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ELDER CARE COSTS DEplete CHILDREN'S SAVINGS

Elder care costs are high. Most people think that these costs affect only the life savings of the seniors receiving the care. According to a recent article in the *New York Times*, however, more than 15 million adult children take care of their aging parents, including paying the costs of housing, healthcare, and incidental expenses. Costs of clothing, home repair, and cell phones can be unnoticed and often come out of the pockets of the adult children. Most children are not abandoning their elderly parents but shouldering the significant time and financial burden required to help them.

The children with the largest expenses are those who are trying to manage and supervise their parents' care long distance, those who hire in-home help for their parents, and those whose parents have too much money to qualify for Medicaid assistance, but whose parents do not have enough money to pay for their care for a decade or more. A study by AARP revealed that this burden is compounded by ignorance. Most people simply do not have any idea how much long-term care costs, and they believe that Medicare pays this cost, which it does not.

Modern technology has helped extend our lifespans, meaning that old age lasts longer and can be more costly. This can compromise the retirement plans of baby boomers who now face the possibility of depleting their own savings in order to assist their parents. Despite this possibility, many continue to assist their elderly family members, rather than abandon them to the high cost of care.

Many people do not keep track of the funds that they spend on their parents' care, whether they write checks, use credit cards, or pocket money, so researchers have a difficult time estimating the costs of care on family members. Because Medicare does not pay for long-term, low-tech care (such as that needed by Alzheimer's patients), the elderly and their families have to

pay for assisted living care (averaging \$35,000 per year), nursing home care (averaging \$50,000 to \$75,000 per year), or in-home healthcare. Medicaid is available for certain seniors who meet the financial eligibility requirements, but generally it does not pay for assisted living care, and in-home care is limited. Medicare does not cover expenses such as incontinence supplies and grab bars for showers, nor does it pay for travel expenses for an adult child who has to respond in case of emergency.

The *New York Times* article described adult children who lost their jobs, their homes, and their retirement savings because of the high costs of care for their parents. These children are left with nothing to pay for their own long-term care costs in the future.

The lesson to be learned is that prior planning can enable families to manage the cost of long-term care, both for seniors and also for their adult children. The attorneys at Oast & Hook can assist clients with the public benefits, tax, estate and financial planning needed to help minimize the impact of potentially catastrophic elder care expenses.

Ask the Expert

Mark your calendar to listen to the "Ask the Expert" show on WTAR radio (850 AM) from 5:00 p.m. to 6:00 p.m., Tuesday, January 9th. The guest speakers will be Oast & Hook attorney Sandra Smith and Beth Duke, the Senior Vice President for community relations and Mary Daly, the director of social work of the Children's Hospital of the King's Daughters.

Speakers

If you are interested in having an elder law attorney from Oast & Hook speak at an event, then please call Jennifer Lantz at 757-399-7506.

Oast & Hook

Oast & Hook is an elder law firm. We represent older persons, disabled persons, their families, and their advocates. The practice of elder law includes estate planning, investment and insurance advice, estate and trust administration, powers of attorney, advance medical directives, titling of assets and designations of beneficiaries, guardianships, conservatorships, and public entitlements such as Medicaid, Medicare, Social Security, and SSI, disability planning, income tax planning and preparation, bill paying, account management and reporting, care management, and fiduciary services. We also handle litigation involving these issues, such as will contests and estate administration disputes. For more information about Oast & Hook, please visit our website at www.oasthook.com.

Oast & Hook is the Virginia member of the Special Needs Alliance, a nationwide network of disability attorneys. As members of this alliance, we assist personal injury attorneys in resolving their cases to enhance the judgments and awards of their disabled clients and to maintain the eligibility of these clients for SSI and Medicaid. We are experienced in protecting the public benefits of persons with special needs and in assisting with the management of their assets. For more information about the Special Needs Alliance, visit its website at www.specialneedsalliance.com.

Distribution of This Newsletter

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