

PREPARE FOR ELDERCARE BEFORE A CRISIS HITS

Taking care of an elderly family member is a major commitment in terms of time, money, and emotion. Make sure you are prepared to handle the stresses before you're caught off guard by a sudden accident or illness.

Each day, millions of Americans discover that an aging relative or friend needs help due to a sudden accident or illness. It can mean planning for more services and assistance to get them through their daily lives, or it can mean dealing with a sudden and serious health crisis.

The costs of each stage of care for elders can be shockingly high. If you take the time to go over your options before a relative may need to use them, it can make a huge difference — a chance to plan is a chance to spend and save smarter.

So many Americans face a weighty triangle of expenses in middle age — college tuition for kids, elder-care costs for parents and other relatives, and, of course, the responsibility of saving for retirement. It can be helpful to get an overview of how you stand financially in these three key areas so you can make sound and deliberate plans going forward.

Here are some general ideas to consider in managing the costs of caring for an elderly loved one:

Start by evaluating your finances. If you have time and a good relationship with your loved one, this can be a valuable opportunity to settle a lot of important details. If there's not a pending emergency, it's a good idea to schedule a family meeting with yourself, your spouse, and your loved one to make sure everyone understands what assets are available and how they should be applied to their long-term care. Even if an elderly relative is older but in relatively good health, it might make sense to check the cost of long-term care insurance as a backstop for their savings. The premiums will definitely cost more — sometimes considerably more — than the average 50-year-old would pay, but depending on your relative's situation, such a move might make sense.

Make sure key documents are in place. It's also important that your loved one has critical documents in place, such as a current will, relevant legal and health powers of attorney, and any written instructions relevant to his or her care, funeral wishes, and property issues. All that information should be stored in an agreed-upon place that all key decision makers can get to easily.

Start researching care options now. In every community, there are guides to various community programs, assisted-living centers, and nursing homes. These are generally good places to start gathering information on possible locations and services you might need in the future and to start comparing costs. The worst time to gather this information is after a relative suffers a stroke or other debilitating illness that requires an immediate decision. It might be best to work with your loved one in selecting these services if he or she is willing to do visits and compare features. It might also make sense to hire the services of a certified geriatric care manager to help assess proper care options and review insurance options to make sure those services are paid for.

Make sure the care option fits the stage of health as well as the budget. Home health aides will obviously allow your relative to stay in the home and have company when traveling outside, but adult day care can be a cheaper option. Also, part-time caretakers can handle key tasks and supervision as needed — keep in mind that responsible college students need money more than ever and can help with grocery shopping, cleaning, meal preparation, and supervision on health issues that medical personnel don't always need to be present for.

Once the clock starts, be prepared to negotiate. Remember that various assisted-living and nursing facilities have turnover and that if a center isn't full to capacity, there might be wiggle room on rates and fees. Also, key cost drivers can be basic items you might have never thought about — tissues, toiletries, wipes, adult diapers, laundry service, and other support items that residents use in these facilities either individually or with help. Buying or supplying these items from outside the facility may save you a considerable amount of money.

Consider shared rooms if money is tight. Private rooms are expensive in any setting, and it always makes sense to check the shared-room option in a facility as a way to save money. Of course, make sure the rooms — and roommate — are acceptable to your loved one.

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Sources: Horsesmouth; Financial Planning Association