rule is implemented.

In my experience, senior living is one sector where less is not more. I want Mother to enjoy the level of safety in which we have invested. I understand change is coming to the industry but, as with every other aspect of senior planning, surprise is not an option.

Chapter 42: Warning Signs that Mom or Dad Shouldn't Be Driving

As your parent gets older, you may notice physical and mental changes that begin to impact his or her life.

When it comes to driving, you want to make sure your parent is safe on the road. How do you know? These ten questions can help you determine whether your mom or dad can continue to use a car safely.

- When driving, does your mom react to dangerous situations more slowly than she did before?
- Does your dad get so angry at other drivers or at situations (such as traffic jams or red lights) that it affects his driving?
- Does your mom miss regular physical exams or eye exams?
- If your parent wears glasses or contacts, does he or she ever drive without them?
- Does your dad take any medication that might impair his driving?
- Has your parent received traffic tickets, been pulled over, or had any collisions within the last year or two?
- Does your mom get overly anxious about traffic situations such as having to merge or crossing an intersection?
- Does your dad ever lack the strength or flexibility to apply the brakes, shift gears, or turn the steering wheel?
- Does your parent ever get lost while traveling to familiar locations?
- Is there anything else about your mom or dad that makes you feel concerned about his or her ability to drive?

A "yes" answer to any one of these questions may not be a definitive indication that your parent should no longer be behind the wheel. But if you did answer "yes" to one or more of the above, have a chat with your parent about your concerns. If necessary, get your parent's doctor involved, as well. If you and your mom or decide that it's time to put down the keys, explore ways to help your parent maintain independence. For example, your local city or county might offer door-to-door senior transportation.

Chapter 43: Where to find Senior Discounts and how to *streeeeetch* your dollars in retirement

Everyone loves a good bargain and we all love to stretch our dollars. “Seniors” in particular can really stretch their dollars by taking advantage of discounts aimed specifically at them. I purposefully used parenthesis for the word “Seniors” because the definition of what is a “Senior” in today’s world is harder to nail down. There was time when age 65 was the threshold to retiring and becoming a senior. But in today’s world, the age you become a senior is really up to you. Many will keep working, exercising, and carrying on an active and vibrant lifestyle well past the age of 65—and even the age of 85. But, senior discounts will help you stretch your dollars and many of them start kicking in at the age of 50.

For some, an unwelcome sign of aging is receiving an AARP membership invitation card in the mail. Fear not though, AARP has lowered the age of membership over the years and now sends out a membership invitation card to people when they turn 50 years young. Don’t dread the AARP card, instead welcome it because it opens up a long list of senior discounts to the person who is ready to keep that card in their wallet (and flash it to get your discounts). But for seniors, one of the perks to getting older is a host of special discounts start to open up just for you. Starting as early as the age of 50 discounts for great things like shopping, dining, groceries, travel, and entertainment start to become available.

Many businesses offer “Senior” discounts based on your age and/or if you’re holding an AARP card. Do you enjoy coffee and a donut? Well if you are 55 or over Dunkin Donuts offers a daily free donut with a cup of coffee. Or, once you are 62 or older you can buy a lifetime pass for $10 that will get you free access to all National Parks for the pass holder and everyone in the vehicle. There are numerous other discounts for shopping, restaurants, hotels, travel, and other daily items. To take advantage of these discounts, it is important to know where to look *and* when to ask for them. The key is to always ask for what kind of senior discounts are available to you whenever you are shopping or engaged in any kind of transaction. Here is a short list of some examples:

RESTAURANTS:

- Applebee’s: 15% off with Golden Apple Card (60+)
- Burger King: 10% off (60+)
- Denny’s: 10% off, 20% off for AARP members (55 +)
- IHOP: 10% off (55+); 55+ menu offers smaller portions and lower prices
- Subways: 10% off (AARP)
- Wendy’s: 10% off (55 +)

RETAIL & APPAREL:

- Kohl’s: 15% off on Wednesdays (60+)– please bring ID
- Modell’s Sporting Goods: 10% off
- Ross Stores: 10% off every Tuesday (55+)
- The Salvation Army Thrift Stores: up to 50% off (55+)

GROCERY:

- Albertson's: 10% off first Wednesday of each month (55 +)
- Harris Teeter: 5% off every Tuesday (60+)
- Publix: 5% off every Wednesday (55 +)

CAR RENTAL:

- Alamo, Avis, Budget, Hertz, National: up to 25% off for AARP members
- Dollar Rent-A-Car: 10% off (50+)
- Enterprise Rent-A-Car: 5% off for AARP members

OVERNIGHT ACCOMMODATIONS:

- Best Western: 10% off (AARP)
- Comfort Inns and Suites: 10% off (AARP)
- Holiday Inn Express: 15% off (AARP)
- Hyatt Hotels: 10% off (AARP)
- Marriott Hotels: 15% off (AARP)

ACTIVITIES & ENTERTAINMENT:

- AMC Theaters: up to 30% off (55+)
- Busch Gardens Tampa, FL: $13 off one-day tickets (50+)
- Cinemark/Century Theaters: up to 35% off
- Regal Cinemas: Popcorn and soda $5.50 (55+)
- SeaWorld, Orlando, FL: $3 off one-day tickets (AARP)

CELL PHONE DISCOUNTS:

- AT&T: Special Senior Nation 200 Plan $19.99/month (65+)
- Jitterbug: $10/month cell phone service (50 +)
- Verizon Wireless: Verizon Nationwide 65 Plus Plan $29.99/month for 200 anytime minutes (65+)

MISCELLANEOUS:

- Lens Crafters: 30% off (AARP)
- Supercuts: $8 off haircuts (60+)
- UPS 15% off (AARP)

One of the secrets to enjoying your senior years is to take advantage of discounts wherever you find them! With so many of them out there, seniors have a real opportunity to stretch their dollars and get the most for their money. So get out there and have a great meal and take in a movie; do some shopping and grab your groceries; book a getaway at a fine hotel and maybe visit a National Park; or maybe it's time to replace your cellphone so you can stay in touch with your grandkids, and maybe surprise them by text messaging them a selfie! Senior living is all about being active and enjoying yourself. Remember, being a senior is in many ways a state of mind—but don't forget to take advantage of your chronological age when it can help you streeeetch your dollars-- so grab those discounts!

Part V- A Guide to talking about Survival

Chapter 44: Are you preparing for a looming crisis?

Topic Summary

In just 15 years – 2030 – the last of the baby boomers will have reached 65. That means one of every five Americans will be of retirement age, according to the Pew Research Center's population projections.

Many Americans today, including baby boomers, have trouble paying their medical/insurance expenses now – while they're working. An estimated 70 percent of people who live to age 65 will require long-term care, meaning they'll need assistance with basic daily tasks due to illness or disability.

"It's essential that our country recognizes that long-term care financing is the next big financial crisis.

Discussion Questions

- Just how big of a problem are we facing in the near future with long-term care?
- Can you describe the problem as it's developing today?
- How can we best plan for long-term care?
- What about simply paying for long-term care insurance?
- How can a life insurance policy help pay for long-term care?

Chapter 45: Alzheimer’s Awareness Draws Attention to the Costs of Long-Term Care and the Potentially Devastating aspects of the Disease

Topic Summary

It’s unnerving when the man or woman who has played such an important and reliable role in your life starts acting erratically, forgetting names and growing frustrated because of it.

For the millions of family members who called an Alzheimer’s victim “Mom,” “Dad,” “Grandmother,” “Grandfather” or “Dear,” the disease is a heart-wrenching process of loss.

Often accompanying the deterioration of a loved one’s mind is the erosion of savings and assets as families struggle to provide care. It often turns into a *financial* problem.

More than 5.2 million Americans are currently diagnosed with Alzheimer’s, and with a half million people dying annually (more than prostate and breast cancer *combined*) it is now the fifth leading cause of death for those aged 65 and over.

It is important we recognize and raise awareness about the more than 15 million Alzheimer's and dementia caregivers in the United States. As long-term health care becomes an ever-growing problem people must seek out alternatives for financing long-term care.

Discussion Questions

- Can you talk about some scenarios in which long-term health care has become a money pit for a family?
- What are some good options for paying for long-term health care?
- What do you think are *bad* ways to handle long-term health care?
- With a potential looming crisis, will months like National Alzheimer’s Disease Awareness Month focus more and more on financing?
- Does anyone have an incentive to keep your efforts quiet?

Chapter 46: Will a Nursing Home be the Financial Death of you?

Maximizing Money for an Aging Population & Solutions for Long-Term Care Funding

Topic Summary

By 2030, when the last of the baby boomers have reached 65, one of every five Americans will be retirement age, according to the Pew Research Center's population projections. Money will be a big problem for many of them, especially if they develop a health issue that requires daily caregiving. Will a Nursing Home be the Financial Death of you?

With 30 percent of the Medicaid population spending 87 percent of Medicaid dollars on long-term care services, more individuals will be forced to find their own resources to pay for those needs.

Discussion Questions

- Will Medicaid's funds simply dry up? If so, when?
- Can you convert a life insurance policy to long-term care?
- Is long-term care insurance a dying solution?
- Is refinancing one's home a good idea when trying to pay for long-term care?
- Are there lifestyle choices that might help prevent the need for long-term care?

Chapter 47: Going Home for the Holidays?

Warning Signs that an Aging Parent Needs Daily Assistance

Topic Summary

The holidays and their aftermath are the busiest time of year for long-term care admissions.

Between Thanksgiving and Christmas, families get together and many are seeing Mom and/or Dad for the first time in months. Some will discover that their parent's health has declined and he or she should not be left to live on their own any longer.

Warning signs that your parent may need to be evaluated for in-home nursing assistance, or a move to a more supportive setting, include:

• Confusion or forgetfulness about taking medications
• Unstable/unbalanced (at risk of falling)
• Change in hygiene habits or personality

Most families are not prepared for this, they don't have a plan or resources, so the situation becomes traumatic and heart-breaking for everyone. It doesn't have to be that way. Every family should be talking about this now and exploring options.

Discussion Questions

- Do people have a tough time admitting that it's time a family member was in need of long-term care, especially during the holidays?
- Are there different levels of care available?
- How does Medicaid factor in?
- Some people stop paying into a life insurance policy because they no longer see the value; is this a good idea?

Chapter 48: Is Medicaid the Solution or Part Of The Problem?

The Future of U.S. Economy May Hang in the Balance

Topic Summary

More than 10 million Americans now require long-term care annually and Medicaid is the primary source of coverage. While that's a dramatic increase compared to when Medicaid was first implemented in in 1965, that figure will continue to rise throughout the next decade.

Baby Boomers are now reaching Social Security and Medicare age 65 at a rate of over 10,000 people a day, and 70 percent of them will need long-term care services before they pass away. According to the Chairman of the Federal Reserve, this has become the No. 1 concern about the future of the U.S. economy.

Diminished financial resources across the board have brought together a perfect storm of factors we must now confront, he says. The simple fact is more responsibility is going to be placed on the individual and their families to find the resources necessary to handle the costs of long-term care, and private-market solutions other than long-term care insurance will be required, he says.

As the nation approaches the long-term health-care crisis looming in the near future, seniors will need to find a way to pay for their expenses.

Discussion Questions

- How long do you think we have before we have to drop, or seriously amend Medicaid?
- Are most Americans in the dark regarding the impending long-term care crisis?
- So, you have a model for converting life insurance policies into long-term care funding? How does that work?
- Is anyone against this model? Why?
- Are there other solutions to help pay for long-term care?

Chapter 49: Can a Death Benefit be turned into a Living Benefit?

Topic Summary

The growing senior population that will require nursing homes or other long-term care assistance, and the diminishing resources to pay for that care, may be reaching a crisis point in the United States.

Many seniors and their families already struggle with the costs of everyday living, and when long-term care is added it becomes a back-breaking scenario. The majority of people don't understand the various forms of long-term care and the different means to pay for it. Most of them also don't plan for long-term care until they are hit by a healthcare crisis.

People need to arm themselves with information about how to pay for long-term care because government programs, such as Medicare and Medicaid, will become more difficult to access and the amount they pay for long-term care will continue to be reduced.

One option many families have available without realizing it is a life insurance policy that can be converted to pay for long-term care, he says. Essentially, it's a way to turn what would have been a death benefit into a living benefit.

Discussion Questions

- What are the factors that are driving us toward a crisis in paying for long-term care?
- What kind of burdens does this put on the families of senior citizens?
- What are some of the different forms of long-term care and how do they vary in cost?
- Aren't Medicare and Medicaid good options for taking care of these costs?
- How can life insurance come into the picture?

Chapter 50: Did Congress do *anything* to Address the Long-Term Care Crisis?

Topic Summary

In a recent report, the federal Commission on Long-Term Care released more than two dozen recommendations detailing ways to make medical-assistance services for older Americans and people with disabilities more affordable.

So, did the LTC Commission, which consists of 15 members appointed by Democratic and Republican congressional leaders and the White House, put anything meaningful into motion?

Discussion Questions

- Does the Long-Term Care report offer viable new ways for financing nursing home care, in-home services and other assisted living?
- Can you more fully explain your recommendation?
- Is long term-care insurance another good option?
- What's next for the Long-Term Care Commission and the effort overall?
- What do you think some of the report's highlights are?

Chapter 51: Is It Sane to Want To Die At 75?

Topic Summary

More than a year ago, Ezekiel J. Emanuel – a nationally recognized doctor whose brother, Rahm, is Chicago's mayor and an ally to President Obama – penned a peculiar article titled *"Why I Hope to Die at 75."*

In it, Emanuel acknowledged that death deprives us of our most precious resource: time – including time spent with loved ones and engaged in other worthwhile experiences. But he added that living too long may also be a loss, especially under rapidly declining or severely disabling conditions.

The concept of living too long is something most people likely think about at some point, but it's rarely discussed. When you consider the added stress of not being able to pay for much-needed medical care, the notion of simply dying at a certain age may look like an option. *But there are alternatives!*

People need to arm themselves with information about how to pay for long-term care because government programs, such as Medicare and Medicaid, will become more difficult to access and the amount they pay for long-term care will continue to be reduced.

Discussion Questions

- Is the concept of preferring to die at age 75 outlandish, especially considering the significant long-term care problems millions of Americans may be facing down the road?
- What are the factors that are driving us toward a crisis in paying for long-term care?
- What kind of burdens does this put on the families of senior citizens?
- What are some of the different forms of long-term care and how do they vary in cost?
- Aren't Medicare and Medicaid good options for taking care of these costs?
- How can life insurance come into the picture?

Appendix

A collection of published papers, news articles, Blog posts and editorial letters by Chris Orestis

USA Today
5 Ways to Prepare for Possible Long-Term Care Costs
Oct 1, 2014, 2:41 PM ET
By ALEX VEIGA - AP Business Writer
http://www.usatoday.com/story/money/personalfinance/2014/10/04/long-term-care-insurance/16570761/

Many of us hold on to an idyllic vision of our golden years, imagining we'll be in good health and living self-sufficiently in our own home.

But that scenario is likely to get dashed. On average, nearly 70 percent of 65 year-olds will eventually need some form of long-term care, according to the U.S. Department of Health & Human Services. And HHS estimates that 20 percent will need it for more than five years.

Whether that means round-the-clock supervision or a caregiver dropping by your home to help you with personal care and other tasks, it pays to prepare financially well before you retire.

"Not enough people have some plan in place," said Jamie Hopkins, associate director of the retirement income program at The American College. "It's a lot of self-funding and relying on family members and Medicaid."

Here are some things to consider when preparing for the possible financial burden of long-term care:

1) KNOW THE OPTIONS

What constitutes long-term care can vary widely.

It's generally defined as the services someone may need to handle their basic, daily activities, or rehabilitation that extends beyond 90 days.

Such services are typically provided in one of three settings: at an assisted-living facility, at home with the aid of a caregiver, or in a nursing home.

Assisted-living facilities generally don't accept Medicare and Medicaid, said Chris Orestis, CEO of Life Care Funding, which converts life insurance policies into protected long-term benefit funds.

Nursing homes generally have the broadest range of services, including 24-hour supervision. They are primarily paid for by Medicare, but Medicaid can also by those who meet annual income limits.

2) CONSIDER COSTS

Long-term care costs hinge on the type of services provided and where.

A private room in a nursing home cost an average $6,965 per month in 2010, according to HHS. A semiprivate room ran about $6,235 per month.

By comparison, a month of care in a one-bedroom apartment at an assisted-living facility cost an average $3,293 per month.

Keep in mind that women need long-term care about 3.7 years, on average, while men need about 2.2 years.

This interactive map from Genworth Financial lets users compare cost of long-term care across the nation: **https://www.genworth.com/corporate/about-genworth/industry-expertise/cost-of-care.html**

3) UNDERSTAND MEDICARE & MEDICAID

Once you're 65, you may be able to get some of your long-term care costs paid for by Medicare and possibly Medicaid. But there are key differences.

Medicare will pay for long-term care if your doctor prescribes rehabilitation or other skilled services -- whether they're administered in your home or in a nursing home. Medicaid, which is administered by each state somewhat differently, covers a wider scope of long-term care services, but one must meet income and asset requirements.

In most states, the asset limit is about $2,000 for an individual and $3,000 for a couple that's living together. That has long-inspired retirees in need of long-term care to spend down, or give away their assets so they can qualify for Medicaid. But the government will look at applicants' finances going back five years and factor in assets that they no longer have to gauge whether they meet the requirements.

Still, in some states, it's possible to buy long-term care insurance and the government will let you reduce your assets as you try to qualify for Medicaid by the amount of insurance you purchased.

So, if you bought $200,000 of insurance, you can effectively retain $200,000 in assets and still qualify for Medicaid, Hopkins said.

For more details see: http://longtermcare.gov/medicare-medicaid-more/

4) DECIDE HOW TO PAY

Generally, there are three options: Tapping retirement savings, seeking insurance coverage or relying on Medicaid and Medicare.

Experts suggest using a combination that best suits your needs.

It might be worth looking into long-term care insurance, which reimburses policyholders a set amount to cover costs.

Another option is to convert a life insurance policy into a long-term care benefit plan. This basically means selling your policy to a company that will pay out between 30 percent and 60 percent of the full benefit when you need long-term care. Any funds you don't end up using go to a beneficiary of your choice.

5) DON'T PUT IT OFF

The best time to start preparing for possible long-term care costs as you age is while you're in your late 40s-to-mid 50s.

"Mid 50s is probably the sweet spot for people, because there are a lot of people still eligible for long-term care insurance," Hopkins said. "What happens in your 60s and 70s is people start worrying about this and they become uninsurable."

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Hybrid Policies Add to the LCTi Market Challenge

November 2013 BY: SUSAN RUPE

This month's observance of Long-Term Care Insurance Awareness Month finds the industry aware that their product is facing yet another challenge.

The LTCi market already has taken a beating from low interest rates combined with a high wave of potential claims and the increasing cost of care. Now the introduction of hybrid or combo products could give traditional LTCi products some competition.

These hybrid or combo products combine life insurance or annuity products with a long-term care or critical illness rider. This gives policy holders flexibility at a more affordable rate.

"I think the traditional long-term care product will continue to give up market share to the combo policies," said Aaron Skloff, chief executive officer of Skloff Financial Group in Berkeley Heights, N.J. "I believe the combination life and LTCi policies is a very good solution for people who need the assurance that if they don't need the long-term care coverage, then their heirs will get the death benefit."

That helps agents and advisors with one of the key objections they hear from prospects.

"Consumers don't like the idea of paying for something they may not use and they may not have a pile of cash to put into a traditional long-term care policy," said Mark Goldberg, national sales manager with LTC Financial Partners.

Multi-purpose is the word of the day with many insurance products.

"I think they (hybrid products) are where the industry is heading," said Mike Baker, director of brokerage and affinity markets, Target Insurance Services of Pennsylvania, Lemoyne, Pa. Target is a managing general agency focusing solely on LTCi.

"I think we will see more growth in products that serve multiple solutions. The idea of having products that pay out whether you live, die or quit is better than having one product that's 'use it or lose it.' "

Another trend that has appeared is the use of traditional life insurance products to fund long-term care. In 2013, eight states (California, Florida, Kentucky, Louisiana, Maine, New Jersey, New York and Texas) introduced Medicaid Life Settlement legislation as a way to encourage more use of private pay dollars for long-term care through the conversion of a life insurance policy into a long-term care benefit plan.

Among these states, Texas is the first state in the nation to enact this legislation into law. The law grants authority to the Medicaid department to inform and educate citizens that they already have the legal right to convert life insurance policies into a Medicaid qualified long-term care benefit plan and can choose any form of long-term care they want instead of abandoning a policy to go straight onto Medicaid.

"Seniors have been abandoning their life policies because they can't afford the premiums and they're looking at the Medicaid spend-down," **said Chris Orestis, chief executive officer of Life Care Funding**. "We are seeing the trend of converting policies – selling them on the secondary market – to pay for care. It's a great way to keep more people off Medicaid and remain private pay." He added that the proceeds of this policy conversion are "locked" in a fund that can be used only for long-term care.

The U.S. Department of Health and Human Services estimates that at least 70 percent of those over the age of 65 will require some long-term care services at some point in their lives. And every day for the next 16 years, another 10,000 baby boomers will celebrate their 65th birthday. This all adds up to a "silver tsunami" of Americans with a need for care and the funds to pay for it.

So, what is on the horizon for LTCi?

LTCi sales have been creeping upward since reaching a low point in 2009, according to LIMRA figures. Meanwhile, the number of people who will need care in the future is about to explode with the graying of the baby boom generation. Still, experts in the field are optimistic as they describe LTCi as a ship making a course correction.

A number of developments have hit the LTCi marketplace in the last few years, with companies such as Prudential exiting the marketplace, companies such as Transamerica and Thrivent re-entering it and others announcing premium hikes and gender-based pricing. Some carriers are refusing to issue new policies to those over the age of 80, and women can expect to pay more in premiums than men, due to the reality that women are likely to outlive men. Underwriting also has become more stringent, with carriers seeking to be more selective in terms of accepting applicants.

In August, Genworth, the nation's largest LTCi carrier, announced it would seek $200-300 million in rate increases on all policies sold between 1974 and 2001, and on one policy sold between 2001 and 2007. Company officials said the firm also was seeking state approval of changes that would allow Genworth to sell policies that would offer lower daily benefits and shorter benefit periods, with more stringent underwriting standards.

"I think the industry overall is still getting comfortable with the amount of risk out there and the amount of pricing on that risk," Roger Schultz, Genworth vice president of long-term care product development, said in an interview with InsuranceNewsNet. As for the headlines surrounding gender-based pricing, Schultz pointed out that most of those who apply for long-term care insurance are couples. As such, they are eligible for discounts on premiums as opposed to single individuals. He said that about 10 percent of Genworth's LTCi policy applicants are single women.

The risk plus interest rate equals price equation continues to dog the industry. It can take as long as 30 years from the time an LTCi policy is sold until the time an initial claim is made, and during that 30 years, there's no guarantee of where interest rates on investment of the premium can go while the cost of care continues to climb. The low interest rate environment has led to apprehension and uncertainty about LTCi products, said Bradley Buechler, senior vice president of product performance at Mutual of Omaha.

"Adding to the challenges, premiums have essentially doubled from 10 years ago, benefits have been limited and underwriting has become more stringent," he said. "At the same time, supply has been constrained, consumer demand for LTCi has increased with demographic tailwinds and the lack of a satisfactory government funding solution. The combined impact of these two forces has been that sales have hovered around a half a billion dollars for the past few years, which is half of what they were 10 years ago."

John Hennessey, general manager of American Independent Marketing in Yakima, Wash., described the LTCi industry as "right-sizing and making the necessary adjustments for survival" after being hammered by a decade of low interest rates. "I wish more companies were coming in to the market instead of going out," he added. "If interest rates would move in the right direction, LTCi would be more attractive to carriers."

One advisor who sees something good coming out of the changes in the market is Mickey Batsell, a 29-year LTCi veteran from Georgetown, Texas. "A number of carriers saw (LTCi) as a market opportunity instead of being in it for the long haul," he said. "What we're seeing today is that premiums are now priced more in line with what services actually cost. Carriers now have some experience under their belt so that now they know where the market is going as far as price. It's a good thing because the better the pricing, the more stable the product."

But no matter which direction rates are headed, and no matter how many new products enter the marketplace, one issue remains the motivating factor on whether consumers buy LTCi.

"Having a personal experience with a family member needing care is the single most important event driving sales of long-term care products," Goldberg said.

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More Than One Way To Fund Long-Term Care
November 06, 2013

By Linda Koco
InsuranceNewsNet

Citing major shifts in the long-term care insurance marketplace, a big, multi-state long-term care insurance distributor says it is no longer focusing only on long-term care insurance.

Instead, LTC Financial Partners has begun nudging its captive and career agencies to use multiple ways to help clients pay for long term care.

It's a modern-day version of the old saw about there being multiple ways to skin a cat. Only this time around, the firm is supporting multiple ways to fund long-term care needs.

Those multiple ways include not only traditional long-term care insurance but annuities and life insurance policies with long-term care riders, reverse mortgages, critical illness insurance, life settlements and even a pre-payment service contracts for home care hours, national sales director Mark Goldberg said in an interview.

The issue

The Kirkland, Wash., firm has long been a proponent of traditional long-term care insurance. But as the market has lost carriers, tightened underwriting and curtailed benefits, the firm began offering other solutions, too.

Now, the firm is going a step further and putting its multi-solution strategy into high gear. It announced this week that it is making "a bold shift from its traditional focus on long-term care insurance to a broad, balanced focus on multiple ways to pay for care."

Goldberg said he was brought on board to help move that effort along. "Agents tend to gravitate to what they know and understand," he said, "so they need some education on how the other options and their intricacies can apply to the need."

That's important, Goldberg said, because "demand for long-term care (funding) solutions continues to grow." Meanwhile, the long-term care insurance industry is stagnant or dwindling, so long-term care agents need to look for additional solutions for their clients.

The long period of low interest rates has been a contributing factor to the insurance problems, he said, adding that low lapse rates, increasing technology and greater medical advances have been factors, too. In response, some carriers reduced exposure to risk associated with long-term care policies, while others left the business.

Those that stayed in the business did innovate with product designs in ways that have helped keep premiums affordable, at an average of $2,300 a year, Goldberg pointed out. But the trade-off has been reduced coverage, tighter underwriting, gender-based pricing, increased premiums in certain categories, narrower issue age periods, and/or other changes that have essentially dampened sales despite continued need.

"When I started in the business in 1991-192," Goldberg recalled, "the average age of the buyer was 69. Today, the average age is 57 in the individual market and 54 in the worksite market, and the average age keeps trending younger.

"As a result, you have to be healthy and you have to be able to afford it in order to buy it."

Buying a standalone long-term care insurance policy is still superior to being self-insured, Goldberg emphasized. But agents still need to look at other options for customers who can't afford long-term care insurance or don't want it.

"As an agent, you have to give customers something to address their needs."

On the rise

Others are seeing LTCi alternatives on the rise, too. For example, 25 percent of 102 insurance and annuity executives surveyed in October by The Phoenix Companies predicted that "choice of combination benefits" will be "must have" features in annuities in the next 12 months. The "choice" terminology refers to combo annuities that include long-term care or chronic care benefits.

That percentage is more than double the 11 percent of executives who termed the products to be "must haves" during the preceding 12 months.

Also in October, Life Care Funding reported that five of the top 10 homecare companies in the United States are now using an alternative arrangement to help pay for care.

This alternative entails converting a life policy death benefit into a living benefit which can then be used to help pay for senior care. According to the company, this option is not long-term care insurance and it is not a policy loan. Rather, the life care benefit "is an irrevocable, FDIC insured benefit account that is administered to extend the time a person would remain private pay and delay their need to go onto Medicaid," Chris Orestis, Life Care Funding chief executive officer, said in a statement.

The trend is showing up in sales, too. For instance, the American Association for Long-Term Care Insurance reported that roughly 85,000 to 100,000 combination policies were sold in 2012; this is roughly 20 percent more than in 2011, executive director Jesse Slome said in an interview. (Most combo policies sold today are life insurance with long-term care riders, but some are life with chronic illness riders and a few are annuities with long-term care riders.)

Meanwhile, industry sales of traditional long-term care policies dropped to 322,000 from 337,000 the year before.

Like Goldberg, Slome sees the prolonged low interest rate environment a key factor in the product shift that is occurring. But another factor is that more carriers are offering alternative funding solutions.

As companies roll out new and alternative products, provide support, and train the agents, "the sales for those products go up," he said.

The need for long-term care solutions is the same as before, Slome said. The change is that there are more types of solutions for agents to offer.

The number of policies sold has been holding steady at 350,000 to 400,000 a year for the past couple of years, he pointed out. “The number isn’t budging much because a lot of people can’t health qualify for the coverage or can’t afford it. Also, a lot of people are not planners, or they are not in the ‘right’ age group to buy the coverage — especially since some carriers are reducing the maximum age of purchase.”

However, Slome said, it is possible that some expansion is occurring among people who don’t like or don’t want the use-it-or-lose-it aspect of traditional long term care insurance, but who are interested in other types of solutions.

Some expansion

The federal government’s failure with implementation of the Affordable Care Act may be helping this trend along, he added. “It only increases consumer awareness that, ‘Hey, I better not plan on the government to taking care of me’ and that ‘I better plan for myself,’” he said.

Agent need to earn a living is a factor too, in the sense that agents now have more arrows in their quiver to offer to customers who resist the traditional long-term care insurance product. Agents always have had all kinds of solutions to offer, Slome allowed, but due to all the market changes, agents may have greater interest now.

According to Goldberg, the distributor, agents will be “solution specialists” in the long-term care marketplace that is emerging. “They won’t be product specialists. They will evaluate client needs and come up with the best option for each person, even if it is not individual long-term care insurance.”

Linda Koco, MBA, is a contributing editor to InsuranceNewsNet, specializing in life insurance, annuities and income planning. Linda can be reached at linda.koco@innfeedback.com.

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Feds Eye Life Settlements for LTC Funding
InsuranceNewsNet

The past four years have seen a growing public awareness that life insurance is an asset policy-owners can use to pay for long-term care. Home health care companies, assisted living communities, nursing homes and geriatric care providers have been on the front lines of this issue, educating seniors about the availability of this option.

The National Council of Insurance Legislators' (NCOIL) 2010 model disclosure law became the basis for legislation to ensure that policy owners are informed of their legal rights to "convert a life insurance policy into a long-term care benefit plan." This legislation has been spreading across the nation. The concept that seniors can sell a life insurance policy they already own in order to fund a dedicated benefit plan that will keep them off Medicaid has proven too powerful for state governments to ignore.

Now the federal government is paying attention as well. The Congressional Commission on Long-Term Care has studied this option as part of its deliberations. In addition, Medicare has posted a page to its website (www.Medicare.gov) to inform people that, *"You might be able to sell the life insurance policy for present value. The money from the sale can be used to pay for your long-term care needs. If you don't qualify for long-term care insurance, this may be an option to pay for your long-term care needs."*

2013 a 'Watershed' Year

In 2013, nine states (California, Florida, Kentucky, Louisiana, Maine, Massachusetts, New Jersey, New York and Texas) introduced Medicaid life settlement legislation as a way to encourage greater use of private-pay dollars for home care, assisted living and skilled nursing through the conversion of a life insurance policy into a long-term care benefit plan. Among these states, Texas was the first in the nation to enact this into law.

What does this mean? It means that now states are passing laws endorsing life settlements as a means to pay for long-term care services. States are realizing the important service life settlement companies provide and the importance of unlocking the hidden value in life insurance policies before the owner allows the policy to lapse or surrenders it. The option to convert a life insurance policy to pay for long-term care is available in all states. Now these notification laws are being introduced and passed to make sure state Medicaid agencies are informing people that this program is an accepted part of a Medicaid spend-down.

The new Medicaid life settlement law does two things:

1. Grants authority to Medicaid agencies to inform and educate citizens of their legal right to convert their life insurance policies into a Medicaid-qualified long-term care benefit plan so that they can remain on a private-pay basis. Policy owners also have the right to choose any form of long-term care they want instead of abandoning a life insurance policy to go straight onto Medicaid.

2. To qualify, the long-term care benefit account must be an irrevocable account, insured by the Federal Deposit Insurance Corp. (FDIC), that makes payments directly to the care provider. The insured person must be able to choose the form of care they want. A funeral benefit must be preserved. If there is any unpaid account balance when the person dies, the funds must go to the designated account beneficiary.

Compelling Numbers

According to the most recent National Association of Insurance Commissioners (NAIC) annual report, almost $28 trillion of life insurance is in force in the U.S. Billions of dollars' worth of these policies will be abandoned by seniors who are navigating a Medicaid spend-down path. Life insurance is a disqualifying asset for Medicaid eligibility. A 2007 Government Accountability Office study found that 38 percent of Medicaid applicants owned a policy that had to be surrendered or allowed to lapse inside the look-back period in order to qualify for Medicaid.

State regulatory bodies such as NCOIL have led the way by passing a model disclosure law to mandate that policy owners be made aware of their legal right to convert the use of a life insurance policy death benefit into a living benefit that can be used to pay for any form of senior care service. In January 2013, the Florida State University Center for Economic Forecasting and Analysis released a study finding that converting life policies to pay for long-term care would result in $150 million in annual tax savings.

Long-Term Care Funding Crisis

Medicaid continues to be the second-largest budget item (behind education) in every state. Adding to this pressure is the fact that, every day, an additional 10,000 baby boomers turn 65. Demographic and economic pressures almost doubled Medicaid expenditures between 2009 and 2011. In Washington, D.C., and in every state capital, Medicaid spending is one of the biggest issues policymakers are trying to handle.

During hearings held this year by the Congressional Commission on Long-Term Care, the panel members assessed the financial crisis facing the country and seniors in need of care.

“Medicare and Medicaid have become the major source of long-term care and cannot continue at the current pace,” said G. William Hoagland of the Bipartisan Policy Center. Americans should be encouraged to increase their retirement savings so that these programs are relied on as a last resort.

In addition, using long-term care insurance to pay expenses is not an option for many Americans, as premiums rise and companies that can’t make a profit leave the market, said Marc Cohen, an industry consultant. Most of the long-term care policies available are sold by only 12 insurers, he said.

“We know that 70 percent of people over the age of 65 will need some form of long-term services and support,” said Dr. Bruce Chernof, the commission’s chairman. Although government programs provide a significant portion of long-term care, none offers the full range of services people need, said Kirsten Colello, a health and aging policy specialist at the Congressional Research Service.

“The fact is that each of us will need these services and supports at some point in our lifetimes,” said Sen. Jay Rockefeller, D-W.Va. “The question is whether most Americans can afford to pay for them.”

What Is a Long-Term Care Benefit Plan?

As long-term care service providers, political leaders and the public embrace the conversion of life insurance policies into a long-term care benefit plan, it is important to understand the unique nature of this financial vehicle. A long-term care benefit plan is the conversion of an in-force life insurance policy into a prefunded, irrevocable benefit account that is professionally administered, with payments made monthly on behalf of the individual receiving care.

Any type of life insurance policy (term, whole, universal, group) death benefit can be converted into a living benefit that will cover the costs of senior care in any form (home care, assisted living, nursing home, memory care or hospice). The policy transaction conforms to the secondary market regulations that govern life settlements/viaticals, and the benefit is administered specifically to be a Medicaid-qualified spend-down of the asset proceeds. The funds are protected in an irrevocable bank account that can be administered only by a third party to pay for long-term care services. The long-term care benefit plan is a regulated and Medicaid-qualified financial vehicle designed to help cover the costs of long-term care.

Inherent in the structure of the long-term care benefit plan are multiple layers of consumer protections:

- The transfer of ownership of life insurance policies conforms to the rigorous regulatory standards that govern life settlements in each state.
- The irrevocable, FDIC-insured benefit account is held by a nationally chartered bank and trust company and must conform to federal and state banking regulations.
- Because the account is irrevocable and can be spent only on long-term care services, the benefit plan is administered as a Medicaid-qualified spend-down.

Consumer Rights = Consumer Choice

Despite all the legislative support and media attention attracted by this issue, the vast majority of policy owners across this country are unaware of this option and they abandon policies needlessly every year. Seniors often walk away from a life insurance policy in their final years because they cannot afford to continue the premium payments, or they surrender the policy to qualify for Medicaid. But when a family converts a policy instead, they have made the informed decision that securing a portion of the death benefit today to help them with the immediate costs of long-term care is better than lapsing or surrendering a policy on which they have paid premiums for years.

Policy owners should not abandon their life insurance, because the same policy can instead be sold for 25-65 percent of the face value, with the funds placed in a protected account that will preserve their money and make monthly payments toward their chosen form of senior care. At a time when families are struggling with the costs of long-term care and the nation is looking for private market solutions to this growing crisis, it is no longer possible to ignore billions of dollars in death benefit value owned by seniors that can be used as a private-pay option for long-term care services.

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Medicaid Privatization Begins in Florida, Likely to Grow Nationally
By David LaMartina

Federal officials gave final approval last June to Florida's Medicaid managed care program, which will move nearly 3 million recipients into private HMOs by the beginning of 2014. Florida's legislature first passed the initiative in 2011, with proponents arguing that Medicaid's normal fee-for-service system leads to inefficient resource allocation and inferior care.

During the two-year series of negotiations between Florida and Federal officials, the state also agreed to several regulations and consumer safeguards, including:

- A rapid-cycle response system for recipient complaints
- Increased recipient participation in Florida's Medical Care Advisory Committee
- Continuation of current services for up to 60 days after enrollment
- HMO validation by Florida's External Quality Assurance Organization

As in most states, Florida's Medicaid costs are rising annually, and 2013-2014 expenditures are projected to rise above $22 billion. Privatization supporters expect the new program to curb future cost increases while improving the quality of care.

Beginning with Long-Term Care Florida's transition to the program began with roughly 90,000 long-term care patients, many of whom have already enrolled in select insurance plans. Those who haven't yet chosen will have until December 1st to select from one of seven available state-approved plans.

Under this new system, Medicaid funds will first be paid out to these select insurers, who will then use the money to pay nursing homes, in-home caretakers and other elder care providers. Long-term care patients are Medicaid's costliest recipients, and Florida lawmakers hope this kick-off will quickly lead to considerable savings.

Florida is the first state to adopt such a heavily privatized program, but it likely won't be the last. Medicaid payments currently assist nearly 60 percent of all nursing home residents nationwide, and the retirement age population is growing larger by the day.

“You only have so many dollars to go around, and we have a growing senior population,” said Chris Orestis, CEO of Life Care Funding. “The sad reality is that very few people plan for long-term care.” While retirements are ideally funded by long-term investments and Social Security, the sudden and unexpected need for assistive services can quickly drain savings and drop seniors into the low income brackets necessary to qualify for Medicaid.

In fact, Orestis said he has already worked with several states, including Florida, to introduce legislation that allows seniors to augment Medicaid payments for long-term care by selling their life insurance policies. Designed to lower future Medicaid bills and increase middle class access to much-needed care, one of these bills has already passed in Texas. Similar to Florida's program, this new law allows seniors to use the proceeds from their policies to pay for the long-term care providers of their choosing.

Critics in Florida and other states worry that these HMO-like schemes will lead to lower-quality treatments, lapses in care during transitions and fewer choices for recipients. “These are valid concerns,” according to Orestis, “But people need to remember that when they're on Medicaid and funded by taxpayer dollars, they have very limited choice. Both privatized and public have pros and cons, and you're not going to get the same benefits that you would if you were paying with your own money.”

Ultimately, however, Orestis and other privatization proponents said these kinds of programs will make long-term care a better and more viable option for struggling seniors. “If you're a private company and working on a certain amount of dollars, you're going to operate with efficiency,” he said. “In a competitive marketplace, you can't sacrifice quality.” While Florida's new system does limit recipients to a small set of provider networks, those providers will still have to compete for Medicaid funds.

Planning for the Future In the long run, retirees of all income levels will need to better plan for their futures. Seemingly secure families can lose a great deal of their savings through unexpected long-term care expenses, but Medicaid only covers people in the lowest income and asset brackets. “The economic and demographic drivers that are pushing forward things like privatization could also open the doors to further means testing for participation,” said Orestis. “I think it's inevitable that more seniors are going to have to fund their own care, long-term and otherwise.”

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Big Questions Lurk in LTC's Future (Part 1) and (Part 2)/'
SEPTEMBER 9, 2013
By Melanie Waddell, Think Advisor Washington Bureau Chief *Investment Advisor Magazine*

One expert expects 'superficial overview of the importance of the issue' from commission report; another sees 'radical' change in LTC financing

Long-term care specialists are at odds over what they believe the Long-Term Care Commission will submit to Congress on Thursday as part of its first set of recommendations to better ensure LTC coverage is available for the elderly and disabled.

After the Community Living Assistance Services and Supports (CLASS) Act was repealed by the American Taxpayer Relief Act, better known as the "fiscal-cliff" law, in January, the Long-Term Care bipartisan commission was set up.

The commission, which consists of 15 members appointed by Democratic and Republican congressional leaders and the White House, was then tasked with reporting to lawmakers by Sept. 12 on how to establish, implement and finance a "comprehensive, coordinated, and high-quality system that ensures the availability of long-term services and supports for individuals in need."

Jesse Slome, executive director of the American Association for Long-Term Care Insurance, told ThinkAdvisor that at best, he believes the commission will recommend only a "superficial overview of the importance of the issue and the lack of a cohesive approach to dealing with it." With only a few meetings under its belt, Slome says that it "would be foolhardy" for the commission to recommend legislation.

Rather, he expects the commission to "likely ask for an extension, some money and an opportunity to continue exploring." Long-term care "simply remains an issue that is overlooked by politicians," something he doesn't see changing "anytime soon."

But Chris Orestis, a long-term care specialist and former insurance industry lobbyist who is CEO of Life Care Funding, expects the commission's report to "radically alter the ways in which long-term care is financed."

He told ThinkAdvisor in an email message that "the aging population and longer life expectancies is putting too much pressure on Medicare and Medicaid to sustain," so he expects the commission's report to recommend that "alternative forms of funding long-term care must be found and/or serious cuts and higher barriers to entry onto these programs will be necessary."

LTC insurance "has not lived up to expectations," Orestis argues, with proof of this being the major insurance companies such as MetLife, Prudential, UNUM and Guardian having "quit the market." Those companies that are still in the business, like John Hancock and Genworth, are raising rates and cutting benefits, he says. LTC insurance "is, at this point, a niche market that primarily serves higher-net worth individuals who would probably not go onto Medicaid anyway."

Orestis argues that there's a need for "new innovations" in the LTC marketplace and that "private market solutions to find cost savings and new methods to fund long-term care must be sought out and encouraged."

He added that programs such as "Veterans Aide & Attendance Benefits or converting life insurance policies into a Medicaid qualified long-term care benefit based on the law passed in Texas this year have been submitted to the commission as policy recommendations."

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LTC Financing in Crisis, Commission Says (Part 2)
SEPTEMBER 17, 2013
By Melanie Waddell, Think Advisor Washington Bureau Chief *Investment Advisor Magazine*

One LTC expert says recommendations are 'Band-Aids,' while another calls them a 'step in the right direction'

While the recommendations that the Long Term Care Commission voted Sept. 12 to include in its final report to Congress later this month are "Band-Aids on [the] large and ever-growing problem" of LTC financing, according to one LTC expert, another expert believes the report was "a step in the right direction as it makes very clear that there is a crisis situation facing the country."

The federal Commission on Long-Term Care completed its work on a package of recommendations that are designed to better ensure LTC coverage is available for the elderly and disabled. The recommendations must be included in the final report the group sends to lawmakers on Sept. 30.

In the area of LTC financing, the commission recommended improvements to Medicare and Medicaid as well as a "sustainable balance of public and private financing for long-term services and supports (LTSS) that enables individuals with functional limitations to remain in the workforce or in appropriate care settings of their choice."

Jesse Slome, executive director of the American Association for Long-Term Care Insurance, says that the recommendations "appear to be many small steps," with the biggest recommendation being the "creation of a new committee to study the issue" of LTC financing. "It is silly to think that an issue as complex as long-term care financing could be resolved, let alone adequately addressed, in such a short time and in such a heated political climate."

Slome notes that those who were hoping the commission "might recommend a new social program must be disappointed." The private marketplace, he says, "will continue. Rising interest rates will relieve much of the financial pressure on insurers, and we are confident about the future."

However, with midterm elections on the horizon followed by a new presidential campaign, Slome says, "it will be interesting to see if there is any traction or support for further action."

Bruce Chernof, the commission's chairman, said in releasing the recommendations that while the commission had less than 100 days to craft solutions, he was "pleased" that a majority of the commission agreed on a number of "thoughtful recommendations that serve as a launching pad for future action by Congress and the administration."

Chernof said that he was hopeful the "bipartisan nature" of the report and "the suite of ideas garnering broad agreement dispels the myth that our nation's long-term care crisis is just too hard a problem to tackle. We must work to improve our approach to serving Americans with functional and cognitive limitations and their families, realizing that the time to act is now."

But Chris Orestis, a long-term care specialist and former insurance industry lobbyist who is CEO of Life Care Funding, says that six of the panel members voted against the commission's final report "because they do not believe it goes far enough in recommending specific ways to address the financing of long-term care."

While Orestis says he's "glad" that the commission acknowledged there is a "national financial crisis surrounding long-term care," he's hoping "they will do more to act on solutions, such as Life Care Funding."

As he explains, Life Care Funding is one private-funding option recommended to the commission. It would allow middle-class seniors with too much money for Medicaid and too little to pay for their long-term care to convert their life insurance policies into LTC benefits earmarked to pay for such services as in-home nursing care and assisted living.

"Numerous states introduced legislation this year, and Texas passed into law, a bill that would require their Medicaid departments to inform seniors" of the Life Care Funding option, he says. "The seniors can sell the death benefit — instead of just giving up the policy they've been paying premiums on for years — and use the funds to pay for their care." This allows them to "avoid the restrictions imposed by going on Medicaid and they keep future Medicaid eligibility intact."

The LTC Commission, which consists of 15 members appointed by Democratic and Republican congressional leaders and the White House, was established after the Community Living Assistance Services and Supports (CLASS) Act was repealed by the American Taxpayer Relief Act, better known as the fiscal cliff law, in January.

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FOX Business

Why it's Time to Change Our Approach to Long-Term Care

by Casey Dowd

Published September 19, 2013

One of the biggest question marks hanging over every boomers' retirement plan is how much money they will need for medical costs. It's a figure that is impossible to predict, and can be financially devastating if not adequately covered.

Rising health-care costs has made long-term care prohibitively expensive for aging Americans. Prolonged hospital stays or long-term care needs like a nursing or rehabilitation home can break budgets, and are generally not fully covered by health insurance or Medicare and Medicaid.

Long-term care insurance (LTC) can help cover some of the costs of long-term care beyond a predetermined period. About 70% of older Americans will receive long term care at some point in their life, yet according to the National Bureau of Economic Research, private long term care insurance is purchased by less than 10% of seniors.

Last week, the federal Commission on Long-Term Care released more than two dozen recommendations detailing ways to enhance and make services for older Americans and people with disabilities more affordable. While the commission didn't endorse specific new programs, it draws more attention to the growing affordability problem.

Chris Orestis, a long-term care specialist and the CEO of Life Care Funding, has made formal recommendations to the commission and created a model to provide an option for middle-class people who are not wealthy enough to afford paying for long-term care out of pocket, and not poor enough to qualify for Medicaid assistance. Orestis discussed some of the findings of the commission and how we need to change our approach to long-term care. Here's what he had to say:

Boomer: Does the Congressional Long Term Care Commission report offer new ways in which long-term care is financed?

Orestis: The LTC Commission deliberations and report are a confirmation that Medicare and Medicaid alone cannot sustain the aging population's reliance on these programs to fund long-term care services. The commission stated that it is an unsustainable proposition to expect Medicare and Medicaid to continue paying the vast majority of long-term care costs in this country and that private market solutions will need to be a growing contributor to the equation.

Boomer: Why is long term-care insurance no longer the solution?

Orestis: In 2000, there were over 100 long-term care insurers in the market. Today there are less than a couple dozen. Major companies like MetLife and Prudential have abandoned the market because they cannot make the product work profitably. Remaining companies such as John Hancock and Genworth have been forced to increase premiums and reduce benefits on existing policies they sold in years past. Ironically, as the baby boomers began turning 65, the long-term care insurance market shrank instead of growing as had been expected.

Boomer: What are a few of the report's highlights?

Orestis: The report was a step in the right direction as it makes very clear that there is a crisis situation facing the country but six of the panel members voted against the commission's final report because they do not believe it goes far enough in recommending specific ways to address the financing of long term care.

Boomer: What are some underutilized private-funding options recommended by the report?

Orestis: There were numerous policy proposals given to the commission that are part of the record, but not specifically included in the final report. The report calls for private market innovations to help create cost savings and new financial options but does not give enough specifics.

Boomer: What is the option for middle class people who are not wealthy enough to pay for long-term care and not poor enough to qualify for Medicaid?

Orestis: One option recommended to the commission that addresses the middle class is converting life insurance policies owned by seniors into long-term care benefits instead of encouraging seniors to lapse or surrender policies to qualify for Medicaid quicker. Numerous states have introduced legislation in 2013, and Texas passed a law that would require its Medicaid department to inform seniors that own life insurance that it is their legal right to convert those policies into a long term care benefit by selling the death benefit and using the available funds as a living benefit to pay for their senior care and remain private pay for a longer period of time.

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How a life insurance policy can fund your client's long-term care
Opinion by Chris Orestis /APRIL 22, 2014

The costs of long-term care are increasing every year, but most families do not understand what they will be confronting when it is their time to start paying for care. Too many people wait until they are in the midst of a crisis situation before they start trying to figure out how the world of long-term care works. Agents and advisors confront this reality every day.

People want to remain financially independent and in control of their care decisions for as long as possible. People do not want to go onto Medicaid, yet consumers lack awareness and are unprepared for how they are going to cover the costs of Home Care, Assisted Living, Skilled Nursing Care, or Hospice. It is a subject typically ignored until a loved one is in immediate need of care.

Agents and advisors are dedicated to helping clients by finding solutions to their needs and problems. The best way to help families is to provide as much information and access to options as possible. Clients assume advisors are aware of all options in the market that can help them, and expect to be informed so they can make decisions about how to plan and fund their long-term care.

One solution analyzed is the growing use of life insurance policies as a tool to fund long-term care. Did you know that a life insurance policy can be sold and the funds used tax-free to pay for assisted living, home care and all other forms of long-term care? Instead of allowing a policy to lapse or be surrendered, the owner has the legal right to convert the policy into a long-term care benefit plan. The only problem is — despite that fact that millions of people own life insurance, too few people understand their rights as the owner. Life insurance policies are assets. Think of them just like a house. The owner of a house wouldn't just move out without selling their property. Why should the owner of a policy "move out" without first finding out what the real value of their policy is?

In the midst of growing demand and dwindling resources, it is now all too clear that the long-term care funding crisis has arrived. The problem for America is that most basic of economic principles — supply and demand. The "demand" of seniors that need (or will need) long-term care is growing at a much faster rate than the "supply" of resources (dollars) to pay for their care. This demographic-economic reality has forced the government to reduce benefit levels and raise barriers to entry for the three primary entitlement programs: Social Security, Medicare and Medicaid. The harsh reality is that more of the responsibility to fund retirement and long-term care is being pushed back on the individual (and their family).

Owners of life insurance have been in the dark for years that a policy can be used to pay for senior care. Millions of seniors needlessly abandon life insurance policies in the final years of their lives because they either can no longer afford the premium payments, and/or they are looking at eventually qualifying for Medicaid.

But a little known fact is that it is the legal right of every life insurance policy owner to convert their policy into a long term care benefit plan to pay for senior care. The Supreme Court ruled over 100 years ago that life insurance is personal property and the owner has the same property ownership rights with a policy as they do a home or any other asset. A homeowner would not abandon their home for nothing in return and the owner of a life insurance policy does not need to either. A policy owner has numerous guaranteed rights for the use of their policy including converting the policy into a long-term care benefit plan.

We have reached the point that we can no longer ignore the realities of an ever growing population that will require long-term care, and the diminishing resources to pay for it. People able to sustain themselves with private pay dollars will benefit from access to higher-end senior living environments and care providers, greater choice, more control, and less financial impact on loved ones. Those unable to pay for long term care at some level on their own through the use of savings and assets (such as a long-term care insurance policy or a life insurance policy conversion), or with the assistance of family, will be forced to rely on the government.

New approaches to fund long-term care must be encouraged, and converting life insurance is an option available to all owners of policies. Due to legislative action taken up by national groups like NCOIL and introduced as laws in states across the country, as well as national media attention from news outlets such as The New York Times and The Wall Street Journal fewer and fewer policies will be lapsed or surrendered. Seniors and their families are beginning to learn that life insurance policies they have been abandoning for decades could instead be converted into a benefit to pay for senior care and delay their need to go onto Medicaid.

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JULY 1, 2014 • BEN MATTLIN

We know baby boomers are turning 65 at the alarming rate of 8,000 a day, according to AARP. And with this aging population comes a greater need for ever-costlier long-term care (LTC) services. LTC insurance is gaining traction, despite rising premiums.

What's less well known: More and more people are using life insurance to help with LTC expenses. But exactly how and under what circumstances? The answers are complicated.

Hybrid or Combo Policies
To be sure, there are those who are loyal to stand-alone LTC policies. "It's the simplest and most direct way to cover LTC risk," insists Portsmouth, N.H.-based Paul Forte, CEO of LTC Partners, a division of John Hancock.

Yet others recommend life insurance with LTC benefits. "Many of my clients are faced with a budgetary dilemma—do I put my money into life insurance or LTC insurance?" says Gary Bottoms, president of the Bottoms Group in Atlanta. "A lot of them like the combo plans because they know they're going to get their money back one way or the other—either through a death benefit or for long-term care. It kind of hedges things."

LTC riders are available for universal life, indexed universal life, variable universal life and whole life policies. Riders and hybrid plans generally have less stringent underwriting requirements than stand-alone LTC policies. "You don't have to take a physical to qualify," says Kevan Melchiorre, a private wealth advisor at Busey Wealth Management in Champaign, Ill.

Moreover, they can "help protect savings from catastrophic LTC costs," observes Mike Hamilton, a vice president at Lincoln Financial Group in Greensboro, N.C. "These types of policies offer income-tax-free reimbursements for qualified long-term-care expenses and income-tax-free death benefit if LTC is not needed and also typically include some form of return of premium option, eliminating the 'use it or lose it risk' associated with stand-alone LTC policies. [And] the cost of coverage can never increase, which has been a common issue for stand-alone LTC policies."

But there are disadvantages. Many hybrid plans' premiums are not tax-deductible as a medical expense, which stand-alone LTC insurance premiums are. (In either case, qualified distributions for LTC expenses are tax-free, though other payouts from life policies usually are not.) They also often require deeper pockets up front. “The LTC riders themselves tend to be expensive,” cautions Melchiorre—adding perhaps as much as 0.25% of the policy’s face value to the cost. Also, LTC payouts eat into the policy’s cash value or death benefits. What’s more, as with most life insurance plans, clients who are trying to qualify for Medicaid will have to spend down the policy’s cash value before receiving government benefits, which is not true with stand-alone LTC policies that have no cash value.

Perhaps worst of all, they “may not have all the flexibility [of a stand-alone LTC policy],” says Jeffrey M. Verdon, an estate planning and asset protection attorney in Newport Beach, Calif. They might not cover the full range of LTC services—nursing homes, assisted living, in-home help, etc.—or offer inflation protection. On the other hand, he adds, “Stand-alone products do not build up cash value.”

Chronic Care Versus LTC
In addition to LTC, some life policies offer a chronic-care rider. The difference is partly technical—they fall under different sections of the tax code—and partly practical. “For all practical purposes, the major difference is that chronic illness requires a permanent condition for a claim payment,” says Edward Kohlhepp Sr. of Kohlhepp Investment Advisors in Doylestown, Pa. “A broken hip, for example, may not be a permanent condition and could generate payments from a long-term-care benefit but not from a chronic-illness rider.”

Earlier this year, New York Life announced a chronic-care rider as a premium option for newly issued standard and custom whole life insurance policies. It requires an additional charge of roughly 4% to 6% of the premium, says Craig DeSanto, a senior vice president at New York Life, for “a benefit amount set at the time of purchase, giving you certainty in your coverage and known effects on your policy (dollar for dollar reduction in death benefit, and proportional reduction in cash value.)”

Term life insurance may offer a chronic-care rider, too, though almost none offers LTC. The reason is simple. “Most term policies end before you are likely to need LTC benefits,” says David Shucavage, president of Carolina Estate Planners in Wilmington, N.C. “Companies don’t like to sell you term when you are likely to die of old age. And if they do the premiums are so high; if you don’t die the premiums are lost.”

Annuities
For those who cannot qualify for insurance, an annuity with an attached LTC or “confinement care” rider might make the most sense. The latter is similar to the chronic-care option. A fixed indexed annuity with an income rider that can also be used for confinement care will double the contractual income guarantee when the confinement care is triggered. That happens whenever the insured person can no longer do two of six activities done in daily living—bathing, dressing, toileting, continence, feeding and transferring out of or into bed.

“Only by spending some quality time with one’s professional advisor can a decision be made,” says W. Allen Johnson, executive vice president at iTrust Advisors in Syracuse, N.Y. “If an annuity is recommended as part of the financial plan, then the withdrawal features for a chronic illness should be explored.”

In general, these annuities function much like their life-insurance counterparts. They don’t require a physical exam but do require a large up-front investment. On the other hand, premiums never increase. “Generally, the LTC component is two or three times the face value of the annuity,” says Melchiorre. “If you don’t use that component, you can redeem the accumulated value of the annuity down the road or annuitize it to get income for other purposes.”

This option has swelled in popularity since a 2010 ruling that classified withdrawals for qualifying LTC expenses as tax free—unlike confinement-care benefits, which are taxable. Either way, the distributions reduce the annuity's accumulated value.

Deciding among all these options depends on where your clients are coming from. "Let's say they have held an annuity they bought at 55 for 10 years, which now has a death benefit of $100,000," says Steve Williams, vice president of Financial Planning Strategy at BMO Private Bank in Chicago. "And now that they are age 65, they start to worry about [an] LTC event. By doing a 1035 [tax-free] exchange to an annuity with LTC rider, they can typically get anywhere from $300,000 to $400,000 LTC coverage. If it is new money, then the permanent policy [universal or whole] with [an] LTC rider is typically a better option."

Leveraging Life Insurance Cash Value

Even if you reject these hybrid options, life insurance can still be used to help fund LTC expenses. First, accelerated death benefits—usually available at an additional cost—allow you to take "a tax-free advance on your death benefit while you're still alive," says Melchiorre, "but you must be terminally ill or severely cognitively impaired." In most cases, eligibility must be recertified annually. ("Terminally ill" is typically defined as having less than two years to live.)

Generally capped at 50% of the total death benefit, the distributions usually go for an immediate need, though at times they can be used for monthly LTC services. There are "limitations on what is considered covered or qualified care," says Celeste Moya, vice president of product analysis at NFP International Insurance Solutions in Austin, Texas. "Qualified care generally includes care within a facility—nursing home, hospice care, etc.—and expenses related to room and board at any one of these facilities. However, there is no standard across the industry."

Another option for the chronically or terminally ill is a viatical settlement or, for those with a less urgent need, a life settlement. Both are ways of selling a life policy to a third party. They are solutions of last resort. Many desperate senior citizens have been swindled. "The amount of the sale must be greater than the cash surrender value of the insurance policy, but less than the death benefit," Melchiorre says. With viatical settlements, you may receive between 60% and 90% of the policy's face value. If you are terminally ill, the proceeds are not subject to tax. If you're chronically ill but not deemed terminal, the proceeds are only tax-free if used to pay for LTC needs that aren't covered by other insurance.

LTC Benefit Accounts

Life policies with a cash value can also be converted to an LTC benefit account—a "privately funded irrevocable account funded by the sale of a life insurance policy," says Chris Orestis, CEO of Life Care Funding, a senior care advocacy group in Portland, Maine.

The account is held by a professional administrator, who makes monthly tax-free payments on your behalf directly to LTC providers you designate. All levels of care and health conditions are eligible. Even funeral expenses are included. There are no premiums, and most types of insurance qualify for conversion, including group and term plans. It's an allowed method for spending down assets to qualify for Medicaid, too, unlike other uses of a life policy's cash value.

But your need for care must be imminent, if not immediate.

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Providers Pursue Kids for Parents' LTC Costs

AUGUST 2014 • BEN MATTLIN

In 1994, the Pennsylvania superior Court ruled that an indigent mother could sue her adult son to pay her overdue nursing-home bills. The case, Savoy v. Savoy, may not have been the first of its kind, but it lit a fuse. Ever since, filial-support litigation has been spreading across the nation. And financial advisors who oversee their clients' long-term-care planning had better take notice.

"In Pennsylvania it's become a trend," says Katherine C. Pearson, a professor at Pennsylvania State University's Dickinson School of Law in University Park, Pa. "But I don't know of any state where this is not an issue."

The issue is not always—in fact, not usually—an intra-family feud. Often it's a nursing home or assisted-living facility or even a publicly funded long-term-care agency that goes after children, grandchildren and other family members to repay outstanding LTC bills. For financial advisors and their clients, this is a wake-up call: Clients not only have to plan for their own future needs but also make sure their parents' LTC finances are in order.

A Web of Legal Statutes

The legal mechanisms underpinning these efforts vary. In 28 states, filial-support laws are on the books. They "essentially establish a legal precedent of financial responsibility among family members for the expenses incurred by a loved one, particularly in the case of health care or long-term care," says Chris Orestis, CEO of Life Care Funding, an LTC specialist firm headquartered in Portland, Maine. But other states pursue similar outcomes through a spider's web of statutory precedents.

For Medicaid and other state agencies, a primary legal source is the Omnibus Budget Reconciliation Act of 1993, a tax reform bill passed during the Clinton administration. Buried in the act, Orestis explains, are rules that "compel state agencies to collect back funds they've expended on Medicaid services from families if they discover the families have assets available," he says.

Orestis gives an example. Before Medicaid benefits kick in, you're supposed to liquidate the cash value of any life insurance policies and spend the proceeds on health- or long-term care. If Medicaid discovers you did not, it will essentially fine you to pay back any money it's spent on your behalf. "Even after you die and your family collects a death benefit on that insurance, Medicaid can sue the family in probate court to recover what the state spent on care," says Orestis. "It doesn't matter if the family intentionally deceived Medicaid or it was an accident."

The same may be true for any other asset the family holds. "State agencies will go after it," he says. "They not only have the right but are federally required to."

If that tack doesn't work—or if it's not a Medicaid case, say—litigants may employ other means to claw back funds. "New Hampshire, for example, repealed filial-support laws and substituted a theory of fiduciary obligation," says Pearson, explaining that a loved one who has been given a power of attorney can be held personally liable for any unpaid bills. "It happens for a variety of reasons, both innocent and not so innocent," she says.

Sometimes it's a case of out-and-out fraud—for instance, if the parent is suspected of transferring property to an adult child just to claim poverty, or the child misappropriated the parent's assets for personal gain. Yet Pearson tells of another case in which the parties simply assumed that they had Medicaid eligibility, but it never actually came through "for not entirely clear reasons," she says, and the nursing home's bill was never paid. The court permitted the nursing home to go against the innocent adult child for repayment. “There’s nothing to indicate that he did anything to make the parent ineligible,” she says.

No Clear Victims or Villains

It’s not that simple to decide who the victims and villains are. After all, an assisted-living facility that helped you care for your loved one surely deserves to be compensated. Also, is it fair to burden taxpayers for that expense if the family has the funds? “It’s not black and white,” says Orestis.

“When people game the system to get on Medicaid—when they hide or shuffle assets—we the taxpayers are the victims. When adult children use a parent’s assets for themselves and leave mom or dad unable to fund their own long-term-care needs, mom and dad are the victims. The nursing homes can be victims, too, because they can be cheated.”

These problems arise amid the greater problem of an aging population. “Every day, 10,000 baby boomers turn 65,” says Orestis. “This puts tremendous pressure on social safety nets that pay for care. And the government is pushing back.”

Medicaid doesn’t pay 100% of nursing-home costs, and Medicare pays only for the first 100 days of care. So institutions are often left with unpaid bills. “In the past, the nursing homes had margins that could forgive some delinquent accounts, but now they are squeezed so tight they have to try to get back every dollar,” says Pearson.

Solutions

As widespread and multifaceted as the problem may be, there are a few solutions. If a loved one goes into a nursing home, it’s a good idea to spell out in advance who is financially responsible and make sure there’s a regular accounting. “Once there’s a backlog of unpaid bills, it can become very hard for anybody to catch up,” observes Pearson.

Equally important is planning ahead—as a family. That may mean doing something beyond securing individual LTC insurance. “If kids insured their parents, that would be one way to protect themselves [from filial-support suits],” suggests Rhonda Guilin, a Brea, Calif.-based regional sales director for LTC Financial Partners and Insurance Service, headquartered in Kirkland, Wash. “Lots of employer group/multi-life plans offer coverage with a discount for family members, including parents.”

Of course, that might not be necessary. So a family conversation is a good first step. “Many people don’t even know if their parents have LTC insurance, or who the carrier is,” says Pearson. “People don’t typically put themselves into a nursing home. Usually it’s because of a medical emergency, or they are discharged directly from a hospital into the nursing home. So the children are playing catch-up from day one.”

Such a conversation may not be easy to initiate. “My clients who grew up in the Depression/World War II era are fiercely independent and private,” says Debbie Robinson, an elder law attorney at Robinson & Miller in Alpharetta, Ga. “They don’t talk to their kids about money. When their health starts failing, the kids are frantically trying to get a handle on the finances. If dementia has set in, that makes it all the harder. As hard as it might be for a child to start the conversation with parents, it has to be done while the parent is still competent.”

Part of the discussion should include compiling a file of available resources and assets, and designating each child’s responsibilities. Does one child live closer to mom and dad, and if so, should the family designate that child to look at assisted-living communities firsthand and/or meet with geriatric care managers?

Advisors can facilitate these discussions. Referrals to elder-care attorneys and geriatric-care managers can also help educate clients about their options in the types of care and financing. “There are lawful ways, for instance, for someone who does qualify for Medicaid to preserve money for a spouse,” says Pearson.

Beyond LTC Insurance
The point is, it takes a multifaceted approach. "Advisors need to look at LTC planning as not just an opportunity to sell an insurance policy," says Orestis. Clients who are veterans might be eligible for a veteran's pension to help fund long-term care. If they own a life insurance policy, they may be able to convert it into a tax-free LTC benefit plan (see the accompanying *Financial Advisor* article, "LTC Options" http://www.fa-mag.com/news/ltc-options-18361.html). "Be sure you understand the full gamut of ways that people can pay for long-term care so they can make well-informed decisions," says Orestis. "And document that you've discussed every aspect to ensure that, as an advisor, you're giving your client the best possible advice and protecting yourself from future liability."

After all, filial-support litigation can ensnare advisors, too. "Lawyers are looking for class-action opportunities," cautions Orestis. "They're reaching out to nursing homes and home-health agencies, trying to get them to act on behalf of the mother or father to file a lawsuit to go after the children to collect money." And those children, he adds, may in turn go after their advisors for failing to protect them.

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Long-Term Care Costs Can Put a Whammy on Life Savings
Medicaid Can Help, but Is Last Resort Option, Senior Health-Care Advocate Says

Baby Boomers, retiring at a rate of roughly 10,000 per day, may have unrealistic notions about what their future long-term care needs could do to their bank accounts.

When a recent Nationwide Financial consumer survey asked for an estimate of how much a year of nursing-home care will cost in 2030, the Baby Boomers who were surveyed guessed an average of $111,507. The actual estimated costs – $265,000 – are more than double that, Nationwide says.

That extreme underestimate indicates many of those Baby Boomers may be unprepared to handle the costs of long-term care and could end up relying on Medicaid to pay for it, which isn't the best option, says Chris Orestis, a senior health-care advocate and CEO of Life Care Funding (www.lifecarefunding.com).

"One problem is that people wait until they are in the middle of a crisis before they start trying to figure out long-term care options and how to pay for them," Orestis says. "Long-term care is expensive. It's natural that families want to do whatever they can to help take care of a loved one, but they can go broke in the process."

Medicaid certainly can help, Orestis says, but it's best to avoid going that route if at all possible. Here's why:

- **Lack of personal choice.** Most forms of home care and assisted living are paid for privately, which means you must have resources other than Medicaid to pay the monthly out-of-pocket expenses. But when people go on Medicaid they lose their ability to choose what kind of care they want and where they will go, Orestis says. Usually, instead of home care or assisted living, a person on Medicaid goes into a nursing home and in most cases will share a room with another patient. "That's not the way most people want to end up after a lifetime of working hard and raising a family," he says.
- **Becoming impoverished.** Medicaid was created to be a last resort and that's exactly the way families should view it, Orestis says. To qualify, you need to be below the poverty line, which means you will need to spend down your assets to get there. "Once you go on Medicaid, you have in effect become a ward of the state," Orestis says.
- **State budgets are strained.** Because of all those aging Baby Boomers, the number of people needing long-term care is growing, escalating the long-term funding crisis. Political leaders want people to remain on private pay as long as possible because Medicare and Medicaid can't keep up with the growing demand for long-term-care services, Orestis says.

A better option available to many people is to convert their life-insurance policy into a long-term care benefit plan, he says. Seniors can sell their policy for 30 to 60 percent of its death-benefit value and put the money into an irrevocable, tax-free fund designated specifically for their care, Orestis says.

That fund is professionally administered with payments made monthly on behalf of the individual receiving the care.

Unfortunately, many people aren't aware of the possibility of converting life insurance policies, Orestis says.

"I've been lobbying state legislatures to make the public aware of their legal right to use this option," he says. "It's important that, as people age, they know about all their options so they can avoid making potentially costly mistakes."

Do people *want* to go onto Medicaid for long term care? The answer is NO!

Medicaid is a tax payer funded entitlement program designed to provide a healthcare safety net for the poor, disabled and children. First enacted into law in 1965 by President Lyndon Johnson, it has morphed into the default payer of long term care services for the elderly in this country.

For the last five years Medicaid has spent between $140 billion and $200 billion *annually* on the costs of long term care "supports and services" primarily for seniors. In terms of numbers of people that receive Medicaid, 80% of the dollars are spent on less than 20% of the eligible population which is almost entirely driven by long term care costs. But the irony here is that people don't want to go onto Medicaid!

When a person is on Medicaid they are no longer able to choose what they want for long term care. Most forms of homecare and assisted living are private pay—which means you must have resources other than Medicaid to be able to pay the monthly "out-of-pocket" expenses. The typical scenario for a person on Medicaid is that they will go into a nursing home and most often share a room with another patient. For most people that have worked their entire lives, raised a family, and participated in their share of the "American Dream"; spending your final days in this scenario sounds more like a nightmare.

State budgets are under extreme pressure to keep up with their share of the rising costs of Medicaid. Families would prefer to look at Medicaid as a last resort (which is what it was created to be) and don't want to spend-down their assets to get below the poverty line to qualify. Remember, if you go onto Medicaid it means you are below the poverty line and have become a ward of the state.

Families would prefer to remain in control of their health care decisions, maintain financial independence, protect their assets, and preserve dignity in their lives when it becomes time for them to start receiving long term care supports and services. To do so they must plan and prepare as much in the future as possible, and when it comes time to start receiving care they must understand their rights and options to stay private pay and in control for as long as possible.

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The growing long term care funding crisis requires understanding private pay alternatives

The Problem:

Statistics show that the majority of people do not understand the various forms of long term care, the different means to pay for it, and most do not plan for long term care until they are hit by a health care crisis. Adding to the growing long term care funding crisis is the fact that Baby Boomers are now reaching Social Security and

Medicare age 65 at a rate of over 10,000 people a day, and 70% of them will need long term care services before they pass away. Today, Social Security, Medicare and Medicaid are all in the red and creating havoc for government budgets at the federal and state levels. State budgets have been impacted particularly hard by shrinking tax dollars and growing Medicaid enrollment brought on by an aging population. Over 10 million Americans now require long term care annually, and Medicaid is the primary source of coverage. With these numbers increasing every year, the United States has officially crossed the tipping point into the era of the "long term care funding crisis".

Seniors and their families are already struggling with the costs of everyday living, if you add the costs of long term care to the picture it is a back breaking scenario for most Americans. We are experiencing an explosion of aging Baby Boomers and longer life expectancies among seniors, but diminished financial resources across the board has brought together a perfect storm of factors we must now confront. The simple fact is more responsibility is going to be placed back on the individual and their families to find the resources necessary to handle the costs of long term care. Understanding the growing array of alternative private pay solutions is a critical part of long term care planning for any senior care advisor and provider.

The Solution:

Twenty years ago the only real alternative to Medicare and Medicaid was long term care insurance. Today, a variety of private pay options exist in the market that can help a person remain financially independent, preserve assets, maintain more control of the type and location of care they access, and will go a long way towards preserving dignity for an individual and their family when confronting the need for care.

Among the options that a senior care advisor and provider should have familiarity with, are:

1) Veterans' Aide & Attendance Benefit (http://benefits.va.gov/pension/aid_attendance_housebound.asp)
2) Converting life insurance into a Long Term Care Benefit Plan (http://www.lifecarefunding.com/how-it-works/)
3) Reverse Mortgages (http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm/hecmabou)
4) Viatical/Life Settlements (http://www.lisa.org/content/13/What-is-a-Life-Settlement.aspx)
5) Senior Living Loans (http://www.assistedlivingfacilities.org/resources/ways-to-pay-for-assisted-living/private-funds-lines-of-credit/)
6) Single Premium Immediate Annuities (SPIA) (http://www.annuityratewatch.com/rates/spia.cfm)
7) Long Term Care Insurance (http://www.aaltci.org/)

Veterans' Aide & Attendance

A monthly benefit for low income veterans (and their spouses) who served at least one day during a wartime period. The VA benefit is a tax-free supplemental income pension benefit intended to assist the costs of skilled nursing care for a disabled veteran. A single veteran can receive upwards of $1,700/mo. and with a spouse upwards of $2,000/mo. The Veteran's Administration has proposed a significant rule change that would include a three year look back period (similar to Medicaid look back rules) for all applicants that is expected to be in effect before the end of 2015. (http://www.post-gazette.com/business/finance/2014/01/26/Congress-likely-to-change-Veterans-Affairs-benefits-this-year/stories/201401260120)

Additional requirements to qualify include:

- Age 65 or older, **OR**
- Totally and permanently disabled, **OR**
- A patient in a nursing home receiving skilled nursing care, **OR**
- Receiving Social Security Disability Insurance, **OR**
- Receiving Supplemental Security Income

At least one of the following conditions must be present

- You require the aid of another person in order to perform personal functions required in everyday living, such as bathing, feeding, dressing, attending to the wants of nature, adjusting prosthetic devices, or protecting yourself from the hazards of your daily environment
- You are bedridden, in that your disability or disabilities requires that you remain in bed apart from any prescribed course of convalescence or treatment
- You are a patient in a nursing home due to mental or physical incapacity
- Your eyesight is limited to a corrected 5/200 visual acuity or less in both eyes; or concentric contraction of the visual field to 5 degrees or less

Long Term Care Benefit Plan

A **Long Term Care Benefit Plan** is the conversion of an in-force life insurance policy into an irrevocable, FDIC-insured Benefit Account that is professionally administered with payments made monthly on behalf of the individual receiving care. Policy owners use their legal right to convert an in-force life insurance policy to enroll in the benefit plan, and are able to immediately direct tax-free monthly payments to cover any form of senior care they choose: Homecare, Assisted Living, Nursing Home, Memory Care, and Hospice.

This option extends the time a person would remain private pay and delays their entry onto Medicaid. It is a unique, tax-advantaged financial option to pay for care because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no premium payments. To fund the Long Term Care Benefit Plan, an unneeded life insurance policy is sold for a percentage of the death benefit (the range can be between 20%-60%) and the funds are placed into an irrevocable, FDIC insured Benefit Account held and administered at a nationally chartered and regulated Bank and Trust institution.

The entire proceeds from the policy settlement are placed into the account and then at the direction of the family, the monthly, tax-free payments are made directly to their choice of care provider. If care needs change, and the family wants to change care provider and/or the monthly payment amount all they need to do is provide 30 days' notice to adjust the account instructions. From the time of acceptance of the conversion offer, the account can be established and funded, with payments to the care provider starting within 30 days. In addition to being a Medicaid qualified spend-down inside the look back period, the Benefit Account is tax free because the funds are spent on care.

Requirements to enroll in the Long Term Care Benefit Plan

1. In-force life insurance policy (Term, Universal, Whole and Group) with a death benefit between $50,000-$1,000,000
2. Current need for Homecare, Assisted Living, Nursing Home Care, Memory Care, or Hospice (within 90 days of enrollment)

Reverse Mortgage

A reverse mortgage is a loan that enables senior homeowners, age 62 and older, to convert part of their home equity (primary residence only) into tax-free income without having to sell their home, give up title to it, or make monthly mortgage payments. You don't need to repay the loan as long as you or another borrower continues to live in the house and keep the taxes paid and insurance in force. The loan only becomes due when the last borrower (s) permanently leaves the home at which time the reverse mortgage principal, interest charges, closing costs and service fees are typically paid back from the sale of the house. Any remaining equity belongs to the borrower or the estate.

A reverse mortgage loan must be paid back in full when one or more of the following conditions occurs: (a) the last surviving borrower passes away or sells the home; (b) all borrowers permanently move out of the home; (c) the last surviving borrower fails to live in the home for 12 consecutive months due to physical or mental illness; (d) you fail to pay property taxes or insurance; (e) you let the property deteriorate, beyond what is considered reasonable wear and tear, and do not correct the problems.

Borrower Requirements

- 62 years of age or older
- Own the property outright or paid-down a considerable amount
- Occupy the property as your principal residence
- Not be delinquent on any federal debt
- Have financial resources to continue to make timely payment of ongoing property charges such as property taxes, insurance and Homeowner Association fees, etc.
- Participate in a consumer information session given by a HUD- approved HECM counselor

Life Settlements

A life or viatical settlement is the sale of an existing life insurance policy to a third party for more than its cash surrender value, but less than its net death benefit. In exchange for paying the purchase price to the seller as well as assuming responsibility for future premiums, the buyer will receive the full death benefit when the original insured dies.

Most states regulate life and viatical settlement transactions and many of the specific regulations in place are intended to protect individuals that are selling their insurance policies. For example, in most states, the seller of an insurance policy through a life settlement can cancel the transaction by returning the purchase price within 15 days of receipt. More than 40 states have regulations in place regarding the sale of life insurance policies to third parties.

Often times, the terms "Life Settlement" and "Viatical Settlement" are used interchangeably. However, some state regulations use the term Viatical Settlement to refer to cases where the person covered by the insurance policy is terminally ill or has a shorter expected life span (e.g., less than two years). For those states which make the distinction, Viatical Settlement transactions may be subject to additional regulatory requirements (e.g. minimum pricing relative to the death benefit).

Life Settlement transactions bring efficiency to the life insurance marketplace. They offer a healthy, competitive outlet to liquidate a life insurance policy that has outlived its purpose and/or to raise cash in a time of immediate crisis. Transactions involving policies that were purchased based on insurable interest are the foundation of a legitimate transaction. In fact, this type of a transaction is supported by none other than Supreme Court Justice Oliver Wendell Holmes in his 1911 landmark decision, *Grigbsy v. Russell*. Justice Holmes noted in his final opinion that life insurance possessed all the ordinary characteristics of property, and therefore represented an asset that a policy owner could transfer without limitation.

Senior Loans

Senior Care Bridge Loans are designed to help seniors and their families with the cost of assisted living, home care or skilled nursing on a short term basis. The loan is unsecured with up to 6 co-signers permitted instead of collateral so while credit scores are considered, a lower credit score of any one co-signer is typically offset by the other co-signers. The maximum term of the loan is 3 years and the interest rate is tied to the prime rate and is often on par with credit card interest rates. After 3 years the loan must be re-paid including all interest and fees, but there are no early payment penalties. Once approved, loan payments are made directly from the loan account to the care provider. At no point do the borrowers take possession of the funds.

Immediate Annuities

An immediate annuity is a contract with an insurance company under which the consumer pays a certain amount of money to the company and the company sends the consumer a monthly check for the rest of his or her life. In most states the purchase of an annuity is not considered to be a transfer for purposes of eligibility for Medicaid, but is instead the purchase of an investment. It transforms otherwise countable assets into a non-countable income stream as long as the income is in the name of the community spouse. Under the DRA, the state must be named the remainder beneficiary up to the amount of Medicaid paid on the annuitant's behalf.

In order for the annuity purchase not to be considered a transfer, it must meet three basic requirements:

(1) It must be irrevocable and non-assignable--you cannot have the right to take the funds out of the annuity except through the monthly payments.

(2) It must be "actuarially sound", meaning you must receive back at least what you paid into the annuity during your actuarial life expectancy. For instance, if you have an actuarial life expectancy of 10 years, and you pay $60,000 for an annuity, you must receive annuity payments of at least $500 a month ($500 x 12 x 10 = $60,000).

(3) If an annuity is for a term certain, it must be shorter than your actuarial life expectancy.

Long Term Care Insurance

Long-term care insurance is designed to cover a wide range of long-term care services, but sometimes the use of the word “long-term care” can be confused for actual long-term care supports and services such as homecare, assisted living, nursing homes, or hospice. Long-term care insurance is a financial product sold by an insurance agent to help a family cover the future costs of a variety of long-term care services which may include help with activities of daily living, home health care, respite care, adult day care, care in a nursing home or care in an assisted living facility. Most long-term care services are NOT covered by any other kind of insurance, including health insurance, long-term disability insurance, Medicare, or Medicare supplemental coverage. Generally, the younger and healthier you are when you buy long-term care insurance, the lower your premiums will be. Waiting too long can decrease the likelihood of being accepted and increase the cost of coverage.

Before buying a policy, it is important to ask companies about their rate increase history and whether they have increased rates on previous long-term care insurance policies. Be sure to compare benefits, the types of facilities covered, limits on your coverage, what is not covered and the premium. Hybrid life insurance and long-term care policies give the policy owner access to the majority of the death benefit if long-term care services are needed. If long-term care services are not needed or all of the death benefit is not used up to pay for long-term care expenditures, the remaining death benefit is paid out to the beneficiaries upon the death of the policy owner.

The Political Reality

The Commission on Long Term Care was appointed by Congress in 2013 to study and make recommendations about the rapidly escalating crisis facing Americans and their ability to pay for long term care. The commission met in Washington, DC numerous times that year and their final prognosis was dire. During the Committee hearings, panelists explained to the Committee members that the public safety net can no longer sustain the pressure put upon it and private market alternatives must come forth. "The fact is that each of us will need these services and supports at some point in our lifetimes," said Sen. Jay Rockefeller, who added the commission to the fiscal cliff compromise, said in a statement, "The question is whether most Americans can afford to pay for them." According to G. William Hoagland of the Bipartisan Policy Center, "Medicare and Medicaid have become the major source of long-term care, and cannot continue at the current pace.”

The Legal Reality

Unexpected and dangerous threats in the form of professional and personal liability have emerged in the wake of the growing LTC funding crisis. Law suits and mandated claw-back actions have been brought against families in attempts to recover monies spent on long term care. Insurance and legal advisors have also been sued by clients in response to fiduciary responsibility issues about options to fund long term care, or how to derive the highest value from a life insurance policy.

These aggressive legal actions take root from State Filial Responsibility Laws and federal Estate Recovery Mandates that have existed for decades. In 1993, the federal government passed a mandate in the Omnibus Budget Reconciliation Act of 1993 (OBRA ‘93) that requires states to implement a Medicaid estate recovery program, and the Deficit Reduction Act of 2005 (P.L. 109-171, DRA) contained a number of provisions designed to strengthen these rules. The government has had the authority to take legal action against families to recover Medicaid dollars for over two decades. In fact, Medicaid recovers hundreds of millions from families every year, but as budget pressures increase estate recovery actions are becoming even more aggressive.

Ironically, a high profile legal action recently taken against a family to recover costs spent on long term care was not initiated by the government, but was instead successfully undertaken by a nursing home company. In 2012, John Pittas, a 47-year-old restaurant owner was sued by a nursing home company for $93,000 in expenses incurred by his mother over a six month period after she was denied Medicaid eligibility. The Superior Court of Pennsylvania (***Health Care & Retirement Corporation of America v. Pittas*** Pa. Super. Ct., No. 536 EDA 2011, May 7, 2012) found in favor of the nursing home based on "filial responsibility law" (which is on the books in 28 states**), and the son was forced to re-pay the entire costs for his mother's care. The court finding even granted discretion to the nursing home company to seek payment from any family members it wished to pursue. *(Forbes, 5/21/2012)*

** 28 states and Puerto Rico have filial responsibility laws in place: Alaska, Arkansas, California, Connecticut, Delaware, Georgia, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Montana, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia and West Virginia.
http://law.psu.edu/_file/Pearson/FilialResponsibilityStatutes.pdf

The Long Term Care Reality

"In the coming decades, many Americans will not have a way to pay for long-term care services. As the population is aging, the need for long-term care services is exploding. However, as the need for services increases, government funding will not be able to keep up, undermining a critical component of the nation's health care delivery system."

–The Long Term Care Funding Crisis

Milliman Consulting

When it comes to private pay financial solutions for long term care it is not about selling a product; rather, it is about providing information and access to resources that will allow for effective long term care financial planning. Advisors should be focused on understanding the crisis situation we are dealing with as a country and the variety of resources that can help people both plan for the future and react to an immediate situation. The seven private pay funding solutions presented in this article are all viable alternatives to going onto Medicare and/or Medicaid. It is the responsibility of every advisor to be familiar with how they can benefit a family confronting the realities of long term care.

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Employee absences caused by providing long term care to loved one's costing U.S. businesses $74 billion annually

Long term care is a family business that is costing U.S. businesses a lot of money. Over 42 million Americans (21% of all U.S. households) act as family caregivers every year. Many are employed and must cut back on their hours or leave their jobs entirely. In addition, the vast majority of family caregivers contribute significant hours to the care of loved ones without any compensation. According to the U.S. Bureau of Labor Statistics, *businesses* lose an average of 2.8 million work days each year due to unplanned absences costing employers nearly $74 billion. In fact, the impact on employment is so significant that 11 percent of workers will take a leave of absence and 10 percent ultimately will quit their jobs.

The ratio between female and male employees who act as a family caregiver is 60/40 with males missing on average 12 work days a year and females missing 33 work days a year. Not only is this a physicals and emotionally draining circumstance, but this reality is a significant drain on personal incomes, family budgets and the U.S. economy. The Congressional Commission on Long Term Care cited in their report that the value of uncompensated care provided by family members ($450 billion) is more than double the amount of actual dollars spent on long term care ($211 billion).

Many families don't even recognize the fact that they have begun taking on the role of being a caregiver. It can be a slippery slope where either people don't recognize, or are unwilling to admit that their loved one needs care and they have become the caregiver. As this process overtakes a family, they feel like they are just "helping out" and saving money by doing it themselves. But, the time and physical commitment it takes to care for a loved one just keeps growing as it eats into work hours and income. This of course can result in the unintended consequence that just at the time that paying for care becomes necessary, the loss of income makes that impossible and pushes the caregiver over the edge of becoming a full-time, unpaid caregiver.

Employers have started to act by offering assistance to employees trying to juggle the demands of being a family caregiver while also being employed. Approximately 33% of large employers have implemented eldercare support programs, such as:

- Access to alternative funding options such as converting life insurance policies into Long Term Care Benefits; VA Aide and Attendance; Reverse Mortgages, etc.
- Benefits such as flextime, telecommuting, and job-sharing
- Programs to provide respite care, adult day services, and caregiver support groups
- Information, referral, and educational programs
- Employee and/or employer funded long-term care insurance.

To help employers estimate their productivity costs for working caregivers, visit: www.eldercarecalculator.com

Long Term Care is a family business because it often requires the participation and active support of one or more family members to help a loved one. Businesses are realizing that they are losing billions of dollars in hard costs and lost productivity. The government is recognizing the financial cost to families, business and tax payers. Now through the growing realization that a variety of funding and innovative care options exist that can help, and the willingness of businesses to institute support programs for families—there may be less burden on families and the U.S. economy.

Sources:

- Caregiving in the United States, released by the National Alliance for Caregiving and AARP

- The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, released by MetLife Mature Market Institute and the National Alliance for Caregiving

- Congressional Commission on Long Term Care

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When Elderly Parents Can No Longer Live Alone

If you're heading home for the holidays, watch for these key signs that your elderly parent should no longer be living alone.
Posted Jan. 9, 2014 @ 12:29 pm
http://www.cantonrep.com/article/20140109/NEWS/301099970/11038/LIFESTYLE

Over the river and through the woods, to grandmother's house you go: The holidays are a time for reuniting with loved ones you perhaps haven't seen in months. If you haven't visited with your elderly parent in a while, you might be shocked to find them increasingly fragile, demonstrating signs of marked decline that weren't evident before. In fact, the holidays and their aftermath are the busiest time of year for long-term senior care admissions, says expert Chris Orestis. "This time of year, families gather together and perhaps haven't seen mom or dad in months," says Chris, senior health-care advocate and CEO of Life Care Funding. "You might start to suspect that they're no longer equipped to care for themselves."

"Don't Blow Off the Warning Signs"

How can you determine if your aging parent is no longer in a position to live alone? There are a number of telltale warning signs that can suggest your elderly parent requires additional assistance or care. To begin, signs of cognitive impairment—particularly, forgetfulness and confusion—are definite red flags that should never be overlooked, Chris warns. "Dementia often first manifests as forgetfulness," he adds. Additionally, take a look around your elderly parent's home and assess its general appearance. "Evaluate their homes for telling visual cues of mental deterioration," Chris says. "Are items oddly placed? Are objects where they aren't supposed to be? Are there signs of damage or neglect to the house?" If the house isn't as organized or tidy as it used to be, this might signal that your aging parent is no longer able to properly fulfill daily household tasks.

Lastly, be on the lookout for signs of physical deterioration, Chris says. These might include marked weakness, loss of strength and stamina, difficulty balancing or drastic weight loss. If you discern noticeable bruises, this could indicate that your aging loved one is experiencing balance or mobility issues. Lack of personal hygiene—a disheveled, unkempt appearance, for example—is another key warning. Because living alone can pose inherent dangers for elderly individuals struggling with cognitive or physical limitations, it's important that you identify these red flags immediately, no matter how subtle they may seem. "Never ignore a warning sign," Chris says. "If something seems odd, don't blow it off as, "Oh, they're just starting to get older.'"

Create a Plan of Attack

Confronting an elderly parent about the necessity of seeking additional care can be a sticky, sensitive subject. Loss of independence is arguably one of the most feared aspects of aging, so the conversation may provoke varied reactions from your elderly loved one—resentment, anxiety or anger. That's why it's wise to formulate a "game plan" in advance for how to best approach this potentially delicate dialogue.

"This isn't the type of conversation you want to just spring on your parent at the dinner table," Chris notes. "You've got to make a 'plan of attack' first." First and foremost, Chris suggests, the family—the siblings, in-laws, spouses, etc.—must reach a mutual consensus that some sort of senior care is in the parent's best interest. "Nothing will make the process more difficult than if the siblings aren't on the same page," Chris notes.

Once you've discussed the matter with siblings, it might be smart to delegate roles amongst the family. Arranging senior care can be an arduous process—with myriad logistical factors to consider—so it helps to divvy up duties accordingly. "For example, one sibling might be assigned the duty of researching different nursing home or assisted living options," Chris says. "The other might be in charge of handling financial matters, while another might be charged with power of attorney."

Next, you need to understand what financial resources are available to help inform what type of senior care you can afford. "Do mom and/or dad have a long-term care insurance policy? Do they have a life insurance policy? What are their savings? What do they have in the bank? Do they have annuities? What's the situation with their home?" Chris says.

Finally, it's time to sit down with your mother and/or father and address your concerns that it's no longer safe for them to be living alone, based on the various clues you've identified. Depending on the severity of your loved one's symptoms, you might not want to immediately introduce the notion of a nursing home or assisted living facility. "This will scare them. You want to ease them into the concept," Chris suggests. "'Maybe it's time to start considering bringing some extra help into the house,' you might say."

Bottom Line

While there is no one-size-fits-all answer to the question of senior care, prior planning and preparation will ensure as smooth of a process as possible. Ultimately, Chris stresses the importance of adult children recognizing when it's time for their parents to seek help. Although confronting the parent about the necessity of additional care can be a difficult and taxing experience, it's incumbent upon the adult children to ensure that their parent is safe, healthy and comfortable.

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A Place for Mom BLOG

Are you prepared for a different type of holiday hangover this year?

What to do when you suddenly realize a loved one needs care

The holidays are a wonderful time of year for fun, cheer and family gatherings. Between Thanksgiving and New Year's Eve, presents will be exchanged, great meals will be shared, and loved ones will be reunited after having not seen each other sometimes for many months. Amidst all these glad tidings, some families will experience an unexpected downside to the holiday season.

Are you prepared to discover that your loved one, most likely your parents, have moved beyond just aging and are now at the stage that they may be in need of long term care? The need for care and supports can sneak up on a family, and after having been apart for a number of weeks or months it can become suddenly apparent that it is no longer safe for someone you care about to live alone any longer.

If this happens to you there are warning signs and a blueprint for a family action plan that you should be considering this holiday season:

Warning Signs-

1. Physical deterioration: Look for signs of rapid weight loss, physical injuries, inability to maintain balance, loss of strength or movement, incontinence, and loss of ability to execute what is known as Activities of Daily Living (ADL's) which are bathing/showering, dressing, eating, functional mobility, personal hygiene, and toileting hygiene.
2. Mental (cognitive) deterioration: If you see signs of forgetfulness, confusion of dates and locations, mixing up names, inability to recognize family and friends, paranoia, and delusions these should not be

blown off as "senior moments". These could be signs of Dementia and Alzheimer's which is rapidly growing to become one of the most common afflictions impacting seniors today.

3. Environmental deterioration: Make sure you look around the house to see what kind of shape it is in since the last time you visited. Is it becoming disheveled? Are household items being put in odd places they should not be? Are there signs of damage such as a flash fire in the kitchen or automobile damage in the garage? These can be important visual clues that physical or mental deterioration is starting to take a toll.

If these signs are being recognized by the family, it is time to discuss an action plan. Start first by coming together as siblings and in-laws to get on the same page of what you are seeing and that action needs to be taken. Taking action does not mean moving someone straight into a nursing home. There are many levels of care and many aspects involved that the family will want to work on together.

First, assign jobs among everyone. Someone will need to be hands-on and in a position to drive to meet with advisors, care providers and tour possible residential care facilities. Someone will need to take on the task of determining what kind of assets and income is available to help pay for the monthly costs associated with care. Someone may also need to be established as Power of Attorney.

You should also consider meeting with an elder law attorney to discuss estate planning and Medicaid eligibility requirements. It also makes sense to consider meeting with a geriatric care coordinator who can give their unbiased and professional opinion on care needs/options.

Once you have your plan in place it is time to sit down with your loved one(s) to have an open and honest conversation. You will want to avoid any tone that sounds like you are imposing your will on them. This should be a mutual "discovery" process that leads everyone to the same conclusion that it makes more sense to find safety and security in adding long term care support to their evolving lifestyle.

There are a number of options to be considered such as non-medical or skilled medical home care, assisted living, memory care, and nursing homes. You should remove stigma by emphasizing the positives about moving forward in this direction. Often times, couples find themselves becoming a full time care giver and that stress/burden can be lifted. In today's age, Assisted Living communities, Memory Care centers and Nursing Homes are very modern, comfortable and can even be considered luxurious. Also, there are great dining options, social activities, special events and transportation for shopping and outside activities as well.

This holiday season, if you see these signs be sure to discuss with your family a plan to act on them. Don't ignore this subject because it is uncomfortable or unfamiliar. Use the time together as a family to bestow on your loved ones possibly the greatest gifts of all— health, safety and happiness!

A Place for Mom BLOG

Our Nation's #1 Long Term Care Priority—Keeping people off of Medicaid through Private Pay Options

Seniors have an overwhelming desire to remain independent, and do not want to become a burden on their family or a ward of the state by entering Medicaid. Unfortunately, the current system to fund long term care has evolved into one that encourages seniors to impoverish themselves and move towards Medicaid as quickly as possible. People do not want to go onto Medicaid, yet consumers lack awareness and are unprepared for how they are going to cover the costs of Home Care, Assisted Living, Skilled Nursing Care, or Hospice.

It is a subject typically ignored until a loved one is in immediate need of care. Statistics show that the majority of people do not understand the various forms of long term care, the different means to pay for it, and most do not plan for long term care until they are hit by a health care crisis. Adding to the crisis is the fact that Baby Boomers are now reaching Social Security and Medicare age 65 at a rate of over 10,000 people a day, and 70% of them will need long term care services before they pass away. In fact, over 10 million people require long term care of some form every year. The writing has been on the wall for years. The Baby Boomer crush coupled with the LTC funding crisis is starting to escalate this issue quickly.

THE BIG DILEMMA??-- The costs of long term care are *increasing every year* and most families do not understand what they will be confronting when it is their time to start paying for care. Too many people wait until they are in the midst of a crisis situation before they start trying to figure out how the world of long term care works. Long term care is a very expensive proposition and families can go broke trying to provide for a loved one. Seniors and their families are already struggling with the costs of everyday living, if you add the costs of long term care to the picture it is a back breaking scenario for most Americans.

Political leaders want to see people remain private pay as long as possible and delay/avoid Medicaid and are looking for alternatives in the private market to pay for long term care. Across the country everyone understand that it is impossible for Medicare and Medicaid to keep pace with the exponentially growing demand for long term care services. "Private Pay" has become the holy grail of funding long term care, and a powerful combination of industry leadership and political action is opening up access for the consumer to new funding options.

Private Pay Funding Options

- VA Aide and Attendance
- SPIA
- Reverse Mortgage
- Loans
- LTCi and Hybrid Plans
- Long Term Care Benefit Plan

We have reached the point that we can no longer ignore the realities of an ever growing population that will require long term care, and the diminishing resources to pay for it. People need to arm themselves with information about their options to fund long term care if they are going to maintain dignity and quality in their lives. Government programs such as Medicare and Medicaid will become more difficult to access and the amount of coverage for long term care will continue to be reduced. Consumers want to be private pay and choose the form and place of care that they want. People want to remain financially independent and in control of their care decisions for as long as possible-- sparing their families financial hardships and preserving their own dignity.

A Place for Mom BLOG

The importance of educating families about funding options for Senior Living and Long Term Care

When a family comes to your community for a tour do you automatically assume that because they are there they can afford it? Do you believe that they have been saving and planning for this day, and are equipped with the knowledge necessary to swiftly move-in? Perhaps once in a while a tour like this happens (we call these tours *Unicorn* tours because they are so rare)—but more often it will be the opposite. Studies show that most families are not planning and avoid the subject of senior care for a loved one until they are confronted with a crisis situation.

Most families don't know the difference between assisted living and a nursing home. The majority of people underestimate the real costs involved, and overestimate their ability to afford the kind of care they want. People confuse Medicare and Medicaid, inaccurately thinking that as a tax payer one of these "will just pay for what we want, when we need it". Not only are most people unaware of what is required to qualify for long term care coverage from either of these entitlement program, but people are even less informed about private pay options.

When do people start planning for the costs of Senior Living and Long Term Care *(Met Life Mature Markets Institute)*

- 13% of people actively plan for how they will live as they grow older and frailer.
- 40% only begin to actively plan following a "near catastrophic" health event.
- 47% must make long term care decisions in a very short period of time, usually while in the hospital.
- 75% exhaust all of their savings and assets while still alive trying to pay for Long Term Care.

What do people know about the costs of Senior Living and Long Term Care *(Met Life Mature Markets Institute)*

- 92% incorrectly estimate the monthly cost of a *nursing home*.
- 72% incorrectly estimate the monthly cost of an *assisted living facility*.
- 45% incorrectly believe "Medigap" covers assisted living costs.
- 52% incorrectly believe Medicare covers assisted living costs.
- 59% incorrectly think Medicare pays for extended nursing home stays.

Lack of planning, knowledge and financial capability are the biggest impediments to turning a tour into a move-in. The good news is that there are numerous resources available to help families overcome financial challenges. The only requirement from staff is to bring up the subject. You don't have to be an expert on financial issues, but by being willing to bring up the subject you will find yourself transformed in the eyes of the family from a sales person to a problem solver. You don't need to have the answers—you just need to help the family explore the questions. Bringing up this subject is not going to lose move-ins, it is going to increase them for your community.

Over the years informational and financial resources have emerged to assist families with senior living and long term care. There are numerous websites such as www.APlaceforMom.com, and professionals such as Certified Senior Care Advisors or Elder Law Attorneys that can help inform families and guide them to the best financial options. Financial tools such as the Veteran's Aide & Attendance Benefit, Senior Living Loans, and Converting life insurance policies into Life Care Funding Plans are three examples of financial options that have become mainstream over the last decade. Many assisted living communities offer these programs and work hard to provide "financial solution" tools for staff to assist families. Unfortunately, too often these solutions are not presented to families because staff is reluctant to bring up the topic of finances.

Staff should take full advantage of these financial programs, as well as educational and advisory resources to help families navigate the difficult path of funding senior care. By bringing this topic up as standard information intended to be helpful for everyone, you don't have to seem like your prying when presenting funding options. 80% of the time *or more*, families will not only appreciate that you have made information available to them-- but they will need these resources to move forward. In today's day and age funding options are not a luxury, they are a necessity for most families and for senior living operators that want to succeed in a challenging and continuously evolving environment.

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AssistedLivingFacilities.org

Life settlement allows life insurance policy owners to use their legal right to convert an in-force life insurance policy to enroll in the Medicaid qualified Benefit Plan, and are able to immediately direct tax-free payments to cover their senior housing and long term care costs.

1) What is a Medicaid qualified Benefit Plan? I understand a Long-term care benefit (like LTC insurance) – but what do you mean when you say Medicaid qualified benefit plan? If a person has life insurance and converts it into a life settlement policy, s/he must spend that money down before qualifying for Medicaid, right? Isn't that true for any LTC policy or assets of the person needing care, I'm just curious why you call it a Medicaid qualified benefit?

Because the policy is sold for its full market value, and the funds are protected in an irrevocable account that is only used to pay for long term care services it is both a Medicaid qualified spend-down and a tax advantaged account.

- Tax Status: In many cases, the proceeds received from converting a life insurance policy insuring the life of a chronically or terminally ill individual into a Long Term Care Benefit Plan will not be subject to U.S. federal income tax. As a general rule, proceeds from the sale of a life insurance policy are subject to U.S. federal income tax; however, the Internal Revenue Code provides special exemptions for sales of life insurance policies insuring the lives of individuals who are terminally ill or chronically ill. In the case of a terminally ill insured, the proceeds from the sale of the policy will not be subject to U.S. federal income tax regardless of how the proceeds are used. And, if the insured is chronically ill, the proceeds will not be subject to U.S. federal income tax so long as they are used solely to pay for qualified long-term care services.
- Medicaid Qualified Spend-Down: According to the Center for Medicare and Medicaid Services (CMS), transferring ownership of a life insurance policy for less than its fair market value would be a violation of Medicaid's asset transfer and look back requirements. A policy can be surrendered for its cash value to be spent down on care or a policy can be sold for its market value and the benefit of that proceeds can be used to pay for long term care as a qualified spend down. The Long Term Care Benefit Plan is a Medicaid qualified spend-down because the policy receives fair market value and the proceeds are only used to pay for long term care services.

2) Life Care Funding is a life settlement company, right? As a life settlement company/provider, do you hold the life insurance policies to maturity and collect the net death benefits? Or do you resell policies to hedge funds or other investors?

We are not a life settlement company. Life Care Funding is a long term care funding company. We do finance the purchase of the life insurance policies and then pay the premiums and hold them until we collect the death benefit. In regulatory terms, we are classified as "funding entity".
The policy transaction is specifically designed to conform to the secondary market regulations that govern life settlement/viaticals, and the Benefit is administered specifically to be a Medicaid qualified spend-down of the asset proceeds. By obtaining the fair market value for the life policy, and then at the direction of the policy owner putting the funds into an irrevocable bank account which can only be administered third-party to pay for Medicaid/Medicare qualified long term care services; the Long Term Care Benefit Plan is a regulated and Medicaid qualified financial vehicle to help cover the costs of long term care.

Converting a life insurance policy into a Long Term Care Benefit Plan provides multiple layers of consumer protections:

- The transfer of ownership of life insurance policies conforms to the rigorous regulatory standards that govern life settlements in each state.
- The irrevocable, FDIC insured Benefit Account is held by a nationally chartered bank & trust company and must conform to federal and state banking regulations.
- Because the account is irrevocable and can only be spent on long term care services, the Benefit Plan payments are administered as a Medicaid qualified spend-down and are tax-free.

3) Once sold, does the life insurance policy owner receive a lump sum payment? Or is the payment made in monthly installments? How is the lump sum payment calculated?

A Long Term Care Benefit Plan is the conversion of an in-force life insurance policy into a funded, irrevocable FDIC insured bank account. The account is set up to make automatic monthly payments directly to long term care provider selected by the account owner. This option extends the time a person would remain private pay and delays their entry onto Medicaid.

Conversion of a life insurance policy into a Long Term Care Benefit Plan is not a long term care insurance policy, a loan, annuity, or any form of hybrid life/LTCi policies. Instead, the Long Term Care Benefit Plan is a private market exchange of a life insurance policy for a pre-paid Benefit Plan. This exchange usually occurs at the time when there is a need for care.

4) When and if the Life Care Funding enrollee dies before all of the Long Term Care Benefit is paid out, the remaining balance is paid to the beneficiary. The beneficiary receives what is left in the LTC benefit account? Is interest calculated?

All Benefit Accounts reserve 5% of the death benefit or $5,000, whichever is the lesser, to provide a funeral benefit payment to the Account's named beneficiary. Should the enrollee pass away with additional funds remaining in their Benefit Account, the remaining balance is paid directly to the enrollee's named beneficiaries. Enrollees and/or their beneficiaries are assured to receive the full Benefit amount even if the client dies before all monthly payments have been made.

5) How does Life Care Funding calculate the sale of the life insurance policy (Fair Price)? I understand it's more than the cash value but less than the death benefit. Can you cite an example? Say the life insurance policy is worth $50K and the death benefit is $250K – how is the life settlement calculated for LTC benefit? Depending on your circumstances, if the owner opts for a life settlement, s/he may have to pay taxes if the cash surrender value of the policy—or the amount of a life settlement—exceeds the premiums paid.

Each case is individually reviewed so there's really no way to predetermine what the benefit will be prior to your application review. The amount paid will be determined by a number of factors including the type of policy you own and other information provided on your application. Historically, conversion values are between 20-65% of face value and the average payout has been close to middle of that range. However, there are some situations where more or less than that range has been paid. There are no up-front costs or obligation for the review of your application or to enroll

The conversion value of a life policy to fund the Long Term Care Benefit is based on an actuarial calculation that factors the face amount (death benefit) of the life insurance policy, annual premium payments and the health care needs of the applicant. Once the conversion value is determined and the enrollment is complete, expenses will be paid monthly to the appropriate health care provider.

NOTE: Benefits are only eligible for direct payments to the health care providers. Payments will not be made directly to enrollee. A Benefit Plan participant will need some form of accepted Senior Care within 3 months from the time of application to qualify. For applicants with a longer time frame, policies should be kept in-force for a future conversion and can be reviewed when need to fund Senior Care has become more immediate.

Seniors lapse or surrender a life insurance policy because they either can no longer afford premium payments or they are preparing for Medicaid eligibility and they abandon the policy because it is an unqualified asset that will count against them. For a policy owner looking for an alternative to abandoning their policy and accessing private-pay dollars for Senior Care; the option to convert their life insurance policy into a Long Term Care Benefit Plan will allow them to realize the true, fair market value of their policy and spend it down in a Medicaid compliant manner. As long as the individual remains private pay they can choose whichever form of long term care they desire and are not constrained to only receive Medicaid covered services.

6) What is the difference between the press release: Multiple States Legislatively Endorse Life Insurance Policy Conversions to pay for Senior Care and the statement in your FAQs - Which states can a policy be converted? A: A life insurance policy owner has the legal property ownership right to convert their policy into a Long Term Care Benefit Plan in every state in America. If all states honor policy conversion in LTC benefit plans, what is the Multiple States Legislature?

The option to convert a policy to pay for long term care is available in all states, and now notification laws are being introduced and passed to make sure people are informed that converting a life insurance policy into a Long Term Care Benefit Plan is an accepted part of a Medicaid spend-down. To qualify as a Medicaid qualified spend-down, this Conversion law calls for a specific Long Term Care Benefit Plan structure to protect the funds and ensure they will only be used for long term care services.

Twelve states have introduced policy conversion consumer disclosure legislation to educate policy owners about the option to sell a life insurance policy to fund a Long Term Care Benefit Plan and remain private pay. It also codifies the Long Term Care Benefit Plan structure that protects the funds and ensures they will only be used to pay for long term care services in: California, Florida, Kentucky, Louisiana, Maine, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Texas, and Washington. Texas was the first to enact this consumer protection legislation into law in June, 2013 and Kentucky enacted the measure in March, 2014.

The point of the new law is to make sure people know they have the legal right in every state to use their life insurance to pay for long term care. The bill ensures that policy owners will be informed of this private pay option by the state government, and that they specifically use a Long Term Care Benefit Plan to protect the funds and make sure that they are only used to pay for the long term care services of their choice.

This new law does two things:

1. Grants authority to the Medicaid department to inform and educate citizens that they can convert life insurance policies into a Medicaid qualified Long Term Care Benefit Plan to remain private pay and choose any form of long term care they want instead of abandoning a policy to go straight onto Medicaid.

2. To qualify, the Long Term Care Benefit Account must be an irrevocable, FDIC insured account that makes payments directly to the care provider; the person must be able to choose the form of care they want; a funeral benefit must be preserved; and if there is any unpaid account balance when the person dies it must go to the designated account beneficiary.

Specific requirements for the Benefit Plan to be Medicaid Qualified (based on the Life Care Funding model):

a) A schedule evidencing the total amount payable, the number of payments and the amount of each payment required to be paid for long term care;
b) All proceeds must be held in an irrevocable state or federally insured account;
c) The lesser of five percent (5%) of the face amount of the life insurance or $5,000 is reserved as death benefit payable to the estate or beneficiary;
d) And, the balance of payments required under the contract unpaid at death of the must be paid to the estate or a named beneficiary.

7) Describe the ideal candidate for life settlement.

Typically, a candidate for a life settlement has a life expectancy between 2-15 years with a life insurance policy death benefit of $1 million and above.

The ideal candidate to enroll in a Long Term Care Benefit Plan would own a life insurance policy of any type (term, universal, whole, group) with a minimum death benefit of $50,000 and a need for long term care services typically within a range of current to 90 days from time of application.

** See attached case study/testimony examples and video links below:

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Should Long Term Care Insurance be on the Endangered Species List?

Less than twenty years ago there were more than 100 major insurance companies selling long term care insurance (LTCi). Today there are less than thirty. Homecare providers stood to be one of the primary recipients of LTCi payments for their services; but the paradox is why just as Baby Boomers started turning 65 at a pace of 10,000 per day, the LTCi market is shrinking instead of “Booming”?

The list of companies that have abandoned the LTCi market is a who’s-who of insurance industry giants: MetLife, Prudential, AIG (American General), Guardian, UNUM, Allianz, and CNA to name just a few. When MetLife announced they would be exiting the market it was a shock equivalent to General Motors announcing that they would no longer be selling automobiles.

Among the challenges that LTCi insurers faced is the simple fact that they sold the product at too low a price in the hunt for market share. Without sufficient premium payments coming in, they could not weather unexpected developments like longer life expectancies than had been predicted requiring the insurers to continue making benefit periods for extended timeframes.

The impact of these challenges has driven major insurers out of the market and forced others wishing to continue offering LTCi to raise rates not only on future sales; but for *existing* policies as well. According to the 2012 LTCi Index, policy premiums have been increasing at an annual rate of 17%. Two of the largest remaining insurers selling LTCi have been forced to make premium rate increases on policies already sold. Over the last five years, John Hancock has raised rates between 40%-80% and Genworth announced increases between 25%-50%. In a statement released by Genworth about the increases, Martin Klein, Genworth's acting CEO said, "We must rebuild value for shareholders."

These realities have had a significant impact on the LTCi market with declining sales and negative headlines such as these:

What's Killing the Long-Term Care Insurance Industry
http://www.forbes.com/sites/howardgleckman/2012/08/29/whats-killing-the-long-term-care-insurance-industry/
The long-term care insurance industry is in big trouble. Consumers aren’t buying. Carriers are dropping out of the market. And those that are staying are raising premiums, cutting discounts, and eliminating products–all of which are discouraging even more consumers from buying.

Long-Term-Care Insurance Gap Hits Seniors
http://online.wsj.com/news/articles/SB10001424127887323475304578501820197828966

The long-term-insurance industry now is shrinking, premiums are soaring and there is no fix in sight. At the same time, government safety-net programs, already under cost-cutting pressure, are bracing for demand from more of the 77 million aging baby boomers.

Costs of Long-Term Care Rise While Payment Options Narrow
http://www.forbes.com/sites/howardgleckman/2013/07/17/costs-of-long-term-care-rise-while-payment options-narrow/ It is a cruel paradox: As the cost of long-term care rises and the number of people needing it grows, traditional options for paying for these supports and services are narrowing. Traditional private long-term care insurance is largely disappearing from the marketplace.

Long-term care insurance policy costs rising http://usatoday30.usatoday.com/money/perfi/insurance/story/2012-03-28/long-term-care-insurance/53838416/1 Just as aging Baby Boomers are realizing they may need long-term care insurance, the marketplace is shrinking, the cost of premiums is soaring, and providers are altering the policies they offer.

New Strategies for Long-Term Care-- Premiums on Policies Keep Climbing. Here's What to Do About It.

http://online.wsj.com/news/article_email/SB10001424052702303755504579208140221838618-lMyQjAxMTAzMDEwMjExNDIyWj

As long-term-care insurance becomes more expensive and harder to get, what are families who want it left to do? Fewer carriers are offering the coverage, which helps pay for future nursing-home, assisted-living and home care. Those that still do are raising premiums on new and longtime policyholders.

Despite these market realities, LTCi can still be a viable option to help people pay for future long term care needs. Although expensive, sales of hybrid policies that offer a combination of life insurance protection that can later be converted to LTCi benefits are on the rise. There are a number of policy options along these lines, but consumers need to fully understand the costs involved, if rates are subject to future increases, what kind of caps or prohibitions on benefits exist, and if the level of benefits would be sufficient to cover long term care expenses years down the road. For people in their peak earning years (ages 30-60) this is certainly an option to consider. Obviously the younger/healthier one is when purchasing these types of policies, the more affordable it will be.

But what about the millions of Baby Boomers and seniors who bought traditional life insurance policies over the last thirty years and require the financial means to pay for long term care services today?

One option that is increasing in use by providers of Homecare services is the conversion of existing life insurance policies into a private market Long Term Care Benefit Plan. Life insurance is legally recognized as personal property of the owner with guaranteed rights to use the policy as a "living benefit" and not just a death benefit. The problem is that far too many life insurance policies owned by seniors will never pay a death benefit because they are allowed to either expire, lapse or are surrendered for cash value. The shame of this situation for the consumer is that the option to convert a life policy into a Long Term Care Benefit Plan while still alive is readily available.

Once a policy is converted by the owner (usually 30-60 days), the enrollee is relieved of any responsibility to pay any more premiums, and the monthly long term care benefit payments start immediately being sent monthly directly to the Homecare company. Every benefit account provides a final expense benefit to help cover funeral expenses, and if the insured should pass away before the benefit amount is exhausted, then any remaining balance is paid to the family or named beneficiary as a final lump sum payment.
Any form of life insurance can qualify for conversion: universal life, whole life, term life, and group life. The benefit plan will pay for all forms of long term care: Homecare, Assisted Living, and Skilled Nursing. For families with the need to pay for long term care, but are unable or unwilling to keep their life insurance policy in-force by maintaining premium payments, Long Term Care Benefit Plan conversion option is a much better choice than abandoning a policy.

Consumers lack preparation and awareness for how they are going to cover the costs of long term care. It is a subject typically ignored until a loved one is in immediate need of care. Families that need long term care are in a particularly difficult position if they have not planned years in advance for how they will cover the monthly cost of care. We need to do all we can today to educate people on how to plan for their long term care futures.

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LCB Journal

Employee absences caused by providing long term care to loved ones costing U.S. businesses $74 billion annually

Long term care is a family business that is costing U.S. businesses a lot of money. Over 42 million Americans (21% of all U.S. households) act as family caregivers every year. Many are employed and must cut back on their hours or leave their jobs entirely. In addition, the vast majority of family caregivers contribute significant hours to the care of loved ones without any compensation. According to the U.S. Bureau of Labor Statistics, businesses lose an average of 2.8 million work days each year due to unplanned absences costing employers nearly $74 billion. In fact, the impact on employment is so significant that 11 percent of workers will take a leave of absence and 10 percent ultimately will quit their jobs.

The ratio between female and male employees who act as a family caregiver is 60/40 with males missing on average 12 work days a year and females missing 33 work days a year. Not only is this a physicals and emotionally draining circumstance, but this reality is a significant drain on personal incomes, family budgets and the U.S. economy. The Congressional Commission on Long Term Care cited in their report that the value of uncompensated care provided by family members ($450 billion) is more than double the amount of actual dollars spent on long term care ($211 billion).

Many families don't even recognize the fact that they have begun taking on the role of being a caregiver. It can be a slippery slope where either people don't recognize, or are unwilling to admit that their loved one needs care and they have become the caregiver. As this process overtakes a family, they feel like they are just "helping out" and saving money by doing it themselves. But, the time and physical commitment it takes to care for a loved one just keeps growing as it eats into work hours and income. This of course can result in the unintended consequence that just at the time that paying for care becomes necessary, the loss of income makes that impossible and pushes the caregiver over the edge of becoming a full-time, unpaid caregiver.

Employers have started to act by offering assistance to employees trying to juggle the demands of being a family caregiver while also being employed. Approximately 33% of large employers have implemented eldercare support programs, such as:

- Access to alternative funding options such as converting life insurance policies into Long Term Care Benefits; VA Aide and Attendance; Reverse Mortgages, etc.
- Benefits such as flextime, telecommuting, and job-sharing
- Programs to provide respite care, adult day services, and caregiver support groups
- Information, referral, and educational programs
- Employee and/or employer funded long-term care insurance.

To help employers estimate their productivity costs for working caregivers, visit: www.eldercarecalculator.com

Long Term Care is a family business because it often requires the participation and active support of one or more family members to help a loved one. Businesses are realizing that they are losing billions of dollars in hard costs and lost productivity. The government is recognizing the financial cost to families, business and tax payers. Now through the growing realization that a variety of funding and innovative care options exist that can help, and the willingness of businesses to institute support programs for families—there may be less burden on families and the U.S. economy.

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What happened to Long Term Care Insurance?

Less than twenty years ago there were more than 100 major insurance companies selling long term care insurance (LTCi). Today there are less than thirty. Homecare providers stood to be one of the primary recipients of LTCi payments for their services; but the paradox is why just as Baby Boomers started turning 65 at a pace of 10,000 per day, the LTCi market is shrinking instead of “Booming”?

The list of companies that have abandoned the LTCi market is a who’s-who of insurance industry giants: MetLife, Prudential, AIG (American General), Guardian, UNUM, Allianz, and CNA to name just a few. When MetLife announced they would be exiting the market it was a shock equivalent to General Motors announcing that they would no longer be selling automobiles. But why would the companies that pioneered LTCi from the beginning abandon the market just as the 72 million Baby Boomers started entering their retirement (and prime long term care planning) years? The reasons given boil down to some simple economic and demographic facts that we were not accounted for in the early years of selling long term care insurance that came back to haunt the insurance industry—and the policy holders.

Among the challenges that LTCi insurers faced is the simple fact that they sold the product at too low a price in the hunt for market share. Without sufficient premium payments coming in, they could not weather unexpected developments like longer life expectancies than had been predicted requiring the insurers to continue making benefit periods for extended timeframes. Also, unlike life insurance which has a high abandonment (lapse) rate, owners of LTCi held onto their policies and kept making premium payments until they could collect their promised benefits. LTCi companies bet wrong when they priced their products by assuming people would live for shorter periods, and that a great many more would abandon their policies before they started collecting benefits.

The impact of these challenges has driven major insurers out of the market and forced others wishing to continue offering LTCi to raise rates not only on future sales; but for *existing* policies as well. According to the 2012 LTCi Index, policy premiums have been increasing at an annual rate of 17%. Two of the largest remaining insurers selling LTCi have been forced to make premium rate increases on policies already sold. Over the last five years, John Hancock has raised rates between 40%-80% and Genworth announced increases between 25%-50%. In a statement released by Genworth about the increases, Martin Klein, Genworth's acting CEO said, "We must rebuild value for shareholders."

In an article written by Dave Lieber for the Fort Worth Star-Telegram, he interviewed Anna Emmons, 75 years of age, who has owned a John Hancock LTCi policy for ten years. These rate increases mean her monthly policy premiums have gone up 64%. If she can’t afford that increase, her choices for the policy going forward include abandoning it after ten years of premium payments or reducing the benefits she originally bought to keep the premiums at a lower level.

Despite these market realities, LTCi can still be a viable option to help people pay for future long term care needs. Although expensive, sales of hybrid policies that offer a combination of life insurance protection that can later be converted to LTCi benefits are on the rise. There are a number of policy options along these lines, but consumers need to fully understand the costs involved, if rates are subject to future increases, what kind of caps or prohibitions on benefits exist, and if the level of benefits would be sufficient to cover long term care expenses years down the road. For people in their peak earning years (ages 30-60) this is certainly an option to consider. Obviously the younger/healthier one is when purchasing these types of policies, the more affordable it will be.

Life Insurance as an alternative long term care funding option

Seniors and their families are already struggling with the costs of everyday living, if you add the costs of long term care to the picture it is a back breaking scenario for most Americans. Statistics show that the majority of people do not understand the various forms of long term care, the different means to pay for it, and most do not plan for long term care until they are hit by a health care crisis. Adding to the crisis is the fact that Baby Boomers are now reaching Social Security and Medicare age 65 at a rate of over 10,000 people a day, and 70% of them will need long term care services before they pass away.

Seniors have an overwhelming desire to remain independent, and do not want to become a burden on their family or a ward of the state by entering Medicaid. Unfortunately, the current system to fund long term care has evolved into one that encourages seniors to impoverish themselves and move towards Medicaid as quickly as possible. New approaches to fund long term care must be encouraged, and converting life insurance policies into a Long Term Care Benefit Plan is an option that has grown into a mainstream and accepted financial solution.

One option many legal and financial advisors are using now is instead of allowing a life insurance policy to lapse or be surrendered, the owner can convert their policy into a Long Term Care Benefit Plan.

For many seniors, they either cannot afford to pay the premiums, or they plan to lapse or surrender their policies to qualify for Medicaid. What they don't realize is that they have the legal right to convert their policies into a Long Term Care Benefit Plan. Converting a policy allows the senior to remain private pay — meaning they are not reliant on public assistance and can choose the form of long-term care that *they* want: Homecare, Assisted Living and Skilled Nursing, Hospice or Memory Care. Because the policy is sold for its full market value, instead of abandoning it for nothing, and the funds are protected in an irrevocable, FDIC insured benefit account that is only used to pay for long term care services; it is a Medicaid qualified spend-down, a VA qualified spend-down and benefit, *and* because the funds are only used for long term care supports and services it is a tax-free monthly benefit.

The Long Term Care Benefit Plan is an accepted form of payment with any provider of Senior Care in the United States. This funding option has been covered in the New York Times, the Wall Street Journal, USA Today, Fox Business News, and on radio programs across the country. Because it is a consumer protection and saves tax payers' money, it has been endorsed by numerous consumer and advocacy groups as well as political leaders across the country.

Florida Health Care Association: *"Due to the Medicaid spend-down path, seniors currently in need of long term care services must either cash surrender or outright abandon their policies. By allowing seniors to use the value of their life insurance policies to pay for much needed long term care services, this approach will give seniors more choice, including whether to receive care at home for a longer period of time or cover their nursing facility care costs if that type of medical care is more appropriate."*

The option to convert a policy to pay for long term care is available in all states, and now consumer notification laws have been introduced in 13 states (to date) to make sure people are informed that converting a life insurance policy into a Long Term Care Benefit Plan is an accepted part of a Medicaid and VA spend-down. To qualify as a Medicaid qualified spend-down, this Conversion law calls for a specific Long Term Care Benefit Plan structure to protect the funds and ensure they will only be used for long term care services.

Seniors have an overwhelming desire to remain independent, and do not want to become a burden on their family or a ward of the state by entering Medicaid. Unfortunately, the current system to fund long term care has evolved into one that encourages seniors to impoverish themselves and move towards Medicaid as quickly as possible. For the wealthy, long term care costs can be absorbed. For the poor and disabled, government subsidized care is available. But what about the majority of middle class Americans that need access to long term care today? New approaches to fund long term care must be encouraged, and converting life insurance policies into a Long Term Care Benefit Plan is an option that has grown into a mainstream and accepted financial solution.

At a time when seniors and their families are struggling with how to afford the high costs of senior care, and state budgets are looking for ways to save money, converting a life insurance policy to pay for long term care instead of abandoning it for nothing in return makes much more sense.

Sources:

- Caregiving in the United States, released by the National Alliance for Caregiving and AARP
- The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, released by MetLife Mature Market Institute and the National Alliance for Caregiving
- Congressional Commission on Long Term Care

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Diversity is growing in Senior Housing and Long Term Care

The recent announcement by Northstar Senior Living (http://www.alfa.org/News/3938/Senior-Living-Creates-New-Homes-for-LGBT-Older-Americans) that they will be opening a new “boutique” community in Palm Springs, CA to cater the LGBT community is another sign that as America ages the need to accommodate diversity in racial, religious and sexual orientation is growing in importance. Equal rights for the LGBT population has brought same sex relationships into the mainstream, and that market seeks out products and services that will cater to them. Also, one in five seniors in America are non-white and at least 10% of the population 65 and older is foreign born, and 10,000 Baby Boomers are turning 65 every day. The need to accommodate this growing diversity is now a major focus of the senior housing and long term care industry.

Diversity is being addressed by the industry in two ways: Homogeneous communities that cater to specific groups such as LGBT, Korean, or Jewish; or heterogeneous communities that are adding cultural elements and sensitivity to their standard offerings such as staff who can speak in native tongues, native menu options, and native cultural events.

It is a natural and understandable tendency for people of shared heritage and lifestyle to want to congregate together. Speaking the same language, eating the same foods, practicing the same religion or valuing the same lifestyle choices certainly makes living under one roof together much more palatable. There are many successful senior housing and long term care providers across the country who cater to specific groups.

In addition, the growth of senior housing and long term care providers to add diversity of services as well as language and sensitivity training is opening up senior housing to groups that would have not considered the option for themselves or a loved one in the past. Many cultures value keeping their elderly at home with the family, and others have as their point of reference what they remember senior housing to be back in their native land. But now these populations are re-considering the many different options available seeking to accommodate the unique needs and values of an ever diversifying population of seniors.

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Eating Lobster in Retirement: How One Firm Helps Seniors Find a Way

Retirement planning is paramount for everyone and especially for families considering senior living options.

Life Care Funding CEO and company co-founder **Chris Orestis** is an expert in the field. Orestis comes from a family with a "big senior living and long-term care background" as he describes it. His family is the largest owner and operator of assisted living communities in Maine.

He recalls back in 2007 talking about the many seniors who had robust life insurance policies, but just let them fade away by not keeping up on payments. His solution was to found Life Care Funding, a firm that buys a life insurance policy from a senior and then aids them in setting up the money from the sale to use for assisted living costs.

For example, if a senior has a $100,000 life insurance policy, Life Care Funding might give them $60,000 for it and take over ownership of the policy. "It's cashing in an asset at its present day value instead of waiting for the $100,000 to go to a beneficiary," Orestis explains. "They are going to sign it over. We'll own the policy, and they're going to get the money today for it."

That money is placed into a long-term care tax-free benefit account, which then makes monthly automatic payments to an assisted living community of choice.

Many families Orestis had talked to in the past had been making premium payments for decades and then seniors just drop them. Often the policies are canceled because "they are expensive and can be more than a car payment," Orestis explained. "They begin to question why they're spending $500 a month on premiums and drop it without realizing that it could be turned into a different kind of savings. It's a lack of knowledge." He noted that a number of states have introduced legislation to mandate that consumers get better disclosure on this feature of a life insurance policy.

The Life Care Funding program is offered in more than 6,000 senior living communities as a financing option, including through many ALFA members.

Orestis and his firm are saying thanks this summer by offering a lobster bake via a random drawing in August for any of Life Care Funding's senior living partners. The winner receives 100 Maine lobsters along with corn, potatoes, French fries and other fixings.

"We are excited to see Life Care Funding recognize the active and quality lifestyles that people enjoy in senior living communities," said **Jaclyn Allmon**, VP of marketing and communication at ALFA.

Eating lobster in retirement doesn't sound too shabby. Orestis offers some financial advice for anyone who aims to dine on lobsters in retirement. If you have life insurance, don't let it go. It's a vehicle that can provide monthly tax-free payments to any sort of care you want – memory care, assisted living, or home care. "As long as you use if for care. You can't use it to go on a world cruise with your family," he said.

If you're young, look at long-term care insurance, he says.

"Really our goal in 2007 was to give seniors another means to afford to remain in private pay and choose the care they want," he said. "We knew that millions of dollars of life insurance policies were being thrown away. We want people to know this option exists and we've helped hundreds move into senior living using this program. We don't charge any fees. We just work with our registered partners.

The company is based in Portland, Maine with offices in New York and Los Angeles. In 2013, it was bought by Resource America, an investment management asset group.

http://www.alfa.org/News/3930/Eating-Lobster-in-Retirement%3A-How-One-Firm-Helps-Seniors-Find-a-Way

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Caregiving takes its toll on employers

You can ease your employee's burden by helping them convert unneeded life insurance policies into senior care benefits

by Patti Goldfarb, Certified Senior Advisor and Chris Orestis, CEO of Life Care Funding

The total estimated cost to employers for all fulltime, employed caregivers is $33.6 billion.[1] The reasons for these costs are due to the toll caregiving takes on employees resulting in:

- Arriving late or leaving early
- Missing work
- Using sick days and vacation days to provide care
- Lower productivity due to job interruptions
- Higher rates of chronic diseases such as depression, heart disease or kidney disease
- Reducing their time at work from fulltime to part-time
- Giving up work entirely

The reason your employees are finding themselves in the position of becoming caregivers is because most people their parent's generation have not been educated about long term care and not given an opportunity to plan for it. Statistics show that the majority of seniors do not understand the various forms of long term care, the different means to pay for it, and most do not plan for long term care until they are hit by a health care crisis. Too many people find themselves in the midst of a crisis situation when they have to start trying to figure out how the world of long term care works. Long term care is a very expensive proposition. Families can go broke trying to provide for a loved one. This is why in many cases parents turn to their families for support and why your employees are finding it so difficult to be as productive as they once were.

To reduce caregiver stress and improve employee productivity, many employers are seeking ways to alleviate the burden placed upon employees by offering long term care insurance. This is a valuable benefit for those who have time to plan. But for the parent who needs care now, something else needs to be available. By converting life insurance policies into a Long Term Care Benefit Plan seniors are able to avoid or delay Medicaid.

Instead of allowing a life insurance policy to lapse or be surrendered because they can no longer afford the premiums or to qualify for Medicaid, the owner can exercise their legal right to convert their policy into a Long Term Care Benefit Plan. This involves the conversion of an in-force life insurance policy into an irrevocable, FDIC-insured Converting a policy allows the senior to remain private pay — meaning they are not reliant on public assistance and can choose the form of long-term care that *they* want: Homecare, Assisted Living and Skilled Nursing, Hospice or Memory Care. Because the policy is sold for its full market value, instead of abandoning it for nothing, and the funds are protected in an irrevocable, FDIC insured benefit account that is only used to pay for long term care services; it is a Medicaid qualified spend-down, a VA qualified spend-down and benefit, *and* because the funds are only used for long term care supports and services it is a tax-free monthly benefit

The Long Term Care Benefit Plan is an accepted form of payment with any provider of Senior Care in the United States. This funding option has been covered in the New York Times, the Wall Street Journal, USA Today, Fox Business News, and on radio programs across the country. Because it is a consumer protection and saves tax payers' money, it has been endorsed by numerous consumer and advocacy groups as well as political leaders across the country.

The option to convert a policy to pay for long term care is available in all states, and now consumer notification laws have been introduced in 13 states (to date) to make sure people are informed that converting a life insurance policy into a Long Term Care Benefit Plan is an accepted part of a Medicaid and VA spend-down. To qualify as a Medicaid qualified spend-down, this Conversion law calls for a specific Long Term Care Benefit Plan structure to protect the funds and ensure they will only be used for long term care services.

[1] The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute® National Alliance for Caregiving, July 2006

For additional information about this program please contact Patti Goldfarb at (201)255-6239

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Bullet: Life Insurance for LTC
http://centerltc.com/bullets/latest/1072.htm
Friday, January 30, 2015

LTC Comment: As the importance of private-pay funding for long-term care grows in the eyes of families and law makers, Chris Orestis shares his ideas for applying life insurance to the problem in today's guest column after the ***news.***

LTC BULLET: LIFE INSURANCE FOR LTC

LTC Comment: For decades qualifying for Medicaid LTC benefits has been an open invitation to terrible financial planning. Only to get those benefits would people do otherwise idiotic things like giving away all their wealth years in advance of needing care. Or setting up a trust with the sole purpose of self-impoverishment. Or buying a half million dollar home just to hide money that would otherwise have been disqualifying.

Disposing of life insurance is another one of the stupid things people have been doing just to get Medicaid to pay for their LTC. Why cash out or lapse? Life insurance with a cash value counts against Medicaid's low countable asset limit. So Medicaid policy encourages people to take the cash value and buy an exempt new car or otherwise shelter the assets. At the age of people likely to want Medicaid to pay for their LTC, few still have term insurance which has no cash value anyway. Still many would lapse term policies, even though they're exempt for Medicaid regardless of benefit amount.

In the following essay, Chris Orestis proposes an alternative to wasting the value of life insurance and dumping the cost of people's LTC on tax payers prematurely. State Medicaid programs and tax payers are likely to favor his solution. Insurance carriers, not so much. Life insurance policies that would otherwise have been cashed out or lapsed that end up paying in full are less profitable. The result could be the future need to recalculate premium rates toward the upside to compensate for this added cost.

So there's room for reasonable people to disagree. But we invite you to read what Mr. Orestis has to say and form your own opinions.

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Life Insurance for Long-Term Care
by Chris Orestis

Introduction

Seniors have an overwhelming desire to remain independent, and do not want to become a burden on their family or a ward of the state by entering Medicaid. Unfortunately, the current system to fund long term care has evolved into one that encourages seniors to impoverish themselves and move towards Medicaid as quickly as possible. For the wealthy, long term care costs can be absorbed. For the poor and disabled, government subsidized care is available. But what about the majority of middle class Americans that need access to long term care today? New approaches to fund long term care must be encouraged, and converting life insurance policies into a Long Term Care Benefit Plan is an option that has grown into a mainstream and accepted financial solution.

Can a massive pool of in-force life insurance policies be part of the solution?

According to the National Association of Insurance Commissioners (NAIC), there is $27.2 trillion of in-force life insurance in the hands of 152 million Americans. Too few of these policy owners understand their legal rights of ownership and do not possess the knowledge of how insurance works. When their original need for a policy has run its course, the vast majority of owners simply walk away from what may be one of the most valuable assets they own—for nothing in return. Life insurance is legally recognized as personal property and the owners have the right to use their assets in a number of ways including converting their policies into tax-exempt Long Term Care Benefit Plans while still alive.

A policy owner's legal right to convert an existing life insurance policy into a long term care benefit plan is not to be confused with a long term care insurance policy, accelerated death benefit (ADB) rider, annuity, a hybrid life/LTCi product, or a loan. This conversion option allows for the private, secondary market exchange of a life insurance policy for a Long Term Care Benefit Plan at the time that care is needed. The benefit plan is a private market long term care funding option and is not issued by a carrier, not restricted to life policies that contain a conversion or accelerated death benefit rider, and conversion options for the owner are not restricted to only the issuing carrier.

A Long Term Care Benefit Plan converts a life insurance policy's death benefit into a "living benefit" that will allow them to remain private pay and choose the form of care that they want. The Long Term Care Benefit Plan pays out the present day value of a policy and protects the funds in an irrevocable, FDIC insured Benefit Account that makes monthly payments directly to the care provider. Because the funds are protected and only used for care, it is a tax-exempt, Medicaid and VA qualified spend-down of an asset that far too many seniors abandon as they move towards long term care.

This option, by design, extends the time a person would remain private pay and delays their entry onto Medicaid. It is a unique, tax-advantaged financial option to pay for care because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no premium payments. Any type of life insurance policy can be used to cover any form of senior care the policy owner wants: Homecare, Assisted Living, Nursing Home, Memory Care, and Hospice.

Legislative Attention turns to Private Pay and the Long Term Care Benefit Plan

States are under tremendous budget pressure to keep pace with exploding demand to cover long term care needs with tax payer money. They are quickly realizing the savings that can be found for their beleaguered budgets by delaying entry onto Medicaid through the use of life insurance policy conversions into Long Term Care Benefit Plans. State legislative leaders across the country are taking action with consumer protection disclosure laws and legislation to encourage consumers to convert their life insurance to pay for long term care as an alternative to abandoning their policies. Policy owners are being encouraged to use their legal right to convert an in-force life insurance policy into a Long Term Care Benefit Plan and direct payments to cover their senior housing and long term care costs.

In 2009, Conning and Company analyzed the emerging use of life insurance policies to pay for long term care as part of their *Strategic Research Series*. In the paper they surmised:

> Both state governments and the long term care industry are working to find a solution to the budgetary threat to Medicaid created as aging Baby Boomers impoverish themselves in order to have the state pay for long term care. What is new is the concerted effort to integrate life insurance policies and long term care providers. This new source of funds represents a potential alignment of long term care providers and state governments.

The next year, the National Conference of Insurance Legislators (NCOIL) understood the implications of billions of dollars of life insurance policies in the hands of seniors being discarded when they unanimously passed the *Life Insurance Consumer Disclosure Model Act* in November, 2010. This consumer protection law requires that life insurance companies inform policy holders above the age of 60, or with a terminal or chronic condition, of approved alternatives to the lapse or surrender of a life insurance policy including "conversion to a Long Term Care Benefit Plan."

From there, consumer protection disclosure legislation specifically endorsing the Long Term Care Benefit Plan has been introduced in the legislatures of twelve states through 2014: CA, FL, KY, LA, MA, MD, ME, NJ, NY, PA, TX, and WA. This consumer protection disclosure bill has now been passed into law in KY and TX.

Conclusion

Long Term Care providers, insurance agents, financial planners and elder law experts are all on the same page with political leaders about this issue. It makes no sense that seniors in need of long term care would abandon life insurance policies when the option to convert those policies into a monthly long term care benefit stream is readily available. The owner of a life insurance policy with an immediate need for senior care services of any form (Homecare, Assisted Living, Memory Care, Nursing Home, Hospice) can now turn a death benefit into a "living benefit" that will keep someone private pay and delay their need for Medicaid.

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Is Health Care Illegal?

In essence, the arguments for and against PPACA boil down to which side of one simple question you are on: Do the needs of the many outweigh those of the individual or do the rights of the individual outweigh the needs of the many?

The Supreme Court of the United States (SCOTUS) wrapped up three days of intense deliberation about the constitutionality of President Obama's Affordable Care Act passed two years ago. Much of the debate centers around the mandate that individuals much purchase health insurance and that companies must make insurance available without exception. Proponents say the mandate will make health insurance more affordable if everyone buys it. Opponents say the exact opposite will occur. Proponents say that for the good of everyone, we need as many people as possible covered by private insurance. Opponents say it is unconstitutional to mandate anyone purchases insurance against their will. But one only needs look to car insurance mandates across the country requiring that the driver of a vehicle also be insured as an example of forcing people to buy insurance. In essence the arguments boil down to which side of one simple question you are on: do the needs of the many outweigh those of the individual or do the rights of the individual outweigh the needs of the many?

One of the opinions expressed by during the SCOTUS deliberations is that we already have a safety net funded by everyone to cover those without insurance whenever someone who cannot afford to pay for healthcare walks into an emergency room. We also have Medicaid to cover the disabled, children, the indigent and seniors requiring long term care. Unfortunately, Medicaid budgets in every state are at their limit and many are underwater. In 2011, the United States spent over $2 trillion on healthcare, and Medicaid covered over $420 billion in payments for long term care services. This massive growth in spending necessitated an 11.1% across the board cut by CMS for all long term care related expenses reimbursed by Medicare and Medicaid in 2012. In the 21st Century economic reality that we now all live in, it is an unsustainable proposition that we can provide massive amounts of healthcare through the government and our tax payer dollars. Government subsidized health care is an important safety net for millions of people, but we are in the midst of a national re-set when it comes to how people will qualify for subsidized care. More and more people are going to be pushed towards private pay in health care and long term care, and although there will be plenty of screaming and shouting, the shift is already underway.

Whether it is a person who relies on the emergency room to receive healthcare or a person who spends down their assets to qualify for Medicaid to cover their long term care costs; they are limiting their choices and options to receive the best possible care, in the best possible environments, and in the best possible timeframes. Private insurance for healthcare and long term care provides more choice and better quality of care for the individual than government/tax payer subsidized care. Use of resources such as employer based or individually purchased health insurance, long term care insurance, and conversion of life insurance policies into long term care "Assurance Benefit" accounts, are private market solutions that are in the best interest of the individual as well as in the best interest of the many. Regardless of the SCOTUS decision scheduled to be issued in June, this is a debate that is more at the beginning than the end.

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2012--Year One of the Silver Tsunami Comes to an End

2011 was a benchmark year for the Baby Boom generation. By the time the clock strikes mid-night and we welcome 2012, almost 4 million Baby Boomers will have turned 65 years of age. During the 365 days of 2011, ten thousand Americans turned 65 each and every day. 2012 is only the second of a twenty year journey where that pace continues annually until it ends with almost 80 million Baby Boomers crossing the threshold of age 65. What other benchmarks occurred in 2011?

- MetLife exited the long term care insurance market, and additional departures from the market are anticipated this year;
- The CLASS Act was enacted and then killed in the midst of a Medicaid funding crisis to pay for costs of long term care across the United States;
- Medicaid spent $427 billion prompting CMS to summarily cut all long term care funding by Medicare and Medicaid across the board 11.1%;
- We saw equity in American homes drop to under 50% for the first time in our nation's history to just under $10 trillion, and by comparison, in-force life insurance now stands at almost $30 trillion;
- NCOIL passed the *Life Insurance Consumer Disclosure Model Law* to attack the massive problem of seniors abandoning life insurance policies because they are unaware of alternative options;
- State legislatures started looking at how converting life insurance policies into long term care benefit plans could save tax payers money by extending the spend down period before Medicaid eligibility;
- The Florida Legislature introduced a first in the Nation consumer protection bill (HB 1055) that provides for conversion of a life insurance policy into a long term care benefit plan as a Medicaid eligibility requirement, use of accelerated death benefits to pay for nursing home (SNF) costs, and mandates the NCOIL *Life Insurance Consumer Disclosure Model Law*.

What we are seeing as we enter 2012, is a growing awareness that this $30 trillion pool of in-force life insurance policies is an asset base of immense proportions and a source for long term care funding solutions. But, the policies are in the hands of owners that for the most part have no understanding of their legal ownership rights and the variety of options available to use their property while still alive. Seniors in particular have been the most vulnerable to lack of information, and therefor disproportionately abandon life insurance policies in their final years. This lack of information coupled with difficulty affording premium payments, disappearance of the original insurable interest when the policy was initiated (the children have grown up and/or lack of spouse), and life insurance ownership counting against Medicaid eligibility all conspire to push seniors to needlessly abandon policies. Consumer protection measures such as the NCOIL Model Law and Florida legislation, long term care funding options such as policy conversions, and education efforts spear headed by the assisted living and nursing home industry will have a major impact in 2012.

This is the year when policy owners will start to come out of the dark in large numbers. As they become better informed about their legal rights of ownership and alternatives to policy abandonment, they will realize that a life insurance policy they are about to discard can be put to much better use helping them pay for long term care. And based on the growing demographic tide, ongoing economic malaise, cuts by the government in Medicare and Medicaid (as well as elimination of programs like CLASS act), and the very challenging marketplace for long term care insurance-- the emergence of another private market funding solution for long term care services comes not a moment too soon.

If 2011 was the year of challenges and a search for solutions; 2012 will be the year of awareness and implementing solutions.

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Letters to the Editor by Chris Orestis

Texans Can Be Self-Reliant for Long-Term Care

The current debate surrounding Medicaid expansion is in full swing. Many Texans rely on Medicaid to pay for long-term care and those numbers keep growing. As part of the Affordable Care Act, the federal government will pay for Medicaid expansion for the first three years, leaving states responsible starting in year four. But, there are alternative ways to realize Medicaid savings. As Baby Boomers age, the number who will rely on Medicaid for long-term care will continue to increase.

A life insurance policy is legally recognized as an asset of the policy owner and it counts against them when qualifying for Medicaid. Individuals who need to pay for long-term care usually abandon their policy because they need to show little or no assets to qualify for Medicaid. What they do not know is that they can convert them into a long-term care benefit plan and remain private pay. In this way, seniors can choose the form of long-term care *they* want — home care, assisted living and skilled nursing or memory care.

Political leaders now realize the cost-saving implications by extending the time a person can privately pay before becoming Medicaid eligible. In fact, Rep. Craig Eiland introduced legislation this year (HB 2383) that would empower the Texas Medicaid Department to start informing Texans of their legal right to make better use of their life insurance asset than just abandoning the policy to spend-down to below the poverty level.

We can help seniors, their families and an over-extended Medicaid system through this consumer protection initiative. Converting life insurance to pay for long-term care is a big win for seniors and their families, providers of long-term care services and for taxpayers across Texas.

Chris Orestis is co-Founder and CEO of Life Care Funding, headquartered in Portland, ME.

Mainers Can Be Self-Reliant for Long-Term Care

The current debate surrounding Medicaid expansion is in full swing. Many Mainers rely on Medicaid to pay for long-term care with more than 200,000 seniors on MaineCare. As part of the Affordable Care Act, the federal government will pay for Medicaid expansion for the first three years, leaving states responsible starting in year four. But, there are alternative ways to realize Medicaid savings. As Baby Boomers age, the number who will rely on Medicaid for long-term care will likely increase.

A life insurance policy is legally recognized as an asset of the policy owner and it counts against them when qualifying for Medicaid. Individuals who need to pay for long-term care usually abandon their policy because they need to show little or no assets to qualify for Medicaid. What they do not know is that they can convert them into a long-term care benefit plan and remain private pay. In this way, seniors can choose the form of long-term care *they* want — home care, assisted living and skilled nursing or memory care.

Political leaders now realize the cost-saving implications by extending the time a person can privately pay before becoming Medicaid eligible. In fact, Sen. Margret Craven introduced legislation this year (LD 1092) that would empower MaineCare to start informing Mainers of their legal right to make better use of their life insurance asset than just abandoning the policy to spend-down to below the poverty level.

We can help seniors, their families and an over-extended Medicaid system through this consumer protection initiative. Converting life insurance to pay for long-term care is a big win for seniors and their families, providers of long-term care services and for taxpayers across Maine.

Chris Orestis is co-Founder and CEO of Life Care Funding, headquartered in Portland, ME.

Short Term Fix doesn't solve Long Term Problem

Nursing homes and the people they serve received a much needed financial boost when $13.1 million of combined state and federal matching funds were released. MaineCare is forced to operate with annual budget deficits (in the $100 million range), and it's the care providers and those they serve who are most threatened. Although this action does not cure the problem—it does provide welcome relief before more nursing homes around the state are forced to close. How to fund the growing demand for long term care services is not a financial problem unique to Maine.

During hearings held by the Congressional Commission on Long Term Care last year in Washington, D.C., the Commission members warned that a system where over 80% of funds are supporting 30% of the users is not sustainable. Commission members unanimously called out for less reliance on tax payer funded programs such as Medicare and Medicaid, and more emphasis on the growth of private pay options to fund long term care costs. For example, in Maine DHHS spends $2.4 billion annually to cover over 30% of our population being served by Medicaid (which pays for 66% of all nursing home costs). At a national level, Medicaid spent $421.1 billion and covered 70% of all nursing home costs in 2013.

It was a smart move to release $4.6 million of surplus Medicaid dollars to receive $8.5 million in matching federal funds. But the long term problem for MaineCare is the fact that there is a persistent budget shortfall of around $100 million. More than any other form of healthcare, nursing homes are asked to do more with less. But as evidenced with the closings of nursing homes in Lubec and Pittsfield, everything has its limits. Short term fixes are welcome, but the bigger problem still looms overhead.

Chris Orestis is co-Founder and CEO of Life Care Funding, headquartered in Portland, ME.

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An Interview with Chris Orestis

Q: We have been watching numerous states introduce legislation about converting life insurance policies to help people pay for long term care before they would go onto Medicaid by enrolling them first in a Long Term Care Benefit Plan. What is a Long Term Care Benefit Plan?

A Long Term Care Benefit Plan is the conversion of an in-force life insurance policy into a pre-funded, irrevocable "Assurance Benefit" Account that is professionally administered with payments made monthly on behalf of the individual receiving care. This option extends the time a person would remain private pay and delays their entry onto Medicaid. The policy transaction is specifically designed to conform to the secondary market regulations that govern life settlement/viaticals, and the Benefit is administered specifically to be a Medicaid qualified spend-down of the asset proceeds. By obtaining the fair market value for the life policy, and then at the direction of the policy owner putting the funds into an irrevocable bank account which can only be administered third-party to pay for Medicaid/Medicare qualified long term care services; the Long Term Care Benefit Plan is a regulated and Medicaid qualified financial vehicle to help cover the costs of long term care.

Q: Is legislation necessary for policy owners to be able to convert their life insurance into a Long Term Care Benefit Plan? What is the goal of this bill now in FL, TX, KY, ME and LA?

The owner of a life insurance policy has the legal property ownership right to convert their policy into a Long Term Care Benefit Plan in every state and no new legislation or regulation is required for a policy owner to access this financial option. The legislation would empower the Medicaid Department to inform policy owners that they have this right as an alternative to lapse or surrender of a policy to go directly onto Medicaid. Because the policy proceeds are locked up in an irrevocable, FDIC insured bank account that can only be administered to pay for the costs of care, the Benefit Plan is a Medicaid qualified spend-down of the life policy asset.

Q: What does the legislation require for a policy conversion to be a Medicaid qualified spend-down?

Key elements of the "Private Option" Long Term Care Benefit Plan include:

- A schedule evidencing the total amount payable, the number of payments and the amount of each payment required to be paid for long term care;
- All proceeds must be held in an irrevocable state or federally insured account;
- The lesser of five percent (5%) of the face amount of the life insurance or $5,000 is reserved as death benefit payable to the estate or beneficiary;
- And, the balance of payments required under the contract unpaid at death of the must be paid to the estate or a named beneficiary.

Q: How is this policy conversion option regulated? What kind of protections are in place for the consumer who enrolls in a Long Term Care Benefit Plan?

Converting a life insurance policy into a Long Term Care Benefit Plan provides multiple layers of consumer protections:

- The transfer of ownership of life insurance policies conforms to the rigorous regulatory standards that govern life settlements in each state.
- The irrevocable, FDIC insured Benefit Account is held by a nationally chartered bank & trust company and must conform to federal and state banking regulations.

- Because the account is irrevocable and can only be spent on long term care services, the Benefit Plan is administered as a Medicaid qualified spend-down.
- Seniors are specifically protected by numerous federal and state elder laws and regulations governing the rights and care of seniors. Elder abuse (both physical and financial) is a serious crime and providers of long term care services are among the most highly regulated and scrutinized entities in the United States.
  - Texas seniors for example are protected by: *§ 102.003 Texas Human Resources Code*

A life insurance policy owner has the legal property ownership right to convert their policy into a Long Term Care Benefit Plan in every state in America.

Q: Does the owner of a life insurance policy get a good value for their policy when converted into a Long Term Care Benefit Plan?

Every year billions of dollars' worth of life insurance policies is needlessly abandoned by seniors seeking Medicaid eligibility. Seniors lapse or surrender a life insurance policy because they either can no longer afford premium payments or they are preparing for Medicaid eligibility and they abandon the policy because it is an unqualified asset that will count against them. For a policy owner looking for an alternative to abandoning their policy and accessing private-pay dollars for long term care, the option to convert their life insurance policy into a Long Term Care Benefit Plan will allow them to procure the true, fair market value of their policy and spend it down in a Medicaid compliant manner. As long as the individual remains private pay they can choose whichever form of long term care they desire: home health, assisted living, or nursing home care and are not constrained to whatever Medicaid reimbursed service they are eligible to receive.

Q: Is this a good option for state Medicaid programs struggling with budget problems?

The Conversion of a life insurance policy into a Long Term Care Benefit Plan delays entry onto Medicaid. Typically, when a life insurance policy owner applies for Medicaid, they will either surrender or lapse the policy to qualify for Medicaid as quickly as possible. But if the same applicants convert their policy for its fair market value to enroll in a Long Term Care Benefit Plan, they will remain private pay and off of Medicaid for months, if not years. By delaying entry onto Medicaid through a Medicaid qualified spend-down of the policy asset, the state will save tax payer dollars. In 2012-2013, Florida State University released an economic impact study analyzing this use of life policy conversions to pay for long term care and determined that approximately $150 million per year would be saved by extending the time a Medicaid applicant would remain private-pay before they became eligible.

Q: Does the Long Term Care Benefit Plan preserve anything for the policy owner's estate?

Anyone who converts their life insurance policy to enroll in a Long Term Care Benefit Plan has the dual estate protection of final expense "funeral" benefit reserve of 5% of the death benefit or $5,000, whichever is the lesser, to provide a funeral benefit payment to the Account's named beneficiary. Also, should the enrollee pass away with additional funds unused funds in their Benefit Account, the remaining balance is paid directly to the enrollee's named beneficiaries. Enrollees and/or their beneficiaries are assured to receive the full Benefit amount even if the client dies before all monthly payments have been made.

Q: What type of life insurance qualifies for conversion into a Long Term Care Benefit Plan? Will this option help most people looking to fund long term care?

Life insurance policies of any type (term, universal, whole, group) from under $100,000 of death benefit value and above, qualifies for conversion into a Long Term Care Benefit Plan. Once the policy has been converted, the enrollee can select any form of long term care they desire: home health, assisted living, or nursing home care. Unlike life or long term care insurance, the Long Term Care Benefit Plan is a unique financial option for seniors because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no premium payments.

Q: Is there a potential conflict of interest or "moral hazard" between the providers of care and the seniors using life insurance policies as a liquid asset to pay for long term care?

When a life insurance policy is converted into a Long Term Care Benefit Plan, there is an immediate alignment of interests between the enrollee, the provider of long term care services, and the tax payer. The enrollee is able to remain private-pay and choose their preferred from of long term care service provider; the long term care service provider would prefer to receive private pay funds for as long as possible; and the tax payers are saving money the longer a senior can remain private pay. The provider of long term care services has no vested interest in the life insurance policy (that would be a conflict of interest and a regulatory violation that would threaten their license) and it is in the interest of the care provider to receive payments for as long a time period as possible. The care provider has a fiduciary and regulatory responsibility to their patient and the question of "moral hazard" does not exist.

Q: What is the typical size of a policy owned by a senior who would look to this option to help fund long term care? What is the potential size of this market?

153 million Americans own $27.2 trillion worth of life insurance. Every year 10 million people receive long term care services in the U.S. Medicaid spent $425 billion on long term care reimbursements in 2011. With such a massive pool of life insurance policies in-force, and 10,000 Baby Boomers turning 65 every day, the size of the senior population that own life insurance policies and are looking for alternative means to pay for long term care is substantial. Life Care Funding has enrolled people with life insurance policies as low as $20,000 of death benefit and the average size policy we work with is $100,000 of death benefit.

Q: Is ownership of a life insurance policy an obstacle to Medicaid eligibility? How many Medicaid applicants might own a policy that would count against them?

The Government Accounting Office (GAO) released a study in 2007 analyzing assets owned by Medicaid applicants and the impact on eligibility. This study determined that 38% of Medicaid applicants owned a life insurance policy that would impact eligibility. For policy owners that have no cash value (term or universal/whole with no built-up value) that keep a life insurance policy and enter Medicaid; their estate would be subject to federally mandated asset recovery action to claw-back what had been spent by Medicaid on care out of the death benefit through probate action.

Q: What determines if a policy would count against a Medicaid applicant?

A life insurance policy is legally recognized as an asset of the policy owner and it counts against them when qualifying for Medicaid. If a policy has anything more than a minimal amount of cash value (usually in the range of $2,000) it must be liquidated and that money spent towards cost of care before the owner will qualify for Medicaid. All Medicaid applications specifically ask if the applicant owns life insurance and full policy details. Failure to disclose and comply is fraud.

Q: What if a policy owner wanted to keep their policy and go onto Medicaid anyway? Couldn't a state just allow a policy owner to go onto Medicaid and keep their policy?

The owner of any form of life insurance is exposed to either Medicaid eligibility or Medicaid asset recovery considerations. A life insurance policy with anything more than a minimal amount of cash value must be surrendered and spent-down on care; conversely, a policy that is kept in-force by a Medicaid recipient is subject to federally mandated asset recovery actions. The rules governing Medicaid eligibility and the treatment of assets are not easily remedied. Facing this dilemma, owners of life insurance policies too often lapse or surrender a policy to qualify for Medicaid as quickly as possible without considering alternatives such as the conversion of their policy into a Long Term Care Benefit Plan which will sustain them as a private pay patient over the course of an extended, Medicaid qualified spend-down.

Q: Is there a potential for stranger originated life insurance (STOLI) to grow in this emerging market to help pay for long term care?

Not likely, stranger-originated life insurance (STOLI) is a market dynamic unique to the traditional, retail life settlement market and has no connection to life insurance policy owners considering Medicaid eligibility. STOLI transactions are oriented towards large life insurance policies with death benefits in excess of $1 million. Policy owners considering Medicaid eligibility and a conversion to a Long Term Care Benefit Plan would not be a candidate for a STOLI policy for two self-evident reasons:

1. The typical size of the policy this population owns is less than $500,000 and on average would be a death benefit of $100,000. The population looking at Medicaid eligibility is not "high net-worth" and would not be a candidate for a STOLI transaction.
2. A candidate for Medicaid eligibility or a policy conversion into a Long Term Care Benefit Plan has an immediate need for care and would not have time to engage in a STOLI transaction or the time to wait through the contestability period to convert their policy into a Long Term Care Benefit Plan.

Q: How is the Long Term Care Benefit Plan administered?

The Benefit Plan is held as an irrevocable account by an FDIC insured, nationally chartered Bank & Trust company, and the monthly benefit is administered third-party by a licensed Benefit Administration company.

1. First, the policy owner voluntarily directs a licensed Provider that the entirety of the proceeds from their policy conversion is moved from an escrow account and into their irrevocable, Benefit Account held by an FDIC insured, Chartered Bank & Trust Company.
2. Second, the enrollee provides specific instructions that the irrevocable account be used only to make monthly payments directly to their choice of long term care provider (home health, assisted living, and nursing home) and monthly payments are administered third-party by a licensed Benefit Administrator to ensure it remains a Medicaid qualified spend-down.

Q: Who are the "winners" from converting a life insurance policy into a Long Term Care Benefit Plan?

There are three clear winners with "Private Market" Policy Conversions:

1. The policy owner and their family win because they are able to obtain the fair market value for their life insurance policy and use the proceeds in a Medicaid qualified spend-down to extend the time they are private pay before going onto government assistance. This financial independence allows a senior to choose the form and setting of long term care they want which gives them choice, dignity and quality of life; and this provides peace of mind and financial relief to the entire family.
2. The provider of long term care services wins because they are operating under extremely thin margins and any private pay dollars they can receive for their services translates to higher quality services for everyone under their care.
3. The state of Texas' Medicaid program and the tax payers all win because the longer a person can remain private pay before becoming Medicaid eligible translates into critical budget/tax savings.

Q: Can you give a couple of examples of families that have used this policy conversion option to help pay for their long term care?

1) An applicant's son called to inquire about converting a life insurance policy they were planning to abandon. His mother was unable to live at home alone any longer and they were looking into Assisted Living but

needed financial help. Their mother owned a $100,000 life insurance policy. He completed a Life Care Funding application and submitted it along with policy information, authorizations and medical records. The family moved their mother into the Assisted Living community she was hoping to reside in with a number of her friends and relatives. Within 30 days, the application was approved and the $2,000 monthly Long Term Care Benefit payments began that same day.

By adding $2,000 a month to what they already had available to pay for her care, instead of moving her into their home and trying to hire home health aides, they were able to keep their mother in the community for over two years.

$35,000 Total Benefit

$2,000 Monthly Benefit

15 Month Benefit Period

$5,000 Funeral Expense Benefit

2) A family was struggling with how they would pay for the costs of moving their mother into an assisted living community. Increasing the pressure was the fact that her son was going to be leaving for Afghanistan within 90 days for a tour of duty with the military. Their mother owned a $95,000 life insurance policy that was going to lapse if they did not immediately make an expensive premium payment. The family was trying to determine what all of their options with the policy might be when the assisted living community suggested that they contact Life Care Funding to discuss options and consider converting the policy into a Long Term Care Benefit plan. Before the policy could lapse, Life Care Funding converted the policy into a Benefit Plan that allowed them to immediately move their mother into the community. There was still time for her son to help her move-in and get settled before he left for Afghanistan later that month.

$39,000 Total Benefit

$2067.50 Monthly Benefit

15 Month Benefit Period

$5,000 Funeral Expense Benefit

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Multiple states introduce laws to stimulate private pay dollars by endorsing the conversion of a life insurance policy into a Long Term Care Benefit Plan

Texas first state to enact life policy conversion law to give seniors more Senior Care choices and save Medicaid Departments and tax payers millions of dollars

Eight major states have introduced ground breaking consumer laws in 2013 to help seniors gain more choice and access to funds to pay for Senior Care services while saving state Medicaid budgets millions of dollars. Among them, Texas is the first state in the nation to enact this law giving the state Medicaid Department authority to notify and educate their citizens that they have the legal right to convert an in-force life insurance policy into a Long Term Care Benefit Plan. This "Policy Conversion" or "Medicaid Life Settlement" option allows a senior to remain private pay longer and delay their need to go onto Medicaid. By remaining private pay, the senior is able to choose the form of long term care they desire including Assisted Living, Private Duty Homecare, Skilled Nursing Home Care, Memory Care, or Hospice.

A Life Care Benefit or Long Term Care Benefit Plan is the conversion of an in-force life insurance policy into a pre-funded, irrevocable Benefit Account that is professionally administered with payments made monthly on behalf of the individual receiving care. It is a unique financial option for seniors because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, it is not a policy loan, and there are no premium payments. Policy owners use their legal right to convert an in-force life insurance policy to enroll in the benefit plan, and are able to immediately direct payments to cover their Senior Care costs.

In addition to Texas, this law has been introduced in California, Florida, Kentucky, Louisiana, Maine, New Jersey, and New York as well as a number of other states still pending for 2013. Florida State University released an economic impact study that estimated Florida's Medicaid budget would save $150 million annually in their state. Upon introduction, AARP of Florida was quoted in testimony before the Senate Banking and Insurance Committee, "I believe it could be a win for Medicaid service recipients, a win for the fiscal soundness for Medicaid, it could be a win for potential beneficiaries under life insurance policies and I think it could be a win for long-term care service providers," said Jack McRay, a spokesman for the Florida AARP.

As highlighted in the Wall Street Journal article of June 17th, "*States Ease use of Life Policies for Elder Care*"; the new Policy Conversion law calls for a specific structure based on the Long Term Care Benefit Plan designed and offered by Life Care Funding. Specifically, the bill accomplishes two primary outcomes:

1. Grants authority to the Medicaid department to inform and educate citizens that they can convert life insurance policies into a Medicaid qualified Long Term Care Benefit Plan to remain private pay and choose any form of long term care they want instead of abandoning a policy to go straight onto Medicaid.

2. To qualify, the Long Term Care Benefit Account must be an irrevocable, FDIC insured account that makes payments directly to the care provider; the person must be able to choose the form of care they want; a funeral benefit must be preserved; and if there is any unpaid account balance when the person dies it must go to the designated account beneficiary.

Chris Orestis, CEO of Life Care Funding explained, "Texas is the first state to enact this important legislation to stimulate more private pay dollars by encouraging the conversion of a life insurance policy into a Long Term Care Benefit Plan. But Texas is not the only state to recognize the importance of making sure that the owners of a life insurance policy are informed of their right to convert their policy as an alternative to abandoning the policy and going directly onto Medicaid. Life Care Funding has testified in Florida, Texas, Louisiana, Maine and New Jersey so far this year about the benefits for seniors converting a policy so that they the will remain private pay longer, and then be able to choose the form of care they want which is in their best interest and it will save tax payers' money."

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Life Care Funding—Fighting for Senior Care Rights

Life Care Funding has been a Senior Care advocate for years fighting to make sure seniors know they have the right to use a life insurance policy to pay for Elder Care services

Life Care Funding was founded with the sole purpose of helping seniors remain financially independent so they can choose the form and setting of Senior Care they want. Whether it is Private-Duty Homecare, Assisted Living, Nursing Home Care, Memory Care, or Hospice Care; seniors have the legal right to convert a life insurance policy into a Life Care Benefit Plan to cover the costs of any form of care they want.

For years, seniors have needlessly abandoned life insurance policies in the final years of their lives because they either can no longer afford the premium payments and/or they are looking at eventually qualifying for Medicaid. Life insurance is a dis-qualifying asset for Medicaid eligibility which must either be surrendered or it is subject to probate recovery action by the state to claw back funds spent on care out of an eventual death benefit. 88% of life insurance policies will either lapse or be surrendered before ever paying out a death benefit.

It is the legal right of every life insurance policy owner to convert their life insurance into a Benefit Plan to pay for Senior Care. The Supreme Court ruled over 100 years ago that life insurance is personal property and the owner has the same property ownership rights with a policy as they do a home or any other asset. A homeowner would not abandon their home for nothing in return and the owner of a life insurance policy does not need to either. A policy owner has numerous guaranteed rights for the use of their policy including changing the beneficiary, using it as collateral, selling it, or converting the policy into a Long Term Care Benefit.

Life Insurance policy owners have been in the dark for years that a policy can be sold and converted to pay for Senior Care. Life Care Funding clearly saw this unfair lack of information for seniors and launched the Life Care Benefit in response. Our mission is to give seniors an alternative to lapsing or surrendering a policy and going straight onto Medicaid. Seniors don't want to become a ward of the state and go onto Medicaid. We knew we could help seniors in a time of difficulty maintain financial independence and dignity when it comes to making Elder Care decisions. We also knew that by delaying the time before a person would go onto Medicaid, we would be helping tax payers save money and states struggling with ballooning Medicaid budgets

In 2010, the National Conference of Insurance Legislators (NCOIL) unanimously passed the Life Insurance Consumer Disclosure Model Law endorsing the conversion of a life insurance policy into a Long Term Care Benefit Plan. This national body of state legislative leaders instituted a consumer protection law to help seniors who abandon billions of dollars' worth of life insurance receive information about their legal rights with a policy and that they can convert a life policy into a Long Term Care Benefit.

By 2013, as many as 10 states had legislatively endorsed the conversion of a life insurance policy through a "Medicaid Life Settlement" into a Life Care Benefit or Long Term Care Benefit Plan. The goal of this new law is to make sure consumers are informed of their legal right to convert policies to pay for Senior Care by mandating that Medicaid department notify and educate citizens. The law also endorses a specific Long Term Care Benefit Plan structure based on Life Care Funding's irrevocable; FDIC insured Benefit Plan to protect the seniors' money and make sure it is only spent on Senior Care.

In June 2013, Texas was the first state in the nation to pass this law endorsing "Medicaid Life Settlements" converting life insurance into a Medicaid qualified Long Term Care Benefit Plan. The enactment of this new consumer protection law prompted Moody's Investor Service to issue a "credit negative" rating in their most recent *Moody's Credit Outlook Report* (June, 2013) analyzing the financial implications of current events.

According to the Moody's report: *The law is credit negative for life insurance companies because the state's endorsement and potential expansion of life settlements will pressure life insurers' profitability as life settlements keep in force policies that would otherwise have been surrendered. This will result in life insurers ultimately paying death benefits to investors instead of a much smaller surrender value amount to policyholders. With similar bills in seven other states pending, an expansion of life settlements on a large scale would produce fewer lapses and more covered deaths than life insurers originally priced for, hurting their profitability.*

According to the Wall Street Journal article, *States Ease Use of Life Policies to Pay for Elder Care* (June 17, 2013): *State lawmakers are encouraging elderly residents to use life insurance as a way to pay for long-term care—and lower the Medicaid tab in the process. Texas Gov. Rick Perry signed a law that gives state Medicaid officials the authority to tell people applying for help they can sell long-held life-insurance policies to a third party to pay for custodial health care of their choice. Those who do so would remain eligible for Medicaid when those funds run out. The states hope to stop people from dropping their life-insurance policies in order to qualify for Medicaid. To keep policy owners from spending settlements frivolously, the bills generally require that the money go straight to an irrevocable bank account used solely to pay for long-term care. In most cases, there is nothing to prevent life-insurance owners from selling their policies now to pay for long-term care, but the new laws will help publicize and regulate the strategy.* ***"This focuses on middle-class policyholders with coverage worth $100,000 on average," said Chris Orestis, chief executive of Life Care Funding LLC of Portland, Maine. "They're not wealthy enough to pay for long-term care for a long time, and they're not poor enough to qualify for Medicaid right away."***

Life Care Funding CEO spoke more about the importance of informing seniors of their legal right to convert a life policy to pay for Senior Care in a follow up Wall Street Journal article, *New State Law Threatens Insurers* (June 27, 2013): ***"Seniors have been abandoning policies needlessly, and the insurance companies have been benefiting at the expense of the policy owners and taxpayers who have been picking up the tab with Medicaid to cover long-term-care costs," says Chris Orestis, chief executive of Life Care Funding of Portland, Maine. "Now that the word is really starting to spread, more seniors will understand they have this option to help them, and it is a much better option than abandoning their life policies to go on to Medicaid," he adds.***

Legislative action taken up by national groups like NCOIL and introduced as laws in states across the country, national media attention from news outlets such as the Wall Street Journal, and the most recent Moody's negative credit rating report all point to an important new dynamic: less and less policies will be lapsed or surrendered as seniors and their families learn that life insurance policies they have been abandoning for decades could instead be converted into a Benefit to pay for Senior Care and delay their need to go onto Medicaid. More and more seniors who have paid premiums for years will learn that they have always had the right to convert a *death benefit* into a *living benefit* so that they can use the policy's present day value to help pay for Senior Care expenses. This means less policies will be abandoned, but what might be lost in insurance profits will be more than made up for by a true public good for seniors and their families struggling with the costs of Senior Care, as well as the millions of dollars in annual savings for tax payers and relief for overly burdened state Medicaid budgets. Over time the insurance industry will embrace the rights of policy owners to decide for themselves the best use of an asset they have been paying for over many years and help them to better understand the hidden value of a life insurance policy as a Benefit to pay for Senior Care. In the meantime, Life Care Funding will continue to fight to make sure that consumers are educated about their rights as a life insurance policy owner; we will continue to tell this story in the press; we will continue to work at the grassroots level with advisors and providers of Senior Care services; we will continue to work with law makers to enact consumer protection laws across the United States; and Life Care Funding will continue to work with seniors and their families day-in and day-out to help them pay for the costs of Senior Care.

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It's Your Legal Right: Convert Your Life Insurance Policy to Pay for Senior Care

Millions of seniors across the country needlessly abandon their life insurance policies as they begin planning for Senior Care. For many, they either cannot afford to pay the premiums or they plan to lapse or surrender their policies to qualify for Medicaid. What they don't realize is that they have the legal right to convert their policies into a Life Care Benefit Plan.

Converting a policy allows the senior to remain private pay — meaning they are not reliant on public assistance and can choose the form of care that *they* want: home care (Private Duty/Non-Medical and Skilled Medical), assisted living, skilled nursing, memory care, and hospice. At a time when seniors and their families are struggling with how to afford the high costs of senior care, and state budgets are looking for ways to save money, converting a life insurance policy to pay for long term care instead of abandoning it for nothing in return makes much more sense.

The Life Care Benefit Plan and Medicaid

A Life Care Benefit Plan is a tangible asset to pay for Senior Care and is created by selling a life insurance policy for its market value — it is not a long-term care insurance policy or a policy loan. The Benefit Plan is a unique financial option for seniors because there are no waiting periods, no care limitations, and there are no costs or obligations to apply. Additionally, seniors are no longer responsible for premium payments. A policy owner is legally authorized to enroll in the Benefit Plan and this immediately enables them to direct monthly payments to the coverage of their choice of Homecare, Senior Housing, or Long Term Care costs.

The Life Care Benefit is considered a "qualified spend- down" of a life insurance policy asset for Medicaid eligibility. A life insurance policy is legally recognized as an asset of the policy owner and it counts against them when qualifying for Medicaid. If a policy has anything more than a minimal amount of cash value (usually in the range of $2,000) it must be liquidated. That money is then allocated for the cost of care before the owner will qualify for Medicaid. Medicaid requires applicants to disclose whether they own a life insurance policy and, if so, to provide full policy details. Failure to disclose and comply will disqualify a Medicaid applicant.

Any type of life insurance policy can be converted to pay for any form of Senior Care

The policy care conversion option applies to any form of life insurance policy including universal, whole, term and group.

The value of the conversion is based solely on the death benefit, meaning the senior will receive a maximum amount of value toward their Long Term Care Benefit Plan. The benefit plan is an irrevocable, FDIC insured benefit account administered by a third-party ensuring the funds are protected for the recipient of care. The Benefit Plan also features the added protection of providing a final expense benefit to help cover funeral expenses. Lastly, if the insured should pass away before the benefit amount is exhausted, any remaining balance is paid to the family or named beneficiary as a final lump sum payment.

"Since 2007, Life Care Funding has been converting life insurance policies to help families pay for Senior Care across the United States", explained Chris Orestis, CEO of the company that created this funding option for seniors, "and for example we worked with a family whose father owned a $250,000 term life policy he was going to let lapse. Instead we converted it into a $150,000 Life Care Benefit that allowed their father to remain at home receiving professional Homecare for the rest of his life-- and avoided ever having to go onto Medicaid or move into a nursing home."

Today, assisted living communities, nursing homes and home health companies across the country accept this funding method. They have embraced this concept because it allows them to quickly help families who need financial assistance without the added steps and approvals that may come with Medicaid. Political leaders have also begun to realize the cost-saving implications by extending the time a person can privately pay before becoming Medicaid eligible through this conversion option.

Converting life insurance to pay for Senior Care is a big win for seniors and their families, providers of elder care services and for the tax payer of every state in the country.

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State Laws and Government Agencies endorse converting life insurance policies to pay for Long Term Care

Introduction

Over the last four years there has been growing public awareness and endorsements by governmental bodies that life insurance policies are assets the owners can use to pay for long term care. Homecare companies, assisted living communities, nursing homes and geriatric care providers have been on the frontlines with seniors educating them that this option is available. NCOIL's 2010 model disclosure law became the basis for legislation that spread across the country to ensure policy owners are informed of their legal rights to "convert a life insurance policy into a Long Term Care Benefit Plan". The concept that seniors can sell a life insurance policy they already own to fund a dedicated Benefit Plan that will keep them off of Medicaid has proven too powerful for state governments to ignore, and now the Federal government is paying attention as well. The Long Term Care Commission has studied this option as part of their deliberations and Medicare has added a page to their website (www.Medicare.gov) to inform people that, *"You might be able to sell the life insurance policy for present value. The money from the sale can be used to pay for your long-term care needs. If you don't qualify for long-term care insurance, this may be an option to pay for your long-term care needs."*

2013 a "Watershed" Year

In 2013, nine states (California, Florida, Kentucky, Louisiana, Maine, Massachusetts, New Jersey, New York and Texas) introduced legislation endorsing the conversion of a life insurance policy into a Long Term Care Benefit Plan as a way to encourage more use of private pay dollars for Homecare, Assisted Living and Skilled Nursing and delay or even eliminate the need for Medicaid. Among these states, Texas is the first state in the nation to enact this legislation into law.

What does this mean? It means that states are now passing laws endorsing "Medicaid Life Settlements" as a means to pay for long term care services because they are realizing the importance of unlocking the hidden value in life insurance policies before the owner allows it to lapse or surrender. The option to convert a policy to pay for long term care is available in all states, and now these notification laws are being introduced and passed to make sure people are informed by their Medicaid Departments that this program is an accepted part of a Medicaid spend-down.

The new law does two things:

3. Grants authority to the Medicaid department to inform and educate citizens that they already have the legal right to convert life insurance policies into a Medicaid qualified Long Term Care Benefit Plan to remain private pay, and can choose any form of long term care they want instead of abandoning a policy to go straight onto Medicaid.

4. To qualify, the Long Term Care Benefit Account must be an irrevocable, FDIC insured account that makes payments directly to the care provider; the person must be able to choose the form of care they want; a funeral benefit must be preserved; and if there is any unpaid account balance when the person dies it must go to the designated account beneficiary.

Policy Conversion Bills introduced (as of November, 2013):

- **CA- SB 214**
- **FL- HB 535**
- **KY- HB 314**
- **LA- HB 545**
- **MA- SB1909**
- **ME- LD 1092**
- **NJ- A 4168**
- **NY- A 7952**
- **TX- HB 2383 (enacted into law)**

Wall Street Journal – June 16, 2013: *State lawmakers are encouraging elderly residents to use life insurance as a way to pay for long-term care—and lower the Medicaid tab in the process. The strategy marks a tacit endorsement of life settlements, a practice in which policyholders sell their policies at a discount in the secondary market and the buyer takes over premiums and consequently collects the death benefit. States hope to stop people from dropping their life-insurance policies in order to qualify for Medicaid. To keep policy owners from spending settlements frivolously, the bills generally require that the money go straight to an irrevocable bank account used solely to pay for long-term care. "This focuses on middle-class policyholders," said Chris Orestis, CEO of Life Care Funding. "They're not wealthy enough to pay for long-term care for a long period of time, and they're not poor enough to qualify for Medicaid right away."*

Compelling Numbers

According to the most recent National Association of Insurance Commissioners (NAIC) Annual Report, there is almost $28 trillion of in-force life insurance policies in the United States. Unfortunately, billions of dollars' worth of these policies will be abandoned by seniors who are navigating a Medicaid spend-down path. Life insurance is a dis-qualifying asset for Medicaid eligibility, and according to a 2007 GAO study 38% of Medicaid applicants own a policy inside the look back period that had to be lapsed or surrendered to qualify. State regulatory bodies such as the National Council of Insurance Legislators (NCOIL) have led the way by passing a model disclosure law to mandate policy owners are made aware of their legal right to convert the use of a life insurance policy death benefit into a living benefit that can be used to pay for any form of Senior Care service. In January 2013, Florida State University Center for Economic Forecasting and Analysis released a study analyzing tax dollar savings of policy conversions to pay for Long Term Care "scored" at $150 million annually *(Florida State University Center for Economic Forecasting and Analysis, Scoring Medicaid Savings of HB 1055: Conversion of Life Insurance Policies to Long Term Care Benefit Plans in Florida, published January, 2012).*

Florida AARP spokesman, Jack McRay: *I believe it could be a win for Medicaid service recipients, a win for the fiscal soundness for Medicaid, it could be a win for potential beneficiaries under life insurance policies and I think it could be a win for long-term care service providers.*

Long Term Care Funding Crisis

Medicaid continues to be the second biggest budget item (behind education) in every state and adding to the pressure is the fact that 10,000 Baby Boomers are turning 65 every day. Demographic and economic pressures almost doubled Medicaid expenditures from 2009 to 2011. In Washington, D.C. and every state capitol, Medicaid spending is one of the biggest issues policy makers are trying to handle.

During hearings held this year by the Congressional Commission on Long Term Care in Washington, DC; panel member's assessed the financial crisis facing the country and seniors in need of care:

"Medicare and Medicaid have become the major source of long-term care, and cannot continue at the current pace," said G. William Hoagland of the Bipartisan Policy Center. Americans should be encouraged to increase their retirement savings so that these programs are relied on as a last resort.

In addition, using long-term care insurance to pay expenses is not an option for many Americans, as premiums rise and companies that can't make a profit leave the market, said Marc Cohen, an industry consultant. Most of the long-term care policies available are sold by only 12 insurers, he said.

"We know that 70 percent of people over the age 65 will need some form of long-term services and support," said Dr. Bruce Chernof, the Commission's chairman. Although government programs provide a significant portion of long-term care, none offer the full range of services people need, said Kirsten Colello, a health and aging policy specialist at the Congressional Research Service.

"The fact is that each of us will need these services and supports at some point in our lifetimes," said Sen. Jay Rockefeller. "The question is whether most Americans can afford to pay for them."

Florida Health Care Association: *Due to the Medicaid spend-down path, seniors currently in need of long term care services must either cash surrender or outright abandon their policies. By allowing seniors to use the value of their life insurance policies to pay for much needed long term care services, this approach will give seniors more choice, including whether to receive care at home for a longer period of time or cover their nursing facility care costs if that type of medical care is more appropriate.*

What is a Long Term Care Benefit Plan?

As the public, long term care service providers and political leaders embrace the conversion of life insurance policies into a Long Term Care Benefit Plan, it is important to understand the unique nature of this financial vehicle. A Long Term Care Benefit Plan is the conversion of an in-force life insurance policy into a pre-funded, irrevocable Benefit Account that is professionally administered with payments made monthly on behalf of the individual receiving care. Any type of life insurance policy (term, whole, universal, group) death benefit can be converted into a living benefit that will cover the costs of Senior Care of any form (Homecare, Assisted Living, Nursing Home, Memory Care, or Hospice). The policy transaction conforms to the secondary market regulations that govern life settlement/viaticals, and the Benefit is administered specifically to be a Medicaid qualified spend-down of the asset proceeds. By protecting the funds in an irrevocable bank account which can only be administered third-party to pay for long term care services; the Long Term Care Benefit Plan is a regulated and Medicaid qualified financial vehicle to help cover the costs of long term care.

Inherent in the structure of the Long Term Care Benefit Plan are multiple layers of consumer protections:

- The transfer of ownership of life insurance policies conforms to the rigorous regulatory standards that govern life settlements in each state.
- The irrevocable, FDIC insured Benefit Account is held by a nationally chartered bank & trust company and must conform to federal and state banking regulations.
- Because the account is irrevocable and can only be spent on long term care services, the Benefit Plan is administered as a Medicaid qualified spend-down.

"One of the biggest challenges families face when moving into a long term care facility is the monthly expenses," said Ron Aylor, Senior Vice President at Brookdale Senior Living. "Most people do not realize that a life insurance policy can be used to pay for these expenses,"

Consumer Rights = Consumer Choice

Despite all of the legislative support and press attention being paid to this issue, the vast majority of policy owners across this country are unaware of this option and they abandon policies needlessly every day. Until this year, families using the Long Term Care Benefit Plan to help pay for Senior Care accessed this option through a Homecare company, an Assisted Living community or a Nursing Home. Now, as awareness about this option has become more mainstream, licensed agents and advisors such as elder-law attorneys are now offering this option to their clients. They understand that seniors often walk away from a life insurance policy because they cannot afford to continue the premium payments or they surrender it to qualify for Medicaid. As an alternative, policy owners are now being educated that they should not abandon their life insurance because the same policy can instead be sold for 25%-65% of the face value with the funds placed in a protected account that will preserve their money and make monthly payments towards their chosen form of Senior Care.

At a time when families are struggling with the costs of long term care and the nation is looking for private market solutions to this growing crisis; it is no longer possible to ignore billions of dollars in death benefit value owned by seniors that can be used as a private pay option for long term care services.

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Long Term Care Insurance and Life Care Funding Policy Conversions:

A Perfect Private Pay Marriage

Senior Care can be an expensive proposition. Studies have shown that 70% of people over the age of 65 will need some form of long term care in their lifetime—and 40% of those people will require care in a nursing home. Medicare will cover the first 100 days of rehabilitation care in a nursing home for a person discharged directly from a hospital. Medicaid is a means-based program which requires that applicants are below the poverty line to qualify.

A person on Medicare or Medicaid does not have much choice about care options. Assisted Living is not covered and neither are most forms of Homecare. To remain in control and able to choose the form and place one would receive senior care, it is necessary to be financially independent. When a person is "private pay", it means they are using their own funds to pay for care instead of relying on tax payer funded government assistance.

One of the longest standing forms of private pay is long term care insurance. Policies covering future senior care needs have been sold since the 1970's. There is a wide variety of policies available both for individuals and employees of companies. Typically, the younger and healthier a person is when they buy a policy, the more options they will have and the lower the premium payments will be.

In recent years, there has been growing use of converting life insurance policies into Long Term Care Benefit Plans. These Plans are not long term care insurance nor a policy loan. It is actually the sale of a life insurance policy, instead of lapse of surrender, to fund an irrevocable, FDIC-insured Benefit Account that protects the money and makes monthly, automatic payments directly to the care provider. The Benefit Plan is a Medicaid qualified spend-down that allows the owner to choose any form of senior care they want.

For the young making responsible plan for the future, adding a long term care insurance policy to your financial picture is a wise move. For people with an immediate need for care, converting an unneeded life insurance policy into a Long Term Care Benefit Plan make much more sense than abandoning a policy that has received premium payments for years.

In fact, both strategies work very well together. If a person is young and healthy enough to qualify for a long term care insurance policy they would not be a candidate for a Long Term Care Benefit Plan. If a person qualifies to convert their life insurance into a Long Term Care Benefit Plan, than they would not qualify to buy long term care insurance. And for those people that own long term care insurance and life insurance? They could use both of these options simultaneously. A person that desires additional senior care benefits beyond what is provided by their long term care insurance policy can convert a life policy into a Long Term Care Benefit Plan. The Benefit Plan will increase their monthly funds allowing them to add additional services, for example, such as home health aides in whatever setting they are receiving care, or to make home care related improvements such as building a ramp, purchasing a specialty bed or adding safety features to a bathroom.

In the world of senior care, it is best to have as many options and resources available as possible. The Long Term Care Benefit Plan and long term care insurance can be used together in a versatile fashion to fill in financial gaps and enhance care. One is ideal when planning for the future and one is ideal to address an immediate need for care. Those that can take advantage of each to pay for their senior care needs are benefiting from the best of both worlds.

When Medicaid was created on July 30th, 1965, the entire GDP of the United States was $791.1 billion, and no one could have predicted that by 2013 the U.S. would spend over $2 trillion on health care in a single year. Today, Social Security, Medicare and Medicaid are all in the red and creating havoc for government budgets at the federal and state levels. According to the Chairman of the Federal Reserve, this has become the number one concern about the future of the U.S. economy.

State budgets have been impacted particularly hard by shrinking tax dollars and growing Medicaid enrollment brought on by the economic crisis and an aging population. Over 10 million Americans now require long term care annually and Medicaid is the primary source of coverage. According to the Kaiser Family Foundation, Medicaid spent $427 billion in 2011, almost doubling since spending $240 billion in 2009. With 10,000 Baby Boomers turning 65 every day for the next twenty years; the United States has officially crossed the tipping point into the long feared era of the "long term care funding crisis". New approaches to fund long term care must be encouraged, and converting life insurance policies into a Long Term Care Benefit Plan is an option that has grown into a mainstream and accepted financial solution.

According to the NAIC, there is $27.2 trillion of in-force life insurance in the hands of 152 million Americans. Too few of these policy owners' understand their legal rights of ownership and do not possess the knowledge of how insurance works. When their original need for a policy has run its course, the vast majority of owners simply walk away from what may be one of the most valuable assets they own—for nothing in return. Life insurance is legally recognized as personal property and the owner has the right to use their asset in a number of ways including converting the policy to a long term care benefit plan while still alive.

In 2009, Conning and Company analyzed the emerging use of life insurance policies to pay for long term care as part of their *Strategic Research Series*. In the paper they surmised, *"Both state governments and the long term care industry are working to find a solution to the budgetary threat to Medicaid created as aging Baby Boomers impoverish themselves in order to have the state pay for long term care. What is new is the concerted effort to integrate life insurance policies and long term care providers. This new source of funds represents a potential alignment of long term care providers and state governments".*

In 2014, Conning and Company released a follow up study focusing on the growing market for using life insurance policies to pay for long term care. In this paper they cited Life Care Funding as the acknowledged pioneer of this approach: *"Life Care Funding has been pioneering the use of life settlements in the long-term care market for several years. That effort appears to have paid off. One indication of how the partnership between a life settlement group and the assisted living company can work is seen in Emeritus Senior Living, a major assisted living care company. Its website explains how life insurance can help fund the cost of care."*

States are under tremendous budget pressure to keep pace with exploding demand to cover long term care needs with tax payer money. They are quickly realizing the savings that can be found for their beleaguered budgets by delaying entry onto Medicaid through the use of life insurance policy conversions into Long Term Care Benefit Plans. State legislative leaders across the country are taking action with consumer protection disclosure laws and legislation to encourage consumers to convert their life insurance to pay for long term care as an alternative to abandoning their policies. Policy owners are being encouraged to use their legal right to convert an in-force life insurance policy into a Long Term Care Benefit Plan and direct payments to cover their senior housing and long term care costs.

The vast majority of long term care is paid for by Medicaid. To qualify, the applicant must meet asset and income limits that would put them below the poverty line. A standard practice is to "spend-down" assets to meet these limits. For owners of a life insurance policy, they will often lapse or surrender their policy so that it will not either count against them as an asset, or expose their heirs to asset recover action by the state to claw back the death benefit. But there is a better option for seniors that own a life policy than just abandoning an asset that they had made payments on for years.

A Long Term Care Benefit Plan converts a life insurance policy's death benefit into a "living benefit" that will allow them to remain private pay and choose the form of care that they want. The Long Term Care Benefit Plan pays out the present day value of a policy and protects the funds in an irrevocable, FDIC insured Benefit Account that makes monthly payments directly to the care provider. Because the funds are protected and only used for care, it is a tax advantaged, Medicaid qualified spend-down of an asset that far too many seniors abandon as they move towards long term care.

The National Conference of Insurance Legislators (NCOIL) understood the implications of billions of dollars of life insurance policies in the hands of seniors being discarded when they unanimously passed the *Life Insurance Consumer Disclosure Model Act* in November, 2010. This consumer protection law requires that life insurance companies inform policy holders above the age of 60, or with a terminal or chronic condition, of approved alternatives to the lapse or surrender of a life insurance policy including "conversion to a Long Term Care Benefit Plan".

The Supreme Court case of *Grigsby v. Russell* (1911) established a life insurance policy owner's right to transfer or convert the use of an insurance policy. This ruling placed the ownership rights in a life insurance policy on the same legal footing as more traditional investment property such as real estate, stocks and bonds. As with these other types of personal property, a life insurance policy is an asset and can be converted to another use or transferred at the discretion of the policy owner.

A policy owner's legal right to convert an existing life insurance policy into a long term care benefit plan is not to be confused with a long term care insurance policy, accelerated death benefit (ADB) rider, annuity, a hybrid life/LTCi product, or a loan. This conversion option allows for the private, secondary market exchange of a life insurance policy for a long term care benefit plan at the time that care is needed. The benefit plan is a private market long term care funding option and is not issued by a carrier, not restricted to life policies that contain a conversion or accelerated death benefit rider, and conversion options for the owner are not restricted to only the issuing carrier.

The Long Term Care Benefit Plan concept first emerged in 2007. Since then, this form of funding for long term care has been embraced by the long term care industry, the press and political leaders across the country. All Homecare, Assisted Living and Nursing Home companies now accept this form of payment; and the emergence of this funding option has been covered in the Wall Street Journal, New York Times, Kiplinger's, and numerous industry trade publications; on CBS, FOX, PBS and Bloomberg radio programs among others. Legislation specifically endorsing the Long Term Care Benefit Plan concept has been introduced in the state legislatures of twelve states as of March, 2014: CA, FL, KY, LA, MA, MD, ME, NJ, NY, PA, and WA. This consumer protection disclosure bill was passed into law in TX and KY.

Long Term Care providers, insurance agents, financial planners and elder law experts are all on the same page with political leaders about this issue. It makes no sense that seniors in need of long term care would abandon life insurance policies when the option to convert those policies into a monthly long term care benefit stream is readily available. The owner of a life insurance policy with an immediate need for senior care services of any form (Homecare, Assisted Living, Memory Care, Nursing Home, Hospice) can turn a death benefit into a "living benefit" that will keep someone private pay and delay their need for Medicaid.

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The importance of private pay funding for Long Term Care grows in the eyes of families and law makers

Introduction

Seniors have an overwhelming desire to remain independent, and do not want to become a burden on their family or a ward of the state by entering Medicaid. Unfortunately, the current system to fund long term care has evolved into one that encourages seniors to impoverish themselves and move towards Medicaid as quickly as possible. For the wealthy, long term care costs can be absorbed. For the poor and disabled, government subsidized care is available. But what about the majority of middle class Americans that need access to long term care today? New approaches to fund long term care must be encouraged, and converting life insurance policies into a Long Term Care Benefit Plan is an option that has grown into a mainstream and accepted financial solution.

Can a massive pool of in-force life insurance policies be part of the solution?

According to the National Association of Insurance Commissioners (NAIC), there is $27.2 trillion of in-force life insurance in the hands of 152 million Americans. Too few of these policy owners understand their legal rights of ownership and do not possess the knowledge of how insurance works. When their original need for a policy has run its course, the vast majority of owners simply walk away from what may be one of the most valuable assets they own—for nothing in return. Life insurance is legally recognized as personal property and the owner has the right to use their asset in a number of ways including converting the policy into a tax-exempt Long Term Care Benefit Plan while still alive.

A policy owner's legal right to convert an existing life insurance policy into a long term care benefit plan is not to be confused with a long term care insurance policy, accelerated death benefit (ADB) rider, annuity, a hybrid life/LTCi product, or a loan. This conversion option allows for the private, secondary market exchange of a life insurance policy for a Long Term Care Benefit Plan at the time that care is needed. The benefit plan is a private market long term care funding option and is not issued by a carrier, not restricted to life policies that contain a conversion or accelerated death benefit rider, and conversion options for the owner are not restricted to only the issuing carrier.

A Long Term Care Benefit Plan converts a life insurance policy's death benefit into a "living benefit" that will allow them to remain private pay and choose the form of care that they want. The Long Term Care Benefit Plan pays out the present day value of a policy and protects the funds in an irrevocable, FDIC insured Benefit Account that makes monthly payments directly to the care provider. Because the funds are protected and only used for care, it is a tax-exempt, Medicaid and VA qualified spend-down of an asset that far too many seniors abandon as they move towards long term care.

This option, by design, extends the time a person would remain private pay and delays their entry onto Medicaid. It is a unique, tax-advantaged financial option to pay for care because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no premium payments. Any type of life insurance policy can be used to cover any form of senior care the policy owner wants: Homecare, Assisted Living, Nursing Home, Memory Care, and Hospice.

Legislative Attention turns to Private Pay and the Long Term Care Benefit Plan

States are under tremendous budget pressure to keep pace with exploding demand to cover long term care needs with tax payer money. They are quickly realizing the savings that can be found for their beleaguered budgets by delaying entry onto Medicaid through the use of life insurance policy conversions into Long Term Care Benefit Plans. State legislative leaders across the country are taking action with consumer protection disclosure laws and legislation to encourage consumers to convert their life insurance to pay for long term care as an alternative to abandoning their policies. Policy owners are being encouraged to use their legal right to convert an in-force life insurance policy into a Long Term Care Benefit Plan and direct payments to cover their senior housing and long term care costs.

In 2009, Conning and Company analyzed the emerging use of life insurance policies to pay for long term care as part of their *Strategic Research Series*. In the paper they surmised, *"Both state governments and the long term care industry are working to find a solution to the budgetary threat to Medicaid created as aging Baby Boomers impoverish themselves in order to have the state pay for long term care. What is new is the concerted effort to integrate life insurance policies and long term care providers. This new source of funds represents a potential alignment of long term care providers and state governments".*

The next year, the National Conference of Insurance Legislators (NCOIL) understood the implications of billions of dollars of life insurance policies in the hands of seniors being discarded when they unanimously passed the *Life Insurance Consumer Disclosure Model Act* in November, 2010. This consumer protection law requires that life insurance companies inform policy holders above the age of 60, or with a terminal or chronic condition, of approved alternatives to the lapse or surrender of a life insurance policy including "conversion to a Long Term Care Benefit Plan".

From there, consumer protection disclosure legislation specifically endorsing the Long Term Care Benefit Plan has been introduced in the legislatures of twelve states through 2014: CA, FL, KY, LA, MA, MD, ME, NJ, NY, PA, TX, and WA. This consumer protection disclosure bill has now been passed into law in KY and TX.

Conclusion

Long Term Care providers, insurance agents, financial planners and elder law experts are all on the same page with political leaders about this issue. It makes no sense that seniors in need of long term care would abandon life insurance policies when the option to convert those policies into a monthly long term care benefit stream is readily available. The owner of a life insurance policy with an immediate need for senior care services of any form (Homecare, Assisted Living, Memory Care, Nursing Home, Hospice) can now turn a death benefit into a "living benefit" that will keep someone private pay and delay their need for Medicaid.

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Are you looking for a way to pay for Senior Living and Long Term Care?
If you own a life insurance policy—you may be holding the solution in your hands

Millions of seniors needlessly throw away a life insurance policy without realizing it can be used to help them pay for any kind of senior care they want. An unfortunate reality is that the vast majority of people who own life insurance policies will make premium payments for years, and then as they reach the point they need senior care services will surrender their policy for pennies on the dollar or they will stop paying the premiums and allow it to lapse. Once a life insurance policy is lapsed or surrendered they insurance company will no longer be obligated to pay a death benefit, and there is no way for the policy owner to get it back. This puts billions of dollars of profits into the hands of the big insurance companies—and all at the expense of the people who did the right thing by protecting their families with life insurance policies.

But what if there was a better option than abandoning a policy after making payments on it for years? What if instead, a life insurance policy could be used to pay for Senior Living and Long Term Care expenses? Well the good news is that it can. Anyone who owns a life insurance policy could potentially qualify for turning their policy into a Long Term Care Benefit Plan. If you own a life insurance policy, it is your legal right to use the policy for more than just a death benefit. In fact, a life insurance policy is recognized as an asset (just like your home) and it is considered your personal property. And just like your home where you make mortgage payments until it is paid off, you are making premium payments on your life insurance policy.

As you get older and need long term care, would you just stop making mortgage payments and abandon your home? Of course not, and you shouldn't do that with your life insurance policy either. Think of it like this: a Long Term Care Benefit Plan is kind of like a reverse mortgage on your life insurance policy. You can access the hidden value of your policy while you are alive and use the money to help pay for any form of Senior Living and Long Term Care that you want.

How does it work? The owner of the life insurance policy will sell it for a percentage of the death benefit to Life Care Funding and the money is then enrolled into their Long Term Care Benefit Plan. The Benefit Plan itself is an irrevocable, FDIC-insured bank account that protects the money to make sure it will only be spent on senior care services. Because the policy is sold for its present day value and the funds are only used for senior care services, in most cases it is a tax-free event that is recognized as both a Medicaid qualified spend down and a VA Aide and Attendance approved benefit plan.

They typical range of present day value that a policy can be converted into is 20%-60% of the total death benefit. Once a person has enrolled in the Long Term Care Benefit Plan they are no longer responsible for any more premium payments. Because they are private pay, they can choose any form of senior care they want such as Homecare (private-duty or family provided), Assisted Living, Memory Care, Nursing Home Care, and Hospice services. The account is professionally administered and immediately starts making automatic payments on a monthly basis to their care provider of choice. Also, the monthly payments can be adjusted as care needs or care providers change. The Benefit Account will also provide a cash funeral expense payment when the account holder passes away, and if they should pass away with any kind of account surplus left over that will pass to whoever has been named as the account beneficiary (one or more people).

The Long Term Care Benefit Plan has been helping families pay for senior care services across the United States for years. Every senior care service provider in the country accepts payments from the Benefit Plan and thousands of Homecare companies, Assisted Living Communities and Nursing Homes offer this option to families looking for financial assistance. Licensed financial advisors, insurance agents and elder law attorneys in every state use this option with clients who are looking for a way to afford Senior Living and Long Term Care.

Conclusion

The cost of senior care is expensive and rising every year. People that are private pay are able to choose any form of care they want and always get preferential treatment over those on Medicaid. Converting a life insurance policy into a Long Term Care Benefit Plan is a much better option for a policy owner than abandoning their policy for little or even nothing in return. If you own a life insurance policy, you owe it to yourself and to your family to look into how much value you could get out of it to enroll in a Long Term Care Benefit Plan before you just throw it away. Remember, a life insurance policy is just like your home and you can use it today as a financial option to help cover your Senior Living and Long Term Care expenses.

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A New Vehicle to pay for Long Term Care: ***Using Life Insurance to Pay for Senior Care***

Introduction

CSA's play an important role in the long term care cycle for many families across the United States. Vital to serving families' needs is being up to date on methods to pay for long term care services. A big struggle for families is the fact that they don't know what they don't know until they all of a sudden find themselves in a crisis and have to figure out how the long term care system works in this country with the clock ticking. The two biggest decisions they have to make are directly related: what is the best form of care/setting and how to pay for it. Most people are familiar with the traditional forms of long term care funding such as long term care insurance or Medicare and Medicaid; but what about non-traditional funding methods?

Did you know that any form of life insurance policy can be used to pay for Long Term Care? Instead of allowing a policy to lapse or be surrendered; the owner of the policy can convert the policy into a Long Term Care Benefit Plan.

What is a Long Term Care Benefit Plan?

What does converting a policy mean? It means the policy is sold for a percentage of the death benefit (the range can be between 20%-60%) and the funds are placed in an irrevocable, FDIC-insured Benefit Account that is professionally administered to make monthly, tax-free payments directly to any form of long term care that the account holder selects. This option extends the time a person would remain private pay and delays their entry onto Medicaid. It is a unique Medicaid qualified financial option for seniors because all health conditions are accepted, and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no premium payments. Policy owners have the legal right to convert an in-force life insurance policy to enroll in the benefit plan, and are able to immediately direct payments to cover their senior housing and long term care costs.

The Benefit is administered specifically to be a Medicaid qualified spend-down of the asset proceeds by protecting the funds in an irrevocable bank account which can only be used to pay for long term care services. The Long Term Care Benefit Plan is a regulated and Medicaid qualified and VA qualified financial vehicle to help cover the costs of long term care.

Elder law attorneys, licensed insurance agents, and financial advisors have started to embrace this alternative to the lapse or surrender of a life insurance policy as a means to help their clients cover the costs of long term care services. State governments have started taking action to encourage this as a means to save their Medicaid budgets money while helping seniors in their states access more options for long term care services. This market development stems from one simple dynamic: Millions of seniors across the country needlessly abandon their life insurance policies as they begin planning for long-term care.

What do families really want: Public or Private Pay?

For many seniors, they either cannot afford to pay the premiums or they plan to lapse or surrender their policies to qualify for Medicaid. What they don't realize is that they have the legal right to convert their policies into a Long Term Care Benefit Plan. Converting a policy allows the senior to remain private pay — meaning they are not reliant on public assistance and can choose the form of long-term care that *they* want: home care, assisted living and skilled nursing or memory care.

The vast majority of long term care is paid for by Medicaid. To qualify, the applicant must meet asset and income limits that would put them below the poverty line. A standard practice is to "spend-down" assets to meet these limits. For owners of a life insurance policy, they will often lapse or surrender their policy so that it will not either count against them as an asset, or expose their heirs to asset recover action by the state to claw back the death benefit. Life Care Funding helps the policy owner convert the policy's death benefit into a "living benefit" that will allow them to remain private pay and choose the form of care that they want.

The Long Term Care Benefit Plan is a tangible asset to pay for long-term care created by selling a life insurance policy for its market value — it is not a loan, annuity, or a long-term care insurance policy. The value of the conversion is based solely on the death benefit; meaning the senior will receive a maximum amount of value toward their Long Term Care Benefit Plan. A policy owner is legally authorized to enroll in the Benefit Plan and this immediately enables them to direct monthly payments to the coverage of their housing and long-term care costs and they are no longer responsible for premium payments once they have enrolled.

Converting a life insurance policy into a Long Term Care Benefit Plan provides multiple layers of consumer protections:

- The transfer of ownership of life insurance policies conforms to the rigorous regulatory standards that govern life settlements in each state.
- The irrevocable, FDIC insured Benefit Account is held by a nationally chartered bank & trust company and must conform to federal and state banking regulations.
- Because the account is irrevocable and can only be spent on long term care services, the Benefit Plan is administered as a Medicaid qualified spend-down.

At a time when seniors and their families are struggling with how to afford the high costs of senior care, and state budgets are looking for ways to save money, converting a life insurance policy to pay for long term care instead of abandoning it for nothing in return makes much more sense.

Highlights of the Long Term Care Benefit Plan:

- Specifically for people that have an immediate need for Senior Care of any form: Homecare, Assisted Living, Nursing Home, Memory Care, Hospice (usually between now and within 90 days)

- Works for any type of life insurance policy with a death benefit of $50,000 and greater (Term, Universal, Whole and Group life policies all qualify).

- Easy underwriting requirement (review medical records from last 2 years and phone interview to confirm need for care and type of care to be funded with Benefit Account).

- The entire proceeds from sale of the policy will go into an irrevocable, FDIC insured bank & trust account
    - The account is irrevocable to protect the money for the account holder
    - The account is adjustable and the monthly amount can change to meet changing care needs

- The account is a Medicaid qualified spend-down so once the account is spent-down the account holder can immediately switch to Medicaid to pay for their care
- The account is a VA Aide and Attendance qualified benefit and spend-down

- The Account preserves a funeral benefit for the family or it will pay the entire balance to the family if the account holder dies before the account has been spent-down.

- The Account pays a monthly benefit directly to the care provider of choice
  - Amount and provider can be changed with 30 day notice
  - Additional amount can be drawn for one-time special need circumstances

- Fast and easy process to apply and enroll in a Long Term Care Benefit Plan
  - Average time to enroll and start receiving first benefit payments is **60-90** days
  - no costs
  - no obligations
  - no more premiums

Real World Examples

Case Study 1

The daughter had been researching Assisted Living communities for her mother. They had also been looking for financial assistance because the monthly costs were more than they could afford. Her mother owned a life insurance policy and they had contacted the insurance company about accessing the accelerated death benefit. She was young and afflicted with a rare, degenerative condition and could no longer care for herself; but the insurance company denied their claim. The Assisted Living Community told them about Life Care Funding and that they could convert the policy into a Long term Care Benefit Plan instead. They moved forward quickly to convert the policy so that the monthly payments could start right away and they moved their mother into the community so that she could immediately start receiving the care and support she needed.

Gender/ Age Female / 55
Policy Size $200,000
Policy Conversion $119,000
Monthly Benefit **$5,600**
Benefit Duration 20 months
Funeral Benefit $7,000

Case Study 2

A daughter was caring for her father but the turn in the economy had hurt his investments and her own family's finances. As his condition worsened they were unable to keep up with the costs. He owned a term life policy that they decided would be better used to help pay for the costs of homecare for her father. They found Life Care Funding's website and called to find out more about how converting the policy would work. Life Care Funding converted it into a Long Term Care Benefit that allowed the family to recover some of their out of pocket expenses they spent on his care, and then set up a monthly benefit payment to cover 24 hour in-home skilled nursing care for the remainder of his life.

Gender/ Age Male / 68
Policy Size $250,000
-Policy Conversion $150,000
Monthly Benefit **$10,000**
Benefit Duration 15 months
Funeral Benefit $5,000

Case Study 3
The daughter contacts Life Care Funding concerned that they could no longer afford paying for her mother's care with her own finances and although her mother was young, she was very ill and could no longer care for herself. Her brother was stationed in Afghanistan and the responsibility to care for her mother and make these decisions was hers. She learned about Life Care Funding from the Assisted Living community they were looking at and reached out to learn more about converting her mother's life insurance policy into a Long Term Care Benefit to start making monthly payments and relieve her of the financial responsibility. They made the decision that the Long Term Care Benefit was more important to help address their immediate need to finance her mother's care, than keeping the policy to collect a death benefit in the future. Paying for her mother's care out of pocket would be too difficult so they converted the policy and the monthly Benefit payments took over from that point forward.

Gender/ Age Female / 57
Policy Size $150,000
Policy Conversion $59,150
Monthly Benefit **$2,100**
Benefit Duration 26 months
Funeral Benefit $5,000

Conclusion
We have reached the point that we can no longer ignore the realities of an ever growing population that will require long term care, and the diminishing resources to pay for it. People need to arm themselves with information about their options to fund long term care if they are going to maintain dignity and quality in their lives. Government programs such as Medicare and Medicaid will become more difficult to access and the amount of coverage for long term care will continue to be reduced. Consumers want to be private pay and choose the form and place of care that they want. Information and access to resources is the primary value that a CSA can bring to the equation. People want to remain financially independent and in control of their care decisions for as long as possible-- sparing their families financial hardships and preserving their own dignity.

Resources

American Health Care Association: www.ahcancal.org/Pages/Default.aspx

Argentum (formerly the Assisted Living Federation of America):- www.alfa.org/alfa/default.asp

Home Care Association of America: www.hcaoa.org/

National Association of Elder Law Attorneys: www.naela.org/

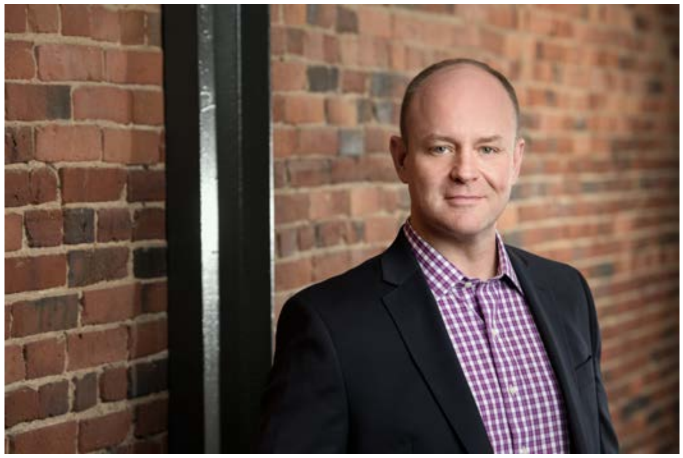
Veterans Advocacy Group of America: www.vaga.us/

Sources

1. Lapse-Based Insurance, Daniel Gottlieb and Kent Smetters, Wharton Business School- The University of Pennsylvania, April 15, 2014

Author Biography

Chris Orestis, CSA
Senior Care Advocate and CEO of Life Care Funding



Chris Orestis is the CEO of Life Care Funding, a company he founded in 2007 to help seniors struggling with the costs of Long Term Care. He is a 20 year veteran of both the insurance and long term care industries, a nationally known senior care advocate, acknowledged expert on insurance and long term care issues, and author of the Amazon Best Seller List book, *"Help on the Way"*. His career began with senior positions on a number of political campaigns before working in 1993 and 1994 for both the White House and the Senate Majority Leader on Capitol Hill. From that point, he spent the next several years representing the health and life insurance industry as Vice President and Senior Vice President respectively for the Health Insurance Association of America (HIAA) and the American Council of Life Insurers (ACLI).

Chris saw the enormous financial crisis facing our country and families in need of long term care for a loved one from the work he was doing in Washington, DC on health care reform and long term care. He saw how unfair the long term care system had become-- particularly for middle class Americans, and in 2007 decided to take action by launching Life Care Funding.

The vast majority of long term care is paid for by Medicaid and to qualify, the applicant must meet asset and income limits that would put them below the poverty line. A standard practice is to "spend-down" assets to meet these limits, and often times owners of life insurance will lapse or surrender their policy so that it will not either count against them as an asset. Chris knew there was a better option for seniors that own a life policy than just abandoning an asset that they had made payments on for years.

Working with a group of long term care experts, Chris developed a method that would allow policy owners to convert their policy's death benefit into a "living benefit" so they can remain private pay and choose the form of care that they want. What has become known as a "Long Term Care Benefit Plan" is now an accepted form of payment for Senior Care services with every care provider in the United States. Because the Benefit Plan funds are protects the funds as an irrevocable account only to be used for senior care expenses, it is a tax-free, Medicaid qualified spend-down of an asset that millions of seniors have been abandoning as they move towards long term care.

Chris was awarded the Robert R. Neal Medal by HIAA for distinction and service to the insurance industry. He was named to the Advisory Board of the *3in4 Need More Association* in 2012. He contributed to the 2013 Long Term Care Commission report, and has also testified before national political bodies such as the National

Conference of Insurance Legislators (NCOIL) and numerous state regulators and legislatures such as Florida, Louisiana, New Jersey, Maine and Texas.

Chris is the author of the book “Help on the Way” (http://ebook.lifecarefunding.com/) and has been published on insurance and long term care funding issues over 50 times. His Blog on senior living and long term care funding issues (www.lifecarefunding.com/blog) connects with thousands of readers every month.

Chris contributed to the 2013 Long Term Care Commission report, and has also testified before national political bodies such as the National Conference of Insurance Legislators (NCOIL) and numerous state regulators and legislatures such as Florida, Louisiana, New Jersey, Maine and Texas.

Chris is a Certified Senior Care Advisor (CSA) and has been published on insurance and long term care funding issues over 50 times and his Blog on senior living and long term care funding issues (www.lifecarefunding.com/blog) reaches thousands of readers every month. He can be reached at (888) 670-7773 or corestis@lifecarefunding.com.

Life Care Funding

Life Care Funding was the first to pioneer the concept of converting a life insurance policy into a Long Term Care Benefit Plan. Since our inception, we have enjoyed tremendous support from the long term care industry, the press and political leaders across the country. We have built a network of agents, attorneys, and over 5,000 Homecare, Assisted Living and Nursing Home companies that offer the Life Care Funding program across the United States; we have been featured in the Wall Street Journal, New York Times, USA Today, Woman’s World Magazine, Kiplinger’s, and numerous industry trade publications; on CBS, FOX, PBS and Bloomberg radio programs among others; speak at industry events across the country; and we have been the model for legislation specifically endorsing the Long Term Care Benefit Plan concept which has been introduced in the state legislatures of CA, GA, FL, KY, LA, MA, MD, ME, NJ, NJ, PA, WA and passed into law in TX and KY. Also in 2013, Chris led Life Care Funding in a major capital raise and sold a stake in LCF to the publicly traded arm of Resource America, Resource Capital Corp. (*NASDQ: RSO*) *Resource America, Inc. is a specialized asset management entity with $16.5 Billion under management-- more details can be found on their website at http://www.resourceamerica.com.*

Curriculum Vitae

Published Papers

- Using Life Insurance to pay for Long Term Care
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- Converting life insurance into an LTC Benefit?
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- Long Term Care can put a whammy on life savings
  (published August, 2015- *Life & Health Advisor*)

- Are you a denier or a know-it-all when it comes to Long Term Care? How family stereotypes emerge when aging loved ones need assistance

(published June, 2015- *Wire Story / The Richmond Register*)

- Seniors and States both Desperate to stay off of Medicaid look for more Private Pay Options
  (published May, 2015- *National Association for Fixed Annuities NAFA*)

- The Growing Long Term Care Crisis Requires Understanding Private Pay Option
  (published April, 2015- *Society for Senior Care Advisors CSA*)

- Life Insurance for LTC
  (published February, 2015- *Center for Long Term Care Reform: LTC Bulletin*)

- Addressing the Long Term Care Funding Crisis (Part 1 and 2)
  (published January and February, 2015- *National Association of Financial Advisors (NAFA)*)

- WHITE PAPER- Are you prepared for Long Term Care? What you need to know today (published July, 2014)

- LTC for employees' loved ones is costing businesses $74 billion annually
  (published June, 2014- *ProducersWEB*)
- Three Tips for Men to Avoid Poverty in their Golden Years
  (published May, 2014- *LifeHealth Pro*)

- PUBLISHED BOOK- Help on the Way, the BIG *Insurance Secret* seniors aren't supposed to know….
  (published April, 2014) Debut #2 on Amazon Best Seller list for "Personal Finance"

- How a life insurance policy can fund your clients' long term care
  (published April, 2014- *LifeHealth Pro*)

- WHITE PAPER- Dangerous liabilities lurk for families and advisors in long term care planning
  (published March, 2014)
  - WHITE PAPER EXCERPT: Life settlements, LTC planning and advisor liability (published March, 2014- ***LifeHealth Pro***)

- Feds eye life settlements for LTC funding
  (published December, 2013– *Insurance News Net Magazine)*

- POLICY PAPER SUBMISSION: Congressional Commission on Long Term Care
  (submitted with attribution August, 2013– *United States Congress and Commission on Long Term Care*)

- As Long Term Care Insurers Abandon the Marketplace, What other Options will appear?
  (published June, 2013– *Caring Magazine NAHC*)

- Paying for Long Term Care—are you Prepared?
  (published May, 2013– *The Senior List*)

- An Interview on Long Term Care Benefit Plans and Legislation (3 part series)
  (published March, 2013– *Producers E Source*)

- As Long Term Care Insurers Abandon the Market, What Other Options will Step Forward?
  (published October, 2012– *Florida Health Care Association PULSE*)

- Private Pay Solutions Bridge LTC Funding Gap
  (published June, 2012– *Long Term Living Magazine*)

- States Eye Life Settlements as a Solution for LTC Crisis
  (published June, 2012– *Insurance News Net Magazine*)

- Is Healthcare Illegal?

(published March, 2012– *ProducersWEB*)

- WHITE PAPER- The growing use of life insurance policy conversions to fund long term care
(published February, 2012)

- Long Term Care Providers Look to Alternative Resources to Extend Private Pay Options in Florida
(published January, 2012– *Florida Health Care Association PULSE*)

- Making Up the Difference
(published December, 2011– *National Underwriter*)

- Funding Long Term Care: New Legislation Supports use of Life Policies to Pay for LTC
(published November, 2011– *Producers Esource.com* and *ProducersWEB*)

- Healthcare Policy Synopsis: Super Committee holds fate of Medicare and Medicaid in its Hands
(published October, 2011 – *ProducersWEB*)

- As Large Medicaid Cuts Loom, States Look to Convert Life Insurance Policies
(published September, 2011 – *ProducersWEB*)

- A Growing Strategy: Paying for Long Term Care with Life Policies
(published August, 2011 – *Producers Esource.com*)

- Financial Focus: Private Funding Solutions for LTC
(published June, 2011 – *Long-Term Living Magazine*)

- LTC funding crisis driving a search for alternatives
(published April, 2011 - *Senior Market Advisor*)

- Medicaid in Crisis: Treatment of life insurance as an unqualified asset for Medicaid eligibility
(published March, 2011 - *ProducersWEB*)

- How Life Insurance can help with LTC costs
(published March, 2011 - *Life Insurance Selling Magazine*)

- New Disclosure Requirements for Insurers—What NCOIL's Life Insurance Consumer Disclosure Model Act Means to Your Client
(published February, 2011 - *Insurance News Net Magazine*)

- Life Insurance Consumer Disclosure Law: A Lifeboat in the Eye of the Storm
(published February, 2011 - *Agent's Sales Journal*)

- Life Insurance as a Tool to Pay for Long Term Care
(published January, 2011 - *Agent's Sales Journal*)

- MetLife Exits LTCI Market: Now What?
(published November, 2010 - *Agent's Sales Journal*)

- CBO Projection—Government budgets will not keep pace with consumer demand for long term care spending
(published July, 2010 - *ProducersWEB*)

- Ask the Expert: Will a Life Settlement help pay Assisted Living expenses?
(published June, 2010 - *National Underwriter*)

- Overcoming America's Long Term Care Crisis
(published June, 2010 - *Insurance News Net Magazine*)

- Electronic Medical Records: Resistance is Futile
(published March, 2010 - *On the Risk*)

- Convergence of Life Settlements and Long Term Care: A Funding Solution Emerges
(published March, 2010 - *Insurance News Net Online*)
- Life Expectancy Compression: The impact of moving into a long term care facility on length of life
(published October, 2009 - *Insurance News Net Magazine*)
- Life Settlements: Legal Rights and Opportunities for Policy Owners
(published June, 2009 - *New York State Bar Association Journal*)
- Legal Rights of a Life Insurance Policy Owner
(published April, 2009 - *ProducersWEB*)
- The Long Term Care Crisis has Arrived
(published March, 2009 - *On the Risk*)
- Life Settlements vs. STOLI: Let's Get the Debate Straight
(published December, 2008 - *ProducersWEB*)
- Understanding the Differences between Stranger Owned Life Insurance (STOLI) and Life Settlements
(published December, 2008 - *On the Risk*)
- Life Settlements vs. STOLI
(published December, 2008 - *Insurance News Net Magazine*)
- Underwriting the "Silver Tsunami"
(published November, 2008 - *ProducersWEB*)
- Alternative Pay Plan
(published October, 2008 - *Assisted Living Executive* (magazine of ALFA)
- Economic Storms and Quality of Life in the Wake of the "Silver Tsunami"
(published September, 2008 - *ProducersWEB*, and *ISIS*)
- WHITE PAPER- The Silver Tsunami
(published September, 2008)
- The Silver Tsunami
(published August, 2008 - *Insurance News Net Magazine* cover story)
- WHITE PAPER- Life Settlements: Looking for a Calm Financial Harbor in a "Perfect Storm"
(published June, 2008)
- Underwriting in the 21st Century: Informal's—Turning a Pain into Profits
(published June, 2008 - *On the Risk, InsuranceNewsNet*, *ProducersWEB*)
- Life Settlements: Protecting the Golden Goose
(published April, 2008 - *Insurance News Net Magazine* cover story)
- Underwriting in the 21st Century: Exploring the Direct-to-Consumer Channel
(published September, 2007 - *On the Risk,* and *InsuranceNewsNet*, September, 2007, *ProducersWEB*, November, 2007, posted on *SmartBrief*)
- Aging and Long-Term Care Insurance: A National Policy Perspective
(published August, 2007 - *Society of Actuaries: Long Term Care Section Newsletter,* and *InsuranceNewsNet*, September, 2007, *ProducersWEB*, September, 2007, posted on *SmartBrief*)
- Underwriting in the 21st Century: Remote Underwriting Study 2007 *(Underwriting in your Underpants)*
(published June, 2007 - *On the Risk*)

- Underwriting in the 21st Century: Understanding the Risks of Private Aviation
  (published March, 2007 - *On the Risk* and *InsuranceNewsNet,* July, 2007 *World News Network,* July, 2007, *ProducersWEB*, October, 2007)

- INDUSTRY STUDY- Underwriting in your Underpants: Remote Underwriting Study 2006-2007
  (Released at *37th Annual MUD Meeting* as reported by *National Underwriter*, January, 2007, and featured by *Insurance News Net*, January, 2007, *InsureIntell*, February, 2007, *Hot Notes* by Hank George, 2007, posted on *SmartBrief*)

- Bringing Together the Pieces of the Insurance Puzzle by Understanding the Lifecycle of a Policy
  (published February, 2007 - *InsuranceNewsNet* and *HealthDecisions*, *InsureIntell*, *ProducersWEB*)

- Breaking Down Barriers Between Underwriting and Distribution
  (published January, 2007 – *InsuranceNewsNet* and *InsureIntell*, February, 2007; *ProducersWEB*, July, 2007)

- Overcoming the Underwriting Crunch through Outsourcing
  (published January, 2007 – *InsuranceNewsNet* and *InsureIntell*, February, 2007)

- Underwriting in the 21st Century: Life Outside the Home Office
  (published December, 2006 - *On the Risk* and *InsuranceNewsNet*, March, 2007, *ProducersWEB*, August, 2007)

- Underwriting in the 21st Century: Mastering the APS Paradox
  (published September, 2006 - *On the Risk* and *InsuranceNewsNet,* February, 2007, *InsureIntell*, February, 2007, *ProducersWEB*, September, 2007)

- Underwriting As A Profit Center: Bringing Together the Pieces of the Puzzle
  (published June, 2006 - *On the Risk*)

- How Insurance Companies Benefit from Professionally Summarized (APS) Attending Physician Statements
  (published June, 2006 – *InsuranceNewsNet* and *HealthDecisions*)

- Underwriting As A Profit Center or How I Survived The 21st Century
  (published December, 2005 - *On the Risk*)

Public Presentations

- Financial Planners Association Annual Retreat- April, 2016

- Veteran’s Advocate Group of America- April, 2016

- Elder Counsel Annual Meeting- June, 2015

- California Association of Elder Law Attorneys- April, 2015

- New York Society for Financial Service Professionals- December, 2014

- American College of Health Care Administrators- November, 2014
- Veteran’s Advocate Group of America- September, 2014

- Maine Senior Care Expo- September, 2014 and October, 2014

- CMG Agent SUCCESS Conference- August, 2014

- American Association for Long Term Care Insurance- May, 2014
- Maine Legislative Commission to Study Long Term Care Facilities- November, 2013
- The Life Settlement Conference– October, 2013
- Texas Assisted Living Federation: Annual Meeting– September, 2013
- Florida Assisted Living Federation: Annual Meeting– September, 2013
- Life Equity Roundtable–July, 2013
- Life Insurance Settlement Association: Annual Meeting– May, 2013
- Maine Senate Committee on Insurance and Financial Services, Expert Testimony– April, 2013
- Texas House Committee on Human Services, Expert Testimony– March, 2013
- Florida Senate Committee on Banking and Insurance, Expert Testimony– March, 2013
- The Harvard Club- Institutional Investors Conference– March, 2013
- National Conference of Insurance Legislators (NCOIL), Testimony before Health and Long Term Care Committee – November, 2012 (*Annual Meeting, Mobile, AL*)
- Louisiana Department of Insurance, SCR 104 Advisory Work Group on Long-Term Care Benefits– November, 2012
- Florida Agency for Health Care Administration, Accelerated Life Benefit Technical Advisory Workgroup– November, 2012
- National Conference of Insurance Legislators (NCOIL), Testimony before Health and Long Term Care Committee – July, 2012 (*National Meeting, Burlington, VT*)
- ALFA Senior Living Leadership Forum – November, 2011
- Florida Health Care Association Legislative Conference – October, 2011
- Senior Market Advisor Annual EXPO – August, 2011
- AHCA Annual State Executive Directors Meeting – June, 2011
- National Conference of Insurance Legislators (NCOIL), FINAL Testimony on Consumer Disclosure Legislation before Executive Committee - November, 2010 (*Annual Meeting, Austin, TX*)
- AAHSA (Leading Age) Annual Meeting – November, 2010
- ALFA Senior Living Leadership Forum – September, 2010
- National Conference of Insurance Legislators (NCOIL), Testimony on Consumer Disclosure Legislation before Life and Financial Services Committee - July, 2010 (*National Meeting, Boston, MA*)
- 21st Services' Medical Directors Board of Review Annual Conference—October, 2009
- LTC 100 – June, 2009
- Maine Bar Association Elder Law Section – March, 2009

Radio and Television Interviews

Television Shows

- CBS TV Channel 13 news WGME- May, 2015
- Fox Morning News: Good Day Maine- September, 2014

National Radio Shows

- Galaxy Communication Network- NATIONALLY SYNDICATED 4/5/16
- Biz Talk Radio Network- NATIONALLY SYNDICATED 6/26/15
- America's Talk Radio Network- NATIONALLY SYNDICATED 6/8/15
- Envision Radio Network "Smith and Sabatino Show"- NATIONALLY SYNDICATED 4/30/15
- Lifestyle Radio Network "The Frankie Boyer Show"- NATIONALLY SYNDICATED 12/12/14 http://www.lifecarefunding.com/media/chris-orestis-with-life-style-talk-radio/
- The Small Business Advocate Show - NATIONALLY SYNDICATED 1/20/14 http://www.lifecarefunding.com/media/small-business-advocate-radio-interview/
- "People, Money, & Life" - Sirius XM Radio 1/13/14
- CRN "Talk Back with Chuck Wilder" 12/18/13 http://www.lifecarefunding.com/media/crn-radio-interview/
- Hometown Happenings - NATIONALLY SYNDICATED 12/12/13
- Talk Back with Chuck Wilder - NATIONALLY SYNDICATED 12/18/13
- Bloomberg Radio / Taking Stock Show/ Pimm Fox and Carol Massar 8/22/13
- Sirius Satellite/ Maggie Linton Show/ Maggie Linton 8/9/13http://www.lifecarefunding.com/media/the-maggie-linton-show-with-chris-orestis/
- IRN USA Radio #1 / News & Views/ Ronn Allen 9/6/13
- IRN USA Radio #2 / News & Views/ Ronn Allen 9/27/13
- This Week in America / Ric Bratton 8/11/13http://www.lifecarefunding.com/media/this-week-interviews-chris-orestis/
- This Week in America #2 / Ric Bratton 9/7/13
- Genesis Communications Radio Network/ Josh Tolley 8/7/13
- Lifestyle Talk Radio Network/ Frankie Boyer 7/15/13
- Issues Today/ Bob Gourley 7/30/13

Local Radio Shows

- WOCM-AM 6/16/16
- WSVA-AM 550 5/13/16
- WLW-AM 5/3/16
- WSBA-AM 4/5/16
- WYAY-AM 3/23/16

- The John & Heidi Show 2/4/16
- KORN-AM/KQRN-FM 2/18/16
- WRJN-AM 1/20/16
- WDUN-AM Atlanta, GA Bill Maine & Joel Williams Morning Show 1/19/16
- CBS Radio / KHTH, Sacramento, CA Issues with Walt Shaw 7/29/15
- KKHT-FM, Houston, TX What's Up Radio Program with Terry Lowry 7/23/15
- WBEL-AM, Madison, WI Stan Miliam 6/25/15
- WOCA-AM, Gainesville/Ocala, FL Larry Whitler & Robin MacBlane 6/25/15
- WJIM-AM, Lansing, MI (syndicated to 14 markets in MI) Steve Gruber & Jo Anne Paul 2/6/11
- KFAV-FM 99.9, St. Louis, MO Kelley Lamm 12/30/14
- WDUN-AM 550/FM102.9, Atlanta, GA Bill Maine & Joel Williams Morning Show 12/16/14
- KIXI-AM 880, Seattle, WA "Chat with Women" hosted by Pam Grey and Rochelle Alhadeff 6/24/14 http://www.lifecarefunding.com/media/chat-with-women/
- KFBK-AM, Sacramento, CA Amy Lewis 2/4/14 http://www.lifecarefunding.com/media/kfbk-interview/
- KGO-AM 810, San Francisco, CA Katy Leaver 12/16/13
- WMGG-AM, Tampa, FL Deb Goldman & Evan Gold 7/12/13
- WMGG-AM #2, Tampa, FL Deb Goldman & Evan Gold 8/13/13
- KXFN-AM St. Louis, MO Kelley & Cassandra 7/23/13 http://www.lifecarefunding.com/media/chris-orestis-on-1380-the-woman/
- WNAV-AM, Baltimore, MD Bill Lusby 7/17/13
- CBS Radio, Sacramento, CA Walt Shaw 8/7/13
- KAHI-AM, Sacramento, CA Mary Jane Popp 7/30/13 http://www.lifecarefunding.com/media/chris-orestis-on-the-mary-jane-poppoff-show/
- KLGO-AM, Austin, TX Bill Swail & Dr. Marianne Calvanese 8/10/13
- KJCE-FM, Austin, TX Bill Swail & Dr. Amy Tyler 8/10/13
- WPTF-AM, Raleigh, NC Doug Kellett 7/10/13
- WFSX-FM, Fort Myers, FL Deanna & Patrick Renna 8/8/13
- WGCV-AM 620, Columbia, SC Armstrong Williams 7/24/13
- WOCA-AM Ocala, FL Larry Whitler & Robin MacBlane 7/17/13 http://www.lifecarefunding.com/media/woca-interviews-chris-orestis/
- WMGG-AM, Tampa, FL Alex Hinojosa 7/29/13 http://www.lifecarefunding.com/media/chris-on-news-and-experts-show/

- Maine Public Broadcasting System (PBS) 4/25/13 http://www.lifecarefunding.com/media/bill-aims-to-give-maine-seniors-another-option-to-pay-for-end-of-life-care/

- Florida Public Broadcasting System (PBS) 3/8/13 http://www.lifecarefunding.com/wp-content/uploads/Life-Insurance-Proposal-Gives-Families-A-Financial-Lifeline-_-WFSU-3.pdf

- Holistic Survival, Internet Show 8/15/13

National Webinars

- *Lawyers with Purpose:* Understanding the VA Benefit and Life Care Funding- July, 2015
- *Life Care Planning Law Firms Association:* How to use a Life Insurance Policy to pay for Senior Care– May, 2015
- *Illinois Chapter of the National Academy of Elder Law Attorneys:* Using Life Insurance to pay for Long Term Care– May, 2015
- *Society of Certified Senior Care Advisors (CSA):* Understanding Private Pay Options– April, 2015
- *Phyllis Shelton LTC Consultants National Seminar Series:* Private Pay Solutions- Use Life Insurance to pay for Senior Care– March, 2015
- *Veteran's Advocacy Group of America (VAGA):* Converting Life Insurance to Pay for Long Term Care and the Veteran's Aide and Attendance Benefit – March, 2015
- *American Association for Long Term Care Insurance (AALTCI)*: Producers Guide to Converting Life Insurance to Pay for Senior Care – February, 2015
- *3in4 Need More Association*: How to Convert any type of Life Insurance to pay for Long Term Care — December, 2014
- *Corporation for Long Term Care Certification (CLTCC)*: Options for Uninsurables: Helping Clients Fund Care in Crisis – July, 2014
- *Society of Actuaries:* Alternative Funding for Long Term Care – June, 2013
- *Assisted Living Federation of America (ALFA)*: Legislative Initiatives in the States and the NCOIL Model Law – April, 2011
- *The Senior Care Investor*: Boost your Census- Solutions for Financially Challenging Times – November, 2008
- *American Health Care Association (AHCA)*: Alternative Funding Options for Senior Living and Long Term Care – September, 2008