

Own Your Future: Long-term Care Planning Guide



*Information and tools
to start planning today!*

Own Your
Future is an
interagency
initiative of
the Dayton-
Prettner Solon
Administration



Own Your Future is a joint federal/state effort to encourage and enable individuals to create a plan for their long-term care, including how to pay for it. Since 2005, 26 states have sponsored Own Your Future campaigns. Minnesota's initiative includes three components: 1) a public awareness campaign; 2) efforts to identify additional financial products that are more suitable for the middle income market; and 3) exploring options for aligning Medical Assistance to better support use of private financing for long-term care. The Dayton-Prettner Solon administration is committed to this campaign and will continue to make it a priority throughout its tenure.

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Welcome to “Own Your Future!”

Congratulations! By requesting or downloading this guide to long-term care planning, you’ve taken the first step toward preparing for the years ahead and Owning Your Future!

Planning ahead for your long-term care—the help with personal care and household tasks that most people need in their later years— may seem like a daunting task, but it doesn’t have to be! You can secure your future by knowing your options, planning wisely and taking action. The information and tools in this kit can help you get started.

Remember, it’s your future. Own it!

Start here!



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Even if you already have a plan, this guide will help you review important options that you may not have considered.





Accessible Housing

Kay grew up on a farm and moved to an area that reminded her of her home. When she got the chance to build a new house on her lot, she decided to make the house accessible so that she could live there for the rest of her life. The house is a big part of her long-term care plan. A video of Kay's accessible house is available on the website.

Watch Kay's video and read more stories at: <http://mn.gov/dhs/general-public/own-your-future/index>

Checklist: Under Age 40

- ☐ Read this planning guide and review the Own Your Future website (at www.mn.gov/ownyourfuture) to learn about long-term care options. It will help you assist your parents and grandparents with their health and financial decisions and teach you a lot about these issues.
- ☐ Take that annual trip to the doctor for your physical and follow his/her advice.
- ☐ Become familiar with resources like the Senior LinkAge Line® One Stop Shop for help finding services for older family members.

Personal
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- ☐ Visit a financial planner to learn more about your options to pay for long-term care, such as long-term care insurance, home equity and investment options. Often you can lock into very low cost plans because of your age!
- ☐ Gain an understanding of your parents' finances, especially what accounts they have and how you can access them if the need arises. Doing this will kick start you into organizing your own finances.

Financial
p. 15

- ☐ If you are buying a home, look for universal design features that can support you as you age, e.g., zero-step entrance, bedroom and bathroom on first floor, lever doorknobs.
- ☐ Talk with your parents and grandparents about their housing needs and desires in the future.
- ☐ Help your parents find resources in the community that can support their independence and help them age in place.

Housing
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- ☐ Make sure you have a copy of your parents' health care directives so you know what they want if you have to make decisions for them.
- ☐ Think about and complete a health care directive that describes the type of care you want to receive if you are unable to communicate your wishes.
- ☐ Make sure others know what your wishes are and give the directive to your family, close friends, doctor, attorney, clergy.

**Advance
Care**
p. 22

Checklist: Age 40-60

Personal p. 13

- ☐ Read this planning guide and review the Own Your Future website (at www.mn.gov/ownyourfuture) to learn about long-term care options.
- ☐ Assess your lifestyle choices and any risks they pose for healthy aging. Develop or maintain healthy habits.
- ☐ Talk with your doctor about how to reduce your health risks.
- ☐ Talk to friends or relatives who have experience with long-term care planning and get their advice.
- ☐ Learn about local resources that provide long-term care help.

Financial p. 15

- ☐ Ask your friends and relatives about their experience with purchasing financial products to pay for long-term care.
- ☐ Review your current health, disability and long-term care insurance coverage, and find out if there are any long-term care options available through your employer.
- ☐ Talk to a trusted financial advisor about planning for long-term care needs.
- ☐ Estimate your long-term care costs.

Housing p. 20

- ☐ Assess your ability to remain in your home as you age, including the accessibility and condition of your home, home-related expenses and how close you are to shopping, medical care and family members.
- ☐ Learn about universal design features for homes that make it easier to age in place. Features that make your home more adaptable and accessible also make it more “visitable” by family and friends with disabilities.
- ☐ If you are considering moving, evaluate your home as a long-term asset, considering its value, current home equity and tax and legal issues.

Advance Care p. 22

- ☐ Create or update your written will.
- ☐ Think about and complete a health care directive that reflects your values and beliefs and describes the type of care you want to receive if you are unable to communicate your wishes.
- ☐ Within the health care directive, designate a person who knows you well as your health care agent. This person will make decisions about your care if you are unable to communicate your wishes.
- ☐ Share your health care directive and discuss your wishes with your family, close friends, doctor, attorney, clergy.

Checklist: Over Age 60 – Not Yet Retired

- ☐ Read this guide to learn about your long-term care options.
- ☐ Assess your lifestyle choices and any risks they pose for healthy aging. Develop or maintain healthy habits.
- ☐ Talk with your doctor about how to reduce your health risks.
- ☐ Talk to friends or relatives who have experience with long-term care planning and get their advice.
- ☐ Learn about local resources that provide long-term care help.
- ☐ Include long-term care considerations in your retirement planning.

Personal
p. 13

- ☐ Assess your finances and your ability to pay for future long-term care costs and living expenses in your retirement years.
- ☐ Review your current health, life, disability and long-term care insurance coverage.
- ☐ If working, find out if your employer offers any long-term care benefits.
- ☐ Decide which financial option you will use to pay for long-term care.
- ☐ As you move into retirement, let your children know what your long-term care plan is and how the costs of long-term care might affect your finances.
- ☐ Increase the percentage of your income that you allocate to savings.

Financial
p. 15

- ☐ Assess your ability to remain in your home as you age, including the accessibility and condition of your home, home-related expenses and how close you are to shopping, medical care and family members.
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Housing
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- ☐ Create or update your written will.
- ☐ Think about and complete a health care directive that describes the type of care you want to receive if you are unable to communicate your wishes.
- ☐ Within the health care directive, designate a person who knows you well as your health care agent.
- ☐ Share your health care directive and discuss your wishes with your family, close friends, doctor, attorney, clergy.

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Checklist: Over Age 60 – Retired

You likely have a plan in place for your retirement, which should also include long-term care considerations. Your family and close friends should be aware of your plans.

If you already have a long-term care plan, congratulations! You will have more choices in your care options, financial plans and greater peace of mind.

If you don't have a plan, take these steps.

- ☐ Read this guide to learn about long-term care options.
- ☐ Develop a plan as soon as possible. Consult the other checklists, especially “Over Age 60 – Not Yet Retired” for the key components to consider.
- ☐ Discuss your health status with your doctor and determine if you trust this doctor to assist you in managing chronic illness or other physical changes that you might encounter as you age. If not, find a doctor who you do trust and with whom you feel you can easily communicate.
- ☐ Make staying healthy one of your top priorities. Make sure your lifestyle choices include good nutrition, exercise, safety in the home to avoid falls and avenues for ongoing mental stimulation and social interaction with family and friends to avoid or delay cognitive decline. Take advantage of information on the Internet and programs in your community that help you develop and maintain healthy habits.
- ☐ Review and annually update your long-term care plan and corresponding documents such as your will, health care directive, name of health care agent.
- ☐ Assess your long-term care financing options. Although they may become more limited as you age, it still is helpful to regularly review and consider the adequacy of your current coverage. If you have not purchased an insurance product by now, it may be too expensive or pre-existing conditions may make you ineligible for some policies.
- ☐ If your home is your primary financial asset, learn about using your home equity to pay for long-term care needs. Assess the best way to tap your home equity.
- ☐ If you have limited income and resources, find out if your community has no-cost or low-cost supports and services available. Local agencies often have trained professionals who can help you assess your situation and connect you to affordable supports and services.



“You are never too young or too old to plan for the future. We need to engage Minnesotans in a dialogue about the importance of planning now to ensure more control and better choices in meeting their future needs. Own Your Future will help Minnesotans understand their options, make plans and be prepared to more fully enjoy their years ahead.”

—Lt. Governor Yvonne Prettner Solon

Advice and Resources for Caregivers

You are a caregiver if you provide unpaid help for a spouse, partner, relative or close friend. Some caregivers provide a few hours of assistance each week. Others provide round-the-clock care for another person. There are a growing number of resources available to support caregivers so they can stay involved in their caregiving role. Here are just a few.

Family Caregiver Alliance at <http://www.caregiver.org>

- The Caregiver Alliance provides a public voice for caregivers through information, education, services, research and advocacy in order to support and sustain the important work of families caring for loved ones with chronic and disabling health conditions.

AARP Caregiver Resource Center at <http://www.aarp.org/home-family/caregiving>

- This center helps caregivers find resources, services and supports both nationally and locally.

WhatisaCaregiver.org at <http://www.whatisacaregiver.org>

- This website is designed to help family members and friend caregivers recognize their role and find local resources and supports.

Minnesota Area Agencies on Aging at www.mnaging.net/en/Administrator/AAA.aspx

- Minnesota has seven regional Area Agencies on Aging (AAAs) that provide numerous services for older adults including caregiver support. The federal Older Americans Act funds these services for people age 60 and older and their caregivers. You can find information on the Area Agency that serves your area at this web address.

Senior LinkAge Line®: A One Stop Shop for Minnesota Seniors

- The Senior LinkAge Line® One Stop Shop is the Minnesota Board on Aging's free statewide information and assistance service. Just one phone call to 1-800-333-2433 can help simplify the complex caregiving issues and decisions caregivers face every day. Online, it offers a resource database with information on a wide range of community services, including senior services.

Alzheimer's and Dementia Caregiver Center at <http://www.alz.org/care/>

- This website provides a variety of supports for those caring for individuals with Alzheimer's disease or other dementia. It includes day-to-day help, other supports, how to plan for the future, as well as other useful tools. The 24/7 helpline is 1-800-272-3900. It includes connections to state and local resources.

MinnesotaHelp.info® Caregiver Link at <http://caregiver.minnesotahelp.info>

- Look here for information to enhance the caregiving role. Caregivers will find resources on planning, arranging care, stress, family issues, learning new care tasks and more. Caregiver consultants are trained to help caregivers care for an older adult while finding balance. Contact the Senior LinkAge Line® to find a caregiver consultant in your area.

Caregiver Checklist

Start today to be ready for the future.

- ☐ **Talk about important things now.** While some topics are hard to discuss, your family member or friend might just be waiting for an opening to talk about them.
- ☐ **Make a plan.** Use the AARP's free "Prepare to Care" guide, a planning kit for caregivers.
- ☐ **Find resources.** Use Minnesota's web-based Long-term Care Choices Navigator to help you make choices and find local resources.
- ☐ **Ask the person you care for to complete a Health Care Directive** so their health wishes are documented.
- ☐ **Consider legal matters.** Laws vary from state to state. It might be helpful to get advice from someone who specializes in elder law.

Know your finances.

- ☐ **Think ahead about how you will pay for long-term care.** Options include personal income and savings, long-term care insurance, home equity options, or long-term care annuities. Most people think that Medicare will cover it all. However, Medicare pays for limited long-term care, e.g., limited time in skilled care setting or limited home care visits.

Caregiving is not meant to be a one-person job—find support.

- ☐ **Form a team.** Think of what needs to be done, and when, and the people who could help. A family friend might cook dinner once a month. Or, a neighbor might get groceries every week.
- ☐ **Get back-up.** Find at least two people who will help if you are sick, you work, or you need to be away.
- ☐ **Hold a family meeting.** Gather everyone and discuss needs and solutions. Confirm next steps. Then, follow through with decisions made.
- ☐ **Communicate.** Keep in touch by using a phone tree, a conference call line, email, social media (Facebook), or a blog.

Caring for you.

- ☐ **Take regular breaks from caregiving.** The care could be provided by a family member, friend or in-home respite provider. Contact the Senior LinkAge Line® One Stop Shop for services and support such as respite, support groups, caregiver education programs and adult day services.

This checklist is an excerpt from the **Minnesota Board on Aging Caregiver Resource Guide**, found at www.mnaging.net/en/Advisor/Caregiver.aspx

If you are caregiving for someone with Alzheimer's disease, check out the resource information at: <http://www.alz.org/care/>



Understanding Long-Term Care

Long-term care includes a wide range of services to meet health and personal care needs. It helps people with activities of daily living, such as bathing and dressing. People may need this kind of help as they grow older or have a chronic illness or disability. Long-term care also includes help for people with memory loss, such as someone who has Alzheimer's disease.

Who pays for long-term care?

Essentially you do! Your health and disability insurance do not pay for this kind of care. Neither does Medicare.

Long-term care is different from health care. Health care provides medical treatment for health conditions or illness, usually for a short period of time. Long-term care provides help with daily activities over a longer period of time.

There are several types of long-term care.

The type of care you receive can vary depending on your particular need. "Skilled care" refers to care given by medical personnel, such as a registered nurse. It requires a physician-prescribed plan of care. "Personal care" focuses on helping with your activities of daily living. It is less involved and a variety of trained professionals, family members or close friends can provide this care. Long-term care may also include care management services to evaluate your overall needs.

It isn't just for the elderly.

Most of us think of long-term care as being only for the elderly and those in nursing homes, but that's only part of the story. Forty percent of people currently receiving long-term care services are adults aged 64 and under. Most people receive long-term care services either in their own home or in the home of a family member – not in a nursing home.

Anyone could need help with everyday routines.

The fact is, anyone may need long-term care at some point in their life. If you sustain an extensive injury or go through a prolonged illness, you may need help with your normal daily activities such as bathing, getting dressed, or getting around the house. If you become cognitively impaired, you may even need help with meal preparation and eating, reminders to take medications or other kinds of support.

Although these everyday activities may seem mundane, they are essential to maintaining your independence. Your ability – or inability – to perform these regular activities help long-term care professionals and those in the insurance industry determine if you need or qualify for long-term care services. These activities of daily living, often referred to as ADLs, include bathing, dressing, using the toilet, transferring to or from the bed or a chair, and eating.

Your long-term care needs may change over time.

The amount and type of long-term care services you need will often change gradually over time. For example, at first you may need only occasional help for a few activities of daily living and may choose to receive that assistance in your own home. Over time, however, you may begin to require more regular assistance and choose to move to another setting to receive services.

Whatever your needs, there are an increasing number of long-term care options available for care in the home, in the community and in assisted living and nursing facilities.

Home-based services

- Home health care typically includes skilled, short-term services, such as nursing, physical therapy or other therapies ordered by a doctor for a specific condition.
- Personal care services provide help with basic activities, such as bathing and dressing.
- Homemaker and chore services include activities such as meal preparation and routine household chores.



Community-based services

- Adult day service programs provide a variety of health, social, and other support services in a protective setting, typically during normal business hours.
- Meal programs provide meals in group settings or delivered to your home.
- Senior centers provide a variety of social and educational services.
- Transportation services help get you to and from medical appointments, shopping trips and other destinations.

Facility-based services

- Assisted living centers provide a community setting for those who need some assistance with ADLs but do not need as much care as provided in a nursing home.
- Continuing care retirement communities provide several levels of care on one campus, so that individuals can receive services within the same setting as their needs change.
- Skilled nursing facilities provide the most intensive level of care with a full range of nursing, therapy and personal care services.

Personal Planning

Who can you count on for help?

Your family or friends may be able to care for you if you become ill or disabled. Care from family or friends can also supplement care from paid service providers. Some people prefer to receive care from family or friends, while others don't want to burden their loved ones with the responsibilities of caregiving. Give some thought to how you feel about relying on your family or friends for care.

A long-term care plan begins by having honest conversations with those closest to you. Otherwise, you risk having important decisions made for you at a time when emotions are high, the choices are confusing and there is little time to consider all of the factors.

Start by talking first with your spouse or partner to find out if you are on the same page on these important issues. Finding out where you agree or disagree will help guide future decisions and planning. Include adult children in the conversation once you and your partner have identified your preferences.

Here are some tips for having these conversations:

- ☐ Look for natural opportunities to start a discussion with members of your support network. Use other people's stories in that discussion and ask, "What would you do if something like that happened to us?"
- ☐ Make sure your support network knows your preferences in the event of a sudden or terminal illness that might leave you unable to communicate your preferences for end-of-life care.
- ☐ Let your family and support network know where you keep important legal papers, such as your will, any insurance policies, health care directive, power of attorney and other legal papers.
- ☐ Remember that listening is also part of communication. Family and friends may have feelings and opinions that differ from yours, so take time to listen to their concerns.

These discussions provide the foundation of your long-term care plan. If you find your support network is not comfortable talking about your long-term care needs, acknowledge their feelings, share your reasons for concern and try again later.

Putting a plan in place before a crisis occurs can help make sure your long-term care choices are known, understood, and respected. Do not wait until a crisis to talk to your loved ones.

Importance of Planning

Kathy and her partner Cathy are two extremely planful people. To them, it only makes sense to have a plan in place for their future. Now retired, both Kathy and Cathy worked in the health care field, Kathy as a medical librarian and Cathy as a public health nurse, and saw how important it was to plan for their long-term care.

Read more at:

<http://mn.gov/dhs/general-public/own-your-future/index>



MY PLAN: Personal Planning

Who do you need to talk to about your long-term care plans? When do you plan to have this talk?

What are your long-term care preferences?

What long-term care options do you want to learn more about?

Notes

What does your community offer?

Before you need care, find out what long-term care options are available in your community. For example, knowing whether there are local volunteer-based in-home programs in your area may help you decide if you want to remain in your current home and community, or move to some type of housing option with services.

Talk with friends and neighbors whose older relatives have received long-term care in your community. Their stories can provide useful information about the types of care options that are available and are not available in your local area.

Most Minnesota communities have local low-cost or no-cost programs for older adults and people with disabilities. These can often make a big difference in your ability to stay in your home. The local programs use volunteers to provide services, which makes the help more affordable. They deliver meals, help with chores and home maintenance, and provide volunteer driver transportation and many other services that can help you stay in your home. Refer to the resource section of this guide for more information about these types of local support programs.



Quick Tip:

The federal Older Americans Act provides funding for services for people age 60 and older through local “Area Agencies on Aging.” Services include caregiver support, nutrition, respite, transportation and a variety of chore and home services. For more information, please visit: <http://www.mnaging.net/en/Administrator/AAA.aspx>.

Financial Planning

How much will your care cost?

You may need to turn to paid caregivers or a care facility if you have no one to support you or if the people that support you are no longer able to provide for all your needs. This type of long-term care can be expensive. In Minnesota, the average cost of care for a year is:

- About \$20,000 for an average of 2 to 3 home health care visits per week.
- About \$40,000 for care in an assisted living facility.
- Over \$70,000 for care in a nursing home.



Long-term care received in a setting outside of your home may cost more than care provided in your home. However, this depends on the type and amount of care you need. For example, round-the-clock care at home can be very expensive. The cost of long-term care also depends on the provider you use and where you live when you receive care. Different settings and providers calculate their costs and charges in different ways. For example:

- Some facilities charge extra for services beyond the basic room-and-board charge, while some charge fees that include everything.
- Home health and home care providers deliver services in blocks of time (15 minutes up to two hours) called “visits.” An evening, weekend or holiday visit may cost more than a weekday visit.
- Some community programs, such as adult day care, charge a per-day rate, which may differ based on the type and amount of services offered.

2013 Long-Term Care Costs in Minnesota*

Minnesota	Nursing home daily rate (private room)	Nursing home daily rate (semi-private room)	Assisted living facility monthly rate	Home health aide hourly rate	Homemaker hourly rate	Adult day care daily rate
Minneapolis/St. Paul	\$230	\$203	\$4,600	\$26	\$23	\$76
Rochester area	\$214	\$189	\$3,395	\$22	\$21	\$64
Rest of the state	\$192	\$173	\$3,244	\$23	\$19	\$56
State average	\$219	\$198	\$3,350	\$25	\$21	\$66

* All costs shown are median rates for that area

Source: 2013 Genworth Cost of Care Survey

What programs *do not* pay for long-term care?

Most of the financing options that people think of first actually do not pay for long-term care.

- **Private health insurance** does not pay for most long-term care.
- **Disability insurance** – even long-term disability – does not pay for long-term care. It partially replaces your income from wages while you are unable to work because of a disability, although this may only include work-related disabilities. Benefits end when you are able to work again, retire, or reach a pre-set age (often 65).
- **Medicare** only covers skilled short-term care in a nursing home following a three-day hospital stay. Medicare payments are limited to 100 days per episode, and there is a hefty co-payment for days 21 through 100. If you need skilled care, i.e., nursing or therapy, Medicare may pay for care in the home. However, this is also limited and does not cover custodial care. All Medicare health plans, also known as Medicare Advantage plans, follow the same limited rules as original Medicare, although some Medicare Advantage plans may cover your nursing home co-payment. Medicare supplemental policies work much the same way – they do not cover long-term care needs for personal, custodial or supervisory care.
- **Medicaid** (called **Medical Assistance** in Minnesota) is a major payer of long-term care services. However, people become eligible for Medical Assistance *only after* they spend down most of their resources paying for health and long-term care, or if they have very limited income and assets.

You should not depend on Medicare or Medical Assistance as your plan to pay for long-term care expenses. Eligibility and benefits for both of these programs are subject to change at any time.

The Gift of Planning

Amy knows that many people would rather not think about their future long-term care needs, so they fail to plan ahead. She saw how much her parents benefited from having a plan in place before they needed care. Like her parents, she and her husband are making all the needed arrangements in advance. They prepared their wills, have advance directives and powers of attorney and, as a 50th birthday present to themselves, bought long-term care insurance. “I was glad to help my parents when they were still living at home, but having the insurance really meant they could choose a place that was only one mile from where we lived and not have to worry about the cost. That’s the kind of peace of mind that I want for my kids.”

Read more about Amy’s story and others at: <http://mn.gov/dhs/general-public/own-your-future/index>



What are your financing options?

There are a number of financing options available to help you pay for long-term care costs. They are described below. Get more detail on the Own Your Future website.

Personal Income and Savings	Many people plan to use personal Retirement Income and Savings to pay for their long-term care. There are many investment options for long-term care savings that provide tax advantages. Financing your long-term care with personal savings may give you more flexibility in your choices at the end of your life. However, it can often be very difficult to save sufficient amounts to meet your long-term care needs.
Long-Term Care Insurance	Long-term Care Insurance pays for the costs of long-term care services. You pay premiums and the policy pays for covered long-term care services when you need them. There are many choices to make when purchasing long-term care insurance, such as what daily benefit you would like, how many years you want to receive benefits, and how much you can afford to pay in premiums. Long-term Care Partnership Policies: This program is a public/private arrangement designed to encourage people to buy private long-term care insurance coverage. Minnesota residents who purchase partnership policies are able to protect more of their assets than Medical Assistance (MA) would normally allow if they later need MA to help pay for their long-term care.
Life Insurance Options	Long-Term Care Rider: Some insurance companies offer products that add long-term care features to a life insurance policy. With these products, once you are eligible for benefits, you receive a percentage of your death benefit each month to pay for your long-term care expenses. After you die, the policy still pays a death benefit to your designated beneficiary, like regular life insurance, but the death benefit is reduced by the benefit paid for long-term care. Accelerated Death Benefits: An accelerated death benefit is the early payment of your life insurance policy benefits while you are still alive. You may use accelerated death benefits to pay for your long-term care needs if you are diagnosed with a terminal illness or an illness that requires extreme medical treatment or if you require permanent placement in a nursing home. Viatical Settlements: A viatical settlement is an arrangement where you sell your life insurance policy to a third party (called a viatical company) when you are terminally ill. The viatical company pays you a portion of the death benefit. This allows you to raise funds to pay for long-term care at the end of life. The viatical company then maintains the policy (or the portion it purchased) by paying the premiums and collects the death benefit when you die. Life Settlements: Similar to viatical settlements, life settlements also involve the sale of a life insurance policy to a third party. However, instead of being terminally ill, you must only meet age requirements to qualify.
Long-term Care Annuities	An Annuity is an investment that makes regular payments to the owner over time. Some annuities also offer riders to cover long-term care costs. The common way to fund an annuity is to pay into it while you are working, then start to receive benefits when you retire. You can also wait until you are ready to retire, then buy an annuity by paying a single large amount and begin receiving payments immediately. This is called an immediate annuity and is often used to convert money saved for retirement into a steady stream of income.

What are your financing options?

Health Savings Accounts

Health Savings Accounts (HSAs) are connected with health insurance plans. One key requirement of an HSA is that people who have them must participate in a high deductible health plan, although not all plans with high deductibles are HSA eligible. An individual may create an HSA with or without the involvement of an employer.

Home Equity Options

Selling Your Home: Home equity is often the largest asset many older adults have, and plays a role in economic security later in life. One of the biggest decisions older adults make is whether to age in place in their current home or to sell the home and move to another housing option. If financial and/or health concerns have made it hard to manage your home or if your home is not accessible for someone with limited mobility, you may want to look for housing in which you will have an easier time managing and use the proceeds from selling to pay for this move. These options include one-level living, smaller houses, condominiums or apartments.

Home Equity Loan: If you have significant equity in your home, you may want to think about a conventional home equity loan to pay for future needs. Currently, the interest rate you pay for this type of loan is quite low and this may be an affordable way to finance your needs. In the case of home equity loans, however, you are putting up your home as collateral.

Reverse Mortgage: A reverse mortgage is a special type of home equity loan that is available only to homeowners age 62 and older. You receive cash against the equity of your home without selling your home, although there are up-front administrative costs similar to the costs of any new mortgage and there may be additional fees as well. Counseling from a separate organization is required by federal law prior to an individual acquiring a reverse mortgage.



A long-term care plan begins by having honest conversations with those closest to you. Otherwise you risk having important decisions made for you at a time when emotions are high, the choices are confusing and there is little time to consider all of the factors.

MY PLAN: Financial Planning

Step 1: Estimating Your Long-Term Care Expenses

	Average Monthly Cost	Anticipated Length of Time Needed (Months)	Anticipated Total for Service
Nursing Home (Private Room)	\$6,570	x	= \$
Nursing Home (Semi-Private Room)	\$5,940	x	= \$
Assisted Living Facility	\$3,350	x	= \$
Home Health Aide (4 hours/day; 7 days/week)	\$3,000	x	= \$
Homemaker (4 hours/day; 7 days/week)	\$2,350	x	= \$
Adult Day Care (5 days/week)	\$1,320	x	= \$

Source: 2013 Genworth Cost of Care Survey	Anticipated Total Need:	\$
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Step 2: Financial Resources

	Anticipated resources available for long-term care expenses	
	Today's Value	Do you anticipate this value to increase or decrease over time?
Personal savings	\$	
Insurance benefit (life or long-term care insurance)	\$	
Annuity contracts	\$	
Home equity	\$	
Health savings account	\$	
Other funding sources	\$	
Total Resources Available	\$	

Step 3: Compare Expenses and Assets

Estimated costs (step 1)	\$
Less total resources (step 2)	\$
Difference	\$

Financial Planning Notes

Housing Planning

How can you stay at home and age in place?

Most people prefer to remain in the familiar surroundings of their own home for as long as possible when they get older. However, there may be a time when you are no longer able to do so. Until then, there are several things you can do to stay in your home even if you do need care.

Homes that are easy to live in at age 40 or 50 can present problems later in life. Some changes can help you remain safely at home and also can be inexpensive, like removing scatter rugs, making sure that smoke detectors are in working order or replacing doorknobs with ones that are easier to use. Bigger changes may include adding a railing to outside steps or replacing floor coverings with slip-resistant carpet.

Modifying your home is an important option that can improve your safety so you can perform daily activities such as bathing and cooking. Home modifications range from grab bars and improved lighting in the bathroom to handrails and wider doorways for wheelchair access. It can also mean adding a bathroom or relocating to a bedroom on the first floor of a two-story home if you are no longer able to climb stairs. Many home modifications actually increase the value of your home.

If you need to move, where can you move?

Downsizing: Moving to One-Level Living

Perhaps moving to a new home will help you meet your future needs. Consider a variety of options, such as moving to a house, condominium, or apartment that is all on one level or that has elevators instead of stairs. Perhaps you would prefer a small, easy-to-care-for apartment with basic modifications in place. Demand for options that offer one-level living is growing.

Options that Provide Housing with Services

At some point it might be necessary for you to move to a place where you can get more help than you can in your current home. These places have different names. They can be an assisted living facility, boarding home, congregate housing, foster care home or retirement community. Each state defines requirements for housing and the services offered there. In

Minnesota, we refer to these places as “Registered Housing with Services” settings.

In these settings you rent housing and buy home care services. A single company may provide both the housing and the services or the building may have an arrangement with home care agencies and other companies to provide some or all of the services. In Minnesota, the facility is registered and the home care must be licensed by the Minnesota Department of Health.

Some of these settings have an additional designation as an “assisted living facility” that offers 24-hour services and supports to their residents. In Minnesota, providers may call their facilities assisted living only when they meet basic requirements under Minnesota Statutes (chapter 144G).



While most assisted living facilities provide private apartment-like units, some may have more shared living space and group arrangements. The cost of these settings depends on the size and features within the unit, the kinds and level of services you need and the types of other amenities provided.

Compare the cost of staying home and receiving services in your home versus the moving costs and the monthly fees at a new place. Some things to consider before moving to a housing with services facility include:

- How do you feel about making a change in your living situation?
- Will the setting require you to share some of the living space such as a living room or dining room with others?
- Can you afford this type of arrangement, including the housing payment and the cost of services especially as your service needs increase?
- Do the benefits of having support and services available outweigh the loss of some privacy and control?

Minnesota has developed the Uniform Consumer Information Guide to help you find the housing and service setting that best matches your needs. See the resource section at the end of this guide for more information on specific housing with services facilities.

**Home
modifications
can help you
stay in your
home longer.**

MY PLAN: Housing Planning

What are your housing preferences?

What housing options do you want to learn more about?

Notes

Advance Care Planning

Advance care planning refers to the process used to identify your wishes for medical care in case you are unable to make or communicate your decisions directly. In Minnesota, the term used for the documents where these wishes are described is a health care directive. A health care directive details whether or not you would like artificial life support if you become unconscious or are unable to speak for yourself. It also outlines other types of health care you prefer in these situations.

What documentation do you need?

It is important to plan while you are healthy and able to state your wishes. When you prepare a health care directive, you prevent confusion and make sure your wishes are carried out. It also helps family and close friends know exactly what you want so they can support your wishes. In Minnesota, the health care directive has taken the place of the living will.

Health professionals consult your health care directive when they must decide on treatment options and you are unable to tell them what you want. Without a directive, it will be up to your family to make health care decisions. They may not know your wishes about medical care and critical end-of-life care choices.

Because your situation and wishes may change over time, it is important to review and update your health care directive from time to time. Be sure to discuss your plan with your loved ones so they understand and are comfortable with your wishes.

The health care directive used in Minnesota includes your wishes about burial, cremation and organ donation. Be sure to arrange for those decisions as well.

Any lawyer who specializes in elder law is able to help you prepare the health care directive, although there is no requirement that a lawyer be involved in completing the document.

How can a health care agent help you?

A health care directive allows you to appoint a health care agent to make medical decisions for you if you are unable to do so yourself. When you decide who you want to appoint as your health care agent, it is important to choose a competent and trustworthy person. You want to choose someone who knows you very well and is able to make the health decision you would make if you could. There is a section in the health care directive where you can name this person.



If you already have a health care directive, what are the next steps?

1. Talk to your doctor. It is important for your doctor to know how you feel, and for you to know if your doctor's professional ethics match your values.
2. Talk to your loved ones to eliminate potential conflicts and to make them more comfortable if they need to make difficult decisions on your behalf.
3. After you have completed your health care directive, give copies to your doctor, health care agent, family members, loved ones, attorney, clergy and others who might need to know your wishes. Bring a copy with you whenever you are hospitalized, although health care directives are increasingly incorporated into electronic health records.

Quick Tip:

The Minnesota Board on Aging's booklet "Planning Ahead" describes and explains the legal and related issues that older adults face. You can obtain a copy of the booklet online: http://www.mnaging.state.mn.us/pdf/PlanningAheadBooklet_2009.pdf.

MY PLAN: Advance Care Planning

Name and contact information for health care agent:

Who should have a copy of your health care directive and other important documents?

Notes and next steps:

Resources

The Own Your Future website provides a wealth of information and resources that expands on all of the topics in this guide. Check it out here: <http://mn.gov/ownyourfuture>

Issue	Resource	Number/Website
Information and assistance on all senior services, health care, housing, caregiver issues, long-term care financing options, prescription drugs, etc.	Senior LinkAge Line® One Stop Shop Disability Linkage Line® Veterans Linkage Line®	800-333-2433 or www.minnesotahelp.info 800-333-2466 888-546-5838
Elder law issues	MN Bar Association Minnesota Board on Aging	www.mnbar.org http://www.mnaging.state.mn.us/pdf/PlanningAheadBooklet_2009.pdf
Information for persons 50+	AARP	1-866-554-5381 www.aarp.org
Long-term care financing options	MN Department of Commerce Dept. of Health and Human Services (federal)	http://mn.gov/commerce http://longtermcare.gov/the-basics
How much to save	Choose to Save Ballpark Estimate Calculator Social Security calculator	www.choosetosave.org/ballpark www.ssa.gov/planners/benefitcalculators.htm
All about advance care planning, and resources in multiple languages	Honoring Choices Minnesota	www.honoringchoices.org
Local aging resources	Area Agencies on Aging	http://www.mnaging.net/en/Administrator/AAA.aspx
Local community programs serving older people and their caregivers	Live Well at Home Living at Home/Block Nurse programs Minnesota Faith in Action programs Parish Nurse programs ACT on Alzheimer's	www.mnlivewellathome.org www.elderberry.org or 651-649-0315 www.mnfia.org Check with Senior Linkage Line® (800-333-2433) http://actionalz.org
Healthy living throughout life	Go4Life MN Dept. of Health – health and prevention topics Federal Agency for Healthcare Research and Quality	http://go4life.nia.nih.gov/ 800-222-2225 www.health.state.mn.us Under “Topics” see “Life Stages and Population” and “Prevention and Healthy Living” http://www.ahrq.gov/consumers/healthy/index.html

Issue	Resources	Number/Website
Planning for long-term care	LongTermCare facts and figures Mayo Clinic on early planning Role of Medicare & Medicaid University of Minnesota Extension	http://longtermcare.gov http://www.mayoclinic.com/health/long-term-care/HA00054 http://www.medicare.gov/longtermcare/static/home.asp http://www.extension.umn.edu/family/financial_security
Long-term care insurance	LIFE Foundation National Association of Insurance Commissioners (Order Shopper's Guide to Long-Term Care Insurance)	http://www.lifehappens.org/long-term-care-insurance-introduction/ http://naic.org/index_ltc_section.htm
Reverse mortgages and general housing information	Federal Department of Housing and Urban Development (HUD) National Council on Aging	http://www.hud.gov/buying/rvrsmort.cfm http://www.ncoa.org/enhance-economic-security/home-equity/
Support for caregivers	Area Agencies on Aging MinnesotaHelp.info Senior LinkAge Line®	http://www.mnaging.net/en/Administrator/AAA.aspx www.minnesotahelp.info 800-333-2433
Personal Stories – watch, read, and share	Own Your Future stories Honoring Choices Minnesota Next Avenue (information for boomers)	http://mn.gov/dhs/general-public/own-your-future/index www.honoringchoices.org http://www.nextavenue.org/
Registered housing with services/assisted living	Uniform Consumer Information Guide (UCIG) database and provider directory	http://minnesotahelp.info/Public/default.aspx?se=Senior Select “Housing,” “Supportive Housing,” then “Assisted Living” For additional assistance, call Senior LinkAge Line®

MY PLAN: General Notes

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