

The **POWER** of ATTORNEY PROJECT

Welcome to the Power of Attorney Podcast which is part of our Conversations that Matter Podcasts. My name is Mary Bart, Chair of Caregiving Matters. This podcast is intended to provide general information only and is not intended to be a substitute for seeking personalized legal, financial or other advice. This podcast raises issues that our audience can further explore on their own in their own local communities with their own local experts. This project will help to be a call to action for families to solve their issues, find solutions to their problems, and have greater peace of mind.

Podcast Title: I am getting older. I need to know that I will be ok.

Guest Expert: Karen Henderson, CEO of Long Term Planning Network.

Introduction:

No one wants to think about the time when, as they age, they become chronically ill, and may need long term care. Unfortunately, however, the reality is that according to Statistics Canada, about 50% of those who reach 75 will need long term care. More unfortunate realities:

- Too many Canadians think the government will look after them when they become ill and unable to care for themselves
- Three quarters of Canadians (74 per cent) admit they have no financial plan to pay for long-term care if they needed it
- The 2014 Sun Life Canadian Health Index found forty-seven per cent of respondents worried about needing more long-term care than they have the money for, while 45 per cent worry over about outliving their savings.

Why should women be especially concerned about long term care?

Women are the unsung heroes of family caregiving. We take time off to care for children, spouses and parents. Consequently:

- We often have to leave the workforce to provide care, thus missing out on pensions and other work-place benefits
- Many of us will outlive our spouses, and be on our own when it comes to providing for lengthier long term care costs

- As a result of providing years of care to others, our own health may be compromised, resulting in greater long term care expenses

So then, why aren't we planning for long term care?

It's called procrastination. When it comes to aging, it's easier to make assumptions than to look at life's realities. These assumptions include:

- I'll remain healthy, even if I live to be 100
- The government will provide if I can't
- I won't outlive my money
- My family will care for me

So let's look at long term care.

First of all, what is long term care and where does it take place?

Long term care is a variety of services and accommodation provided to people with a prolonged illness, disability, or cognitive impairment such as Alzheimer's disease. It is intended to help a person maintain present level of functioning - not rehabilitate or cure medical problems: it is **care not cure**. Over 80% of long term care is provided by families at home; the remainder is provided in hospitals, retirement homes or long term care facilities, also known as nursing homes.

How much does long term care cost?

That all depends on where you end up living - at home, in a care facility - and how much care you need. Provincial governments provide a few hours of home care per day; you are responsible for the rest. The government pays for your care in a long term care facility; you pay for your accommodation. Here are some sample average care costs across Canada.

How Quickly Can Costs Add Up?

Sample Service Costs	Annual Cost
Nursing care – one hour / day at \$60 / hour	\$21,900
Personal care (e.g. help with dressing, bathing) – two hours / day at \$25 / hour	\$18,250
Homemaking (meal preparation, laundry, housekeeping) – 2 hours/day at \$20 / hour	\$13,104
	<u>\$53,254</u>
Accommodation in a retirement home - \$3500 per month	<u>\$42,000</u>
Accommodation in a LTC facility – \$2275 per month	<u>\$27,300</u>
24/7 Home care	<u>\$100,000+</u>

PLEASE REMEMBER: NOTHING IN HEALTH CARE IS FREE. WE PAY FOR CARE THROUGH OUR TAXES, CO-PAYMENTS OR OUT OF OUR OWN POCKETS.

How do I know if I will need long term care?

The following are factors that could predict the need for care.

- **Age** – As you get older, your risk generally increases
- **Marital Status** - Single people are more likely to need care from a paid provider since they can't count on a spouse or children/grand children
- **Gender** - Women are more likely than men to need long-term care, primarily because they tend to live longer
- **Lifestyle** - Poor diet and exercise habits can increase your risk
- **Health and Family History** – A family history of poor health may increase your risk.

Let me share with you the story of a family consulting client with whom I am working now. His 85-year old mother, previously in good health and living independently, suffered a sudden, severe stroke, which will leave her wheelchair bound for the rest of her life. She is presently in rehab but will be out very soon. Her son had no idea how to proceed; he had never considered that something like this could happen to his mother – he thought she would die without suffering any chronic, debilitating illnesses (a common belief/wish among boomer children). So together we are working through possible accommodation options, costs and the need to locate private caregivers. Quite frankly he is in shock – about the lack of comprehensive care, available professional care, the lack of available care beds, and the cost of providing private care because the present system does not provide enough funded care for someone like his mother.

That's how long term care often happens – out of the blue, too often tearing families and their financial futures apart.

I am reading a lot about dementia; how worried should I be about Alzheimer's disease?

I do a lot of public speaking; whenever I ask how many in the room know someone with Alzheimer's or a related dementia, the vast majority of hands go up. A 2010 report by the Alzheimer Society of Canada revealed some shocking statistics:

- Approximately 500,000 Canadians have dementia today – **one new case every 5 minutes**
- By 2038 1,125,000 Canadians will have dementia – **one new case every 2 minutes**
- Demand for long term care will increase 10-fold
- There could still be a shortfall of nearly 160,000 beds equipped to deal with dementia sufferers

What is the number one risk factor for dementia? Old age. There is no known cause or cure; dementia is a fatal disease. You should be concerned.

There is a lot to consider; I am a bit confused and frustrated...what do I need to do?

Here are some straightforward steps you can take to prepare for long term care so you don't end up suffering from your own sticker shock!

1. Decide on whom you can count for help
2. Establish clear legal directions through your will, Powers of Attorney and Advance Directive
3. Learn what your community has to offer with respect to services for seniors
4. Make sure your home remains a good fit

5. Take the time to investigate what the health care system does/does not pay for In your province
6. Look after your health starting NOW; exercise your body and brain
7. Communicate your plans and wishes to your family, physician, and anyone else who may be involved in your care
8. Create a long term care fund

How can I fund my long term care?

There are numerous possible sources of funding for long term care available to you. These may include:

1. Talking to a financial advisor about setting up a financial/retirement plan which includes a plan for long term care
2. Self funding through savings, investments, pension plans
3. Family assistance
4. Making regular contributions to an RRSP
5. Setting up a TFSA specifically for long term care
6. Purchasing an annuity to pay for care
7. Purchasing Long term care insurance

Let's take a look at #7 – long term care insurance.

What is long term care insurance; I have never heard of it.

You aren't alone! The product is relatively new to Canada and unknown to most Canadians. It is called a Living Benefit - because this insurance, unlike life insurance, provides benefits while you are still alive.

Long-term care insurance helps cover care where you wish to receive it – at home or in a care facility if necessary. It used to be called nursing home insurance, which it is not; statistics say 85 per cent of claims are paid to people who are being cared for at home.

This insurance pays a monthly tax-free cash benefit, which you can use however you wish.

Policy benefits include:

- Allows you to stay in your own home as long as possible
- Provides relief to family caregiver(s)
- Permits care choices
- Protects estate/assets

What triggers a claim?

One qualifies for covered benefits when a physician states that:

1. You are unable to perform at least two of the basic Activities of Daily Living (ADLs) such as dressing, bathing, eating, toileting, continence, transferring (getting in and out of a bed or chair), and mobility
2. When you need 24/7 help because you have a severe cognitive impairment such as Alzheimer's disease or a related dementia

Why would someone consider buying long term care insurance?

- They do not want to rely on family for care
- They want to preserve their lifestyle/standard of living
- They want care choices and control
- They do not want to suffer the way a spouse/parent suffered
- They want to preserve assets for other needs
- They want to keep family healthy and together
- They want dignity, independence and control
- They want peace of mind

How much does it cost?

Long term care insurance can be customized to fit almost any budget. The cost is determined by your age, health status, how much coverage you want, the length of time you wish the coverage to last, as well as the elimination period and inflation protection you choose. A licensed insurance professional can easily guide you through the decision-making process.

So the logical final question here is - how do I ensure that I live out my life with independence, dignity and control? That I will be alright?

The answer is two words:

1. Planning
2. Money

Planning gives you the knowledge you need, and money gives you the means you need to help you live where and how you want until the end of your life. It's not rocket science – it's common sense.

The time is **now** for you to start thinking and talking about long term care and taking financial responsibility for your aging years. The existing elder care system is breaking under the strain — all provinces have waiting lists for long term care or nursing home facilities — and the baby boom hasn't even hit its heavy-need years. Home care is severely underfunded and hospitals, the most expensive option, can't accommodate a growing influx of frail, elderly patients.

Don't wait until a crisis occurs - a fall, a broken hip, a stroke, a diagnosis of dementia. Start planning now – so you can live out your life on your terms.

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Caregiving Matters is an internet based registered Canadian Charity dedicated to educating and supporting family caregivers. 90% of our work is done online and by leveraging technologies. 10% is done by producing local educational events. We leverage technologies in everything that we do ensuring greater reach and sustainability. I trust that we have given some of the highlights of our exciting new initiative. If you are interested in speaking with me about the project, please let me know. We look forward to your questions and your ideas.

If people are interested in reaching us, they can contact Mary Bart, Chair of Caregiving Matters at 905-939-2931. My email is mary@caregivingmatters.ca and our website is www.caregivingmatters.ca