

Proactive and Next Generation Planning

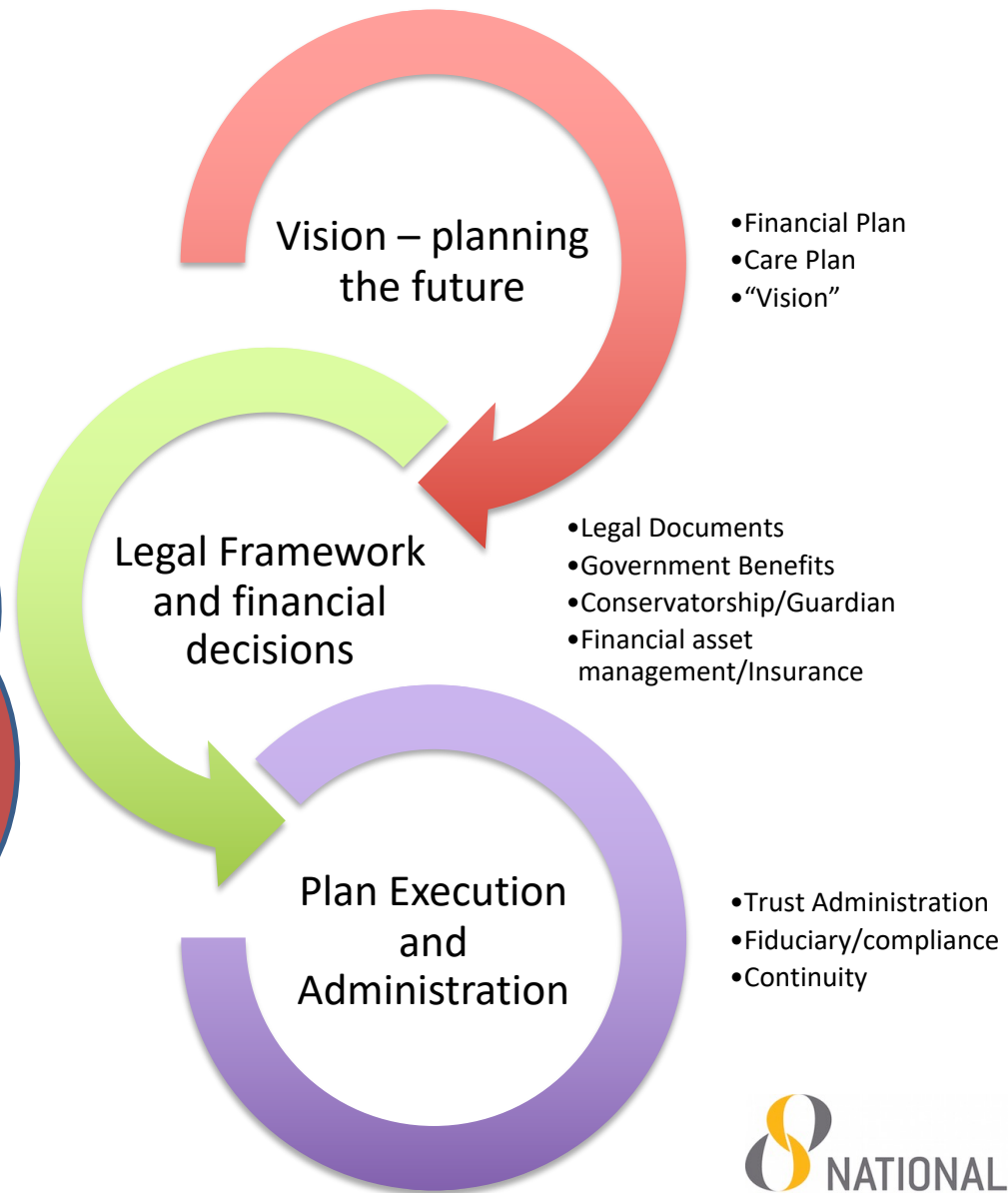
Family Guidance for
Special Needs Solutions



Planning for care. For life.

Comprehensive Quality Planning

“Vision without action is a daydream. Action without vision is a nightmare”
-Japanese Proverb



The Collaborative Team

- Financial Advisor and/or Professional Trustee/Fiduciary
- Special Needs Estate Planning Attorney
- Care Advisor/Case Manager

Creating the Vision

Step 1 - Understanding
the “Special Needs” –
not only for today – but
throughout lifetime.

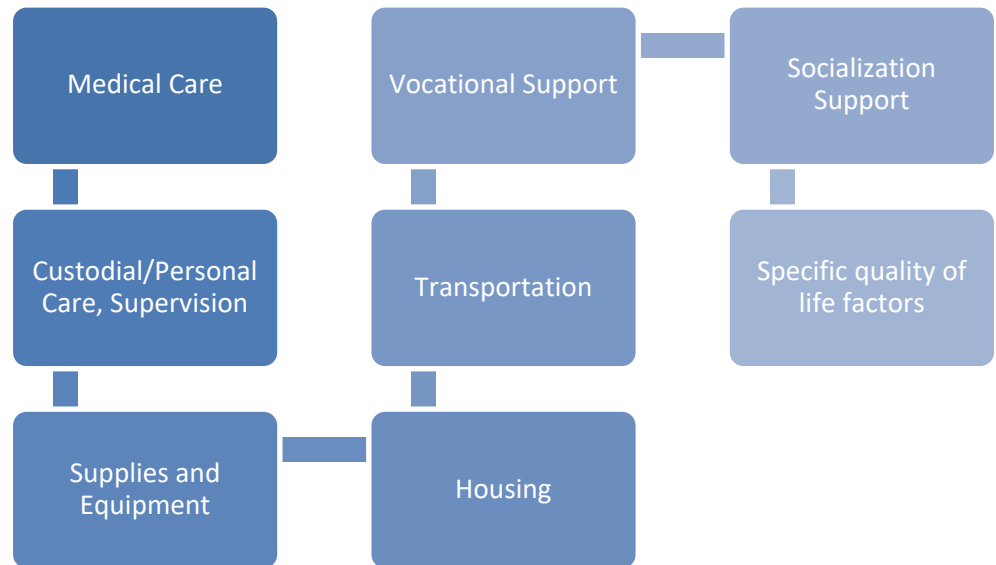
- Diagnosis and potential complications
- Family medical history
- Aging Process
- Life Expectancy

Defining the Vision

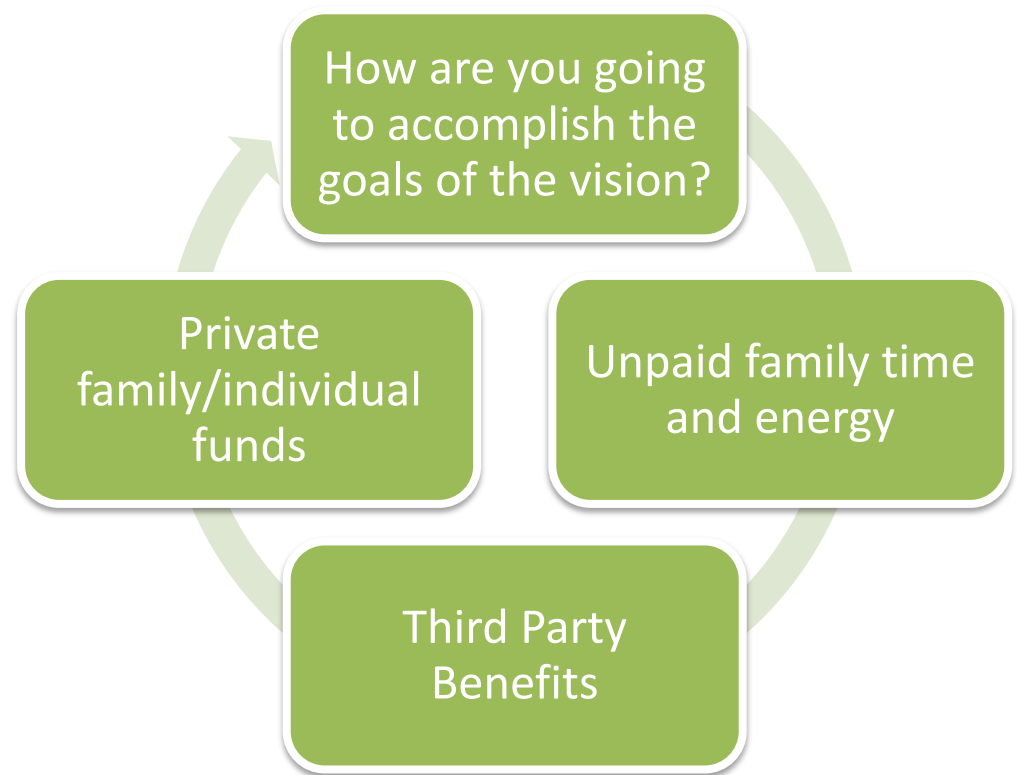
Step 2 –
Specifically, what is to
be accomplished?

- Nice to haves
- Got to haves

Essential Components of the Quality of Life Vision



Step 3 Accomplishing the Vision



Quantifying Benefits Over Lifetime

Income Sources –
SSI/SSDI/Pensions

Health Insurance
Sources – Medicaid,
Medicare, ACA
Insurance

Other Government
Benefits – SNAP,
Section 8,
Developmental
Disability Services

Non-Profit Resources

It's All About the Custodial Care!

If a family member requires assistance with their activities of daily living – it is going to be expensive.

The value of “means tested” (Medicaid) benefits is important to the planning process, for many families.

Long Term Care Insurance vs Self- Insuring

National Average Monthly Cost:

Assisted Living Apartment - \$4,300

Skilled Nursing Facility –

Private Room - \$8,821

Shared Room - \$7,756

Home Care - \$4,576 (44hrs/wk.)

2020 Genworth Cost of Care Study

Step 4 - Analyzing the Bottom Line

Model I	Special Needs Expenditure Projections - Parent owned apartment/home			
XXXX XXXXXX	6/8/17			Medicaid/SSI
Care Plan Service	Monthly Cost	Yearly Cost	One Time	Comments
Prescription Medications	\$ 10.00	\$ 120.00		Potential Copays - Health Insurance/Medicaid
OTC Medications/Supplements	\$ 50.00	\$ 600.00		
General/Specialist Physician Care	\$ 10.00	\$ 120.00		Potential Copay \$20/visit - Health Insurance/Medicaid
Future Procedures/Hospitalizations	\$ -	\$ -		Health Insurance/Medicaid
Psychiatrist/Psychologist	\$ 200.00	\$ 2,400.00		Private Pay (may not be in network)
Dental/Vision Care	\$ -	\$ -	\$ 20,000.00	Uncovered services over lifetime
Family Premium	\$ 150.00	\$ 1,800.00	\$ 12,600.00	Through Medicare eligibility - 7 years
Vocational Support/ Job Coaching			\$ 5,000.00	Provided through McIntosh Trail - or private pay
Custodial Support Services	\$ 1,300.00	\$ 15,600.00		20 hrs per week @ \$15/hr
Low Maintenance Apt/house			\$ 125,000.00	In current community - 2 bedroom, 2 bath, single story
Property Taxes/Homeowner's Ins.	\$ 200.00	\$ 2,400.00		To be quantified based on choice of home
Utilities/Cell Phone/Cable/Internet	\$ 400.00	\$ 4,800.00		
Furnishings/Electronics	\$ 50.00	\$ 600.00	\$ 10,000.00	Over lifetime
Maintenance - interior	\$ 50.00	\$ 600.00		Painting, plumbing, repairs, etc.
Maintenance - exterior	\$ 200.00	\$ 2,400.00		Depending on choice of house/apt
Heavy Cleaning	\$ 150.00	\$ 1,800.00		Monthly
Vehicle - Insurance/Maintenance	\$ 150.00	\$ 1,800.00	\$ 20,000.00	Reliable vehicle for caregiver to drive
Entertainment/Socialization/Food	\$ 500.00	\$ 6,000.00		
Clothing/Personal Care	\$ 150.00	\$ 1,800.00		
Specialized Camps/Social Oppor.	\$ 200.00	\$ 2,400.00		Adult special needs programming
Estimated Expenditure Totals	\$ 3,770.00	\$ 45,240.00	\$ 192,600.00	
SSI Income	\$ 735.00	\$ 8,820.00		Will increase to \$1100 when parents draw their retirement SS
Total Projected Income	\$ 735.00	\$ 8,820.00		
Net Private Funding	\$ 3,035.00	\$ 36,420.00		
2017 Dollars - Assuming preservation of Medicaid/SSI eligibility				

The Family Financial Plan Process

Aging process/life expectancy of individual with special needs

Aging process/care needs of other key family members

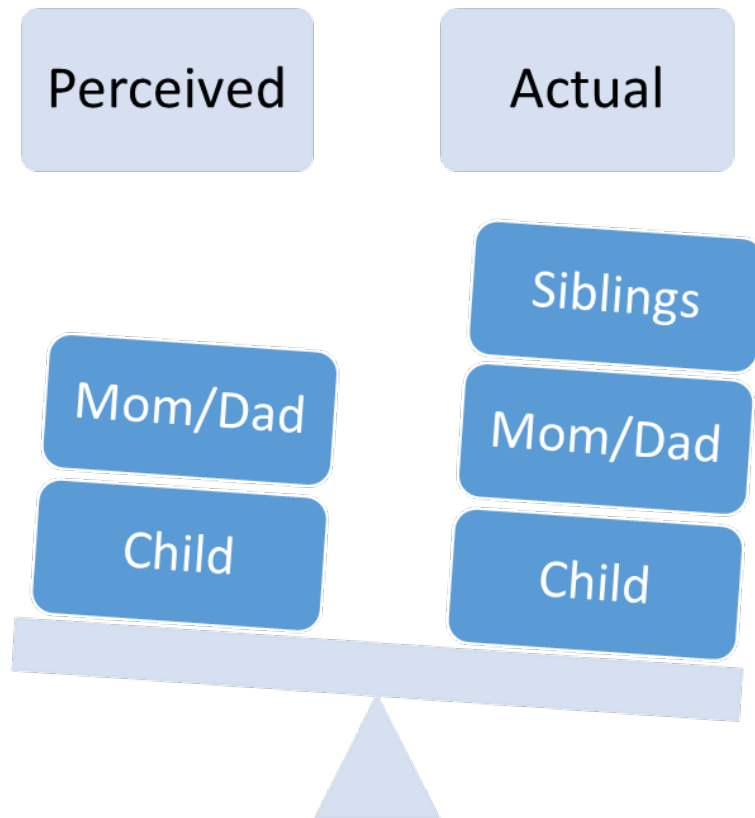
Changes in benefits

Inflation/Future Value – line item specific

Financial Plan

Plan for what you know today, then review annually.

The “Third Layer”



- Establish the life care plan
- Harmonize the parent’s plan
- Integrate the needs of the siblings
 - The overlooked pressure point

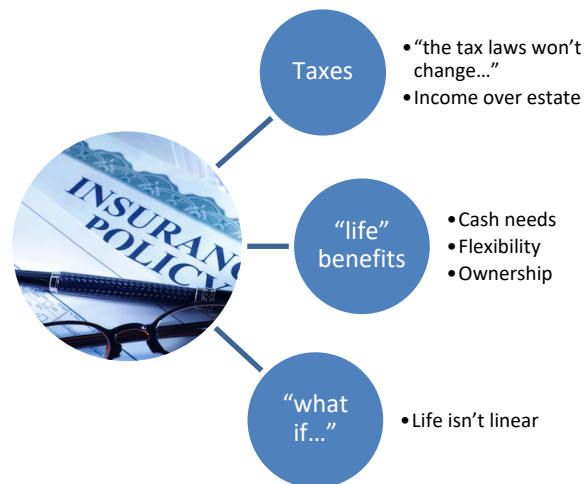
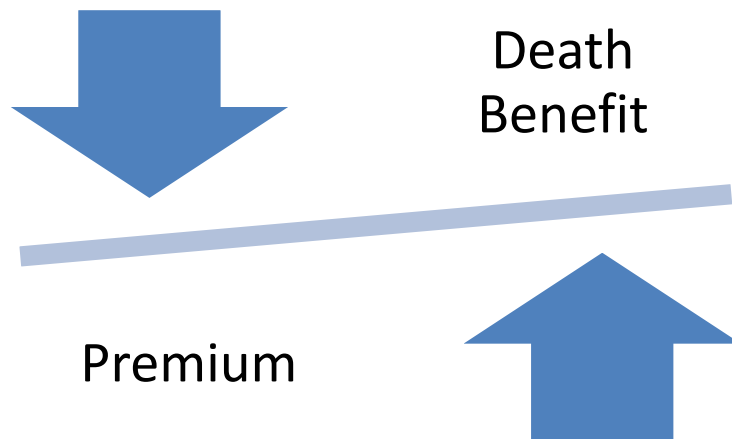
Legal Framework and Financial Decisions



Special Needs Trusts

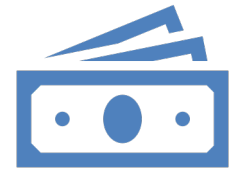
- Brief Historical Overview
- Purpose
- First Party Trusts
- Third Party Trusts

Life Insurance can be a Tool for funding a Third-Party Special Needs Trust



Other Legal and Financial Tools

- Spendthrift Trust
- “Other” Trusts
- Durable Power of Attorney
- ABLE Accounts
- Government Benefits Preservation
- Conservatorship/Guardianship Protection
- Court-supervised special needs trust



Health Care Planning

- Health Care POA
- Advance Health Care Directive
- POLST – Physician Orders for Life Sustaining Treatment



Plan Execution and Administration

Vision

- Vision stage: Introduction to Trustee as a resource. Find a “fit”

Legal Framework

- Allows Trustee to review document and give input as to trust document provisions.

Plan Execution

- Trustee has team of collaborators in place.



Benefits to Family

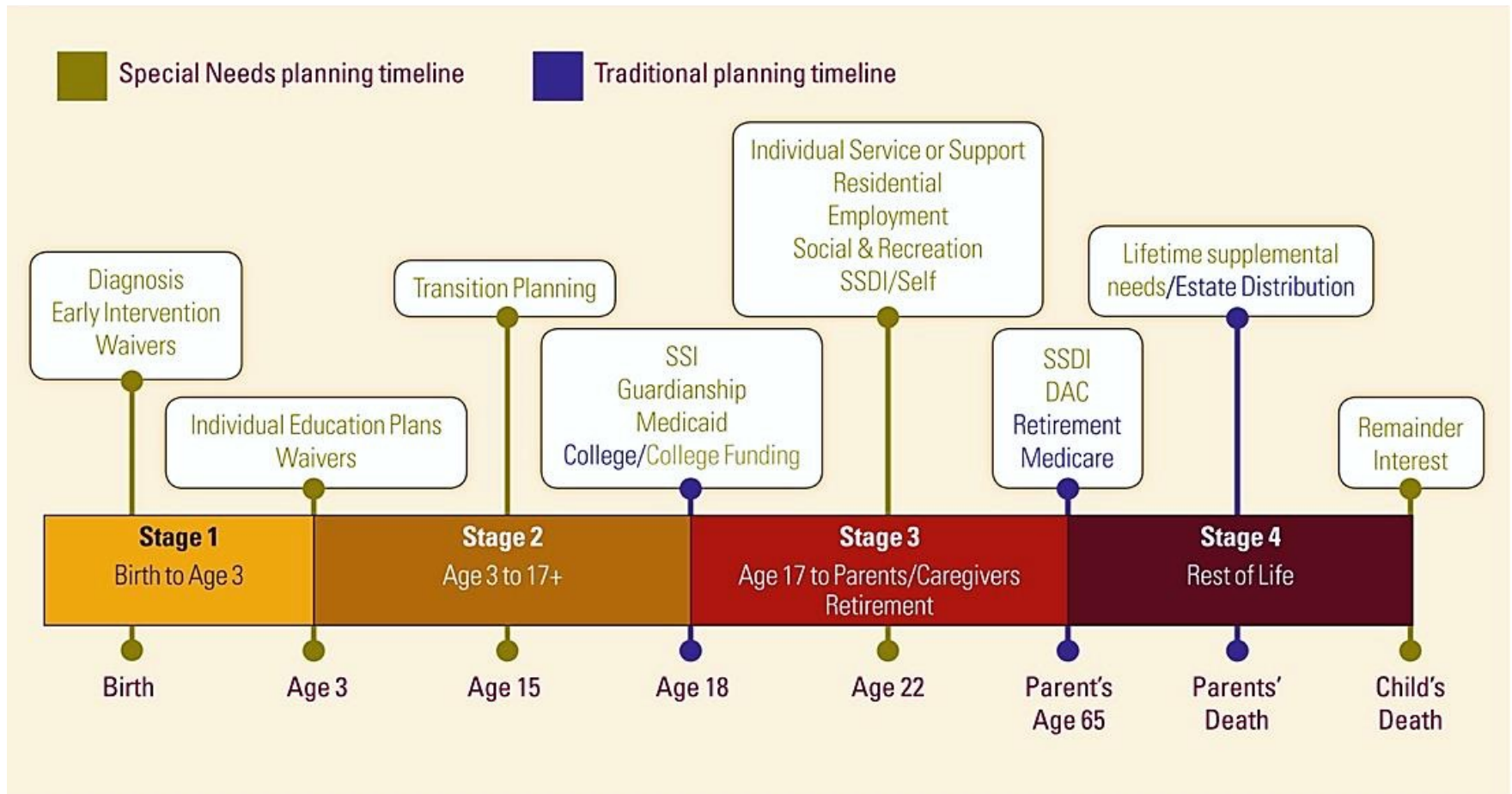
Allowing the Family to be a “Family”

- Trustor can be a loving legacy provider/ parent/relative
 - Safety net
 - Allow siblings to remain siblings. Carry out their life plans.
- Beneficiary
 - Provides personal space/privacy
 - Provides consistent care

**Initial Family
Dialogue -
Administration**

**Why do
Families
get Stuck?**

The “plank of anxiety”



Bridge Building

1

Schedule a family meeting to discuss the needs of the special needs child

2

Consider the thoughts of the siblings

3

If it is necessary, consider a mediation. This may be especially important when parents/siblings disagree

Who should make decisions?

- *Who will make the decisions?*
 - Does the person have enough ability (competence) or time?
 - Example: A young woman, who started medical school recently, will most likely not have the time to be an effective day-to-day decisionmaker for her special needs sibling.
 - Does the person actually want to take on the role?
 - Allow the person to say “no.”
 - Discuss people who serve as an alternative.
- *Introduce the professional administrator before the estate or special needs planning is complete*

RETURN ON INVESTMENT - COLLABORATIVE PRACTICE

- *Hard* Returns:

Cost Savings – avoiding “crises costs” money in legal fees, wasted funds, wasted benefits, poor quality services that do not meet needs, investments that do not perform,
MITIGATE RISK

- *Soft* Returns:

Peace of Mind - Quality of Life for all generations
Family Harmony
Professional Satisfaction



Why people call NCA

- New client intake
 - Document wants/needs, home/living situation, budget, benefits, MSA considerations, etc.
- Troubled relationship with the client
 - Constant emergencies and expenditure requests, unrealistic expectations, etc.
- Finding/Paying Caregivers
 - Trouble finding reliable resources, determining pay
- Major expenditure decisions
 - Home, automobile, DMEs, adaptive technology
- Change in circumstances
 - Life transitions, loss of benefits/income, medical changes, etc.



QUALITY OF LIFE FOR ALL.

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