State of Rhode Island and Providence Plantations

Department of Human Services
Division of Elderly Affairs

RHODE ISLAND SENIOR BEAT

BY: Larry Grimaldi, Chief of Information & Public Relations
462-0509 lgrimaldi@dea.ri.gov
RELEASE: Friday, May 10, 2013

ATTENTION CAREGIVERS: KNOW THE FINANCIAL FACTS!

CRANSTON ---In last week's column, we talked about getting your family members' legal houses in order. You've helped them get a will in place. They have completed their advance health care directives (living wills and durable health care powers of attorney). You've talked about estate planning. Are you done? Not really. It's time to help them get their financial house in order.

Talking to your parents or older relative about finances is not easy. Many times, there is a reluctance by the parent or relative to give a full accounting of their financial situation. But the discussion about finances needs is an essential element to a complete caregiving program. Think of it this way. What would happen if you suddenly needed to manage your older relative's account? As a caregiver, you need to know about your relative's income. You need to know about their bills. You need to know where they keep their financial records. You need enough information to gather the necessary records and develop a sensible financial plan. In short, you need to be prepared.

AgingCare.com, a website dedicated to caregiver issues, has several suggestions for caregivers about putting together a comprehensive financial analysis that will avoid confusion and unnecessary stress.

First and foremost, execute a power of attorney for financial matters. Without this critical, common sense instrument in place, you would need to petition the court for guardianship to gain access to financial records and accounts. Spending a little time and money on this matter now will save a lot of time, effort, and frustration later.

-more-

Know where your parents or older relative keep their financial records. Whether it's a safe, safe deposit box, or other storage site, you need to know where the records are. You need to know where the keys are, or the combination to the safe.

Make a list of all savings and checking accounts and account numbers. What banks do they use? Who is their mortgage company? What credit cards do they have? What investments do they have? Managing their accounts will be much easier when you can put together a complete financial file. Find out if they are working with a financial advisor. If so, get his/her name and contact information.

Know what their monthly income is. What are their monthly Social Security benefits? Do they get a pension? Do they receive income from IRAs or investments? Do they get monthly disability checks or other income such as alimony?

Chart you parents' or older relatives' monthly expenses. List in detail monthly expenses such as heat, electricity, rent or mortgage expenses, insurance payments, food, medical expenses, and other costs so that you can develop a plan to pay their bills.

Know how they pay their bills. Do they pay some bills by automatic deduction from their checking account? Do they send checks? Maybe they even use online banking services. Formulating a workable budget is contingent on identifying income and monthly expenses as accurately as you can.

Make a copy of their Social Security card, Medicare card, health insurance card, and Medicare Prescription Drug Plan (Part D) card, if applicable. Some seniors receive their medical coverage through a retirement agreement, through union membership, or through civil service plans such as TRICARE. Knowing what coverage a person has makes it easier to deal with health care issues, should they arise.

Finally, you need talk with your parents or older relative about long-term care expenses. Too often, caregivers are left in a position of ignorance about paying for long-term care. Decisions are made when a crisis occurs. That's not the most practical way of exploring the options.

-more-

John O. Pastore Center, Hazard Building / 2nd Floor
74 West Road, Cranston, RI 02920
Telephone 401-462-3000, Fax 401-462-0503, TTY 401-462-0740
Web Site: www.dea.ri.gov

These options may be limited by necessity. As always, information, awareness, and planning are the keys to effective problem-solving.

Medicare pays for skilled or rehabilitative care in long-term care facilities for a limited period of time, providing certain requirements are met. You can get more information in the "2013 Medicare and You Handbook," Call 1-800-MEDICARE (1-800-633-4227) for a copy of this handbook. The TTY number is 1-877-486-2048. Information is also available www.medicare.gov. Health insurances do not cover long-term care in an assisted living or nursing home, so there needs to be a plan to pay these expenses, if necessary.

In some cases, your parents or relatives may have a long-term care insurance policy. Does the policy pay for assisted living and or home care? What are the policy limits? When does the policy begin to pay the expenses? Get the facts. Talk to the policy insurance agent or representative.

In some cases, the senior may be eligible for long-term care services under the provisions of the Medical Assistance (Medicaid) program. You should familiarize yourself with this program. The Rhode Island Division of Elderly Affairs (DEA) publishes the "Medical Assistance and Nursing Home Care" guide. The guide outlines the basics of long-term care coverage and provides resources to obtain additional information.

For a copy of the "Medical Assistance and Nursing Home Care" guide, call DEA at 462-3000. The guide is also posted on www.dea.ri.gov. The TTY number for DEA is 462-0740.

As a caregiver, putting together a financial fact sheet for your parents or older relatives can bring you peace of mind and the ability to make informed choices on their behalf, when they cannot no longer choose for themselves.

-30-

The Rhode Island Department of Human Services, Division of Elderly Affairs (DEA) is responsible for the development and implementation of a comprehensive system of programs and services for Rhode Islanders ages 60 and older and for adults with disabilities. Questions or requests for additional information on the issues of growing older, or for issues concerning adults with disabilities in Rhode Island should be directed to: Larry Grimaldi, Rhode Island Senior Beat, Rhode Island Department of Human Services, Division of Elderly Affairs, 74 West Road, Cranston, RI 02920 or faxed to 462-0545. The e-mail address is lgrimaldi@dea.ri.gov.