



**FREE GUIDE TO FINDING AND AFFORDING  
THE BEST CARE FOR YOUR LOVED ONE**

Amada Senior Care | 2014

**AMADA**  
SENIOR CARE 

## **BUSINESS ADDRESS**

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Dear Client,

Thank you for reaching out to AMADA Senior Care. We understand that finding the right senior care for you or a loved one can be difficult and time consuming. That is why we specialize in helping seniors and their families find caregivers, assisted living or other senior care options. Learning what options you have for care and how to pay for that care are two areas that many families find overwhelming. Let AMADA's years of experience guide you through your choices. This brochure is a resource for seniors and their families to help them better understand the senior care market and the financing options available.

If you have any questions about specific care or financing options in your area, pick up the phone and call a Senior Care Coordinator for a complimentary assessment at 1 877-44-AMADA or 1 877-442-6232. We hope this helps you understand your senior care options better and we look forward to helping you find just the right fit for your family.

Sincerely,

A handwritten signature in black ink, appearing to read "Chad Fotheringham". The signature is fluid and cursive, with the first name "Chad" being more prominent.

**Chad Fotheringham**

President

Amada Senior care





First, it is important to understand what senior care options will be paid for by Medicare or Medicaid, and what you will be responsible for paying out-of-pocket.

## PRIVATE PAY

**Home Care / Custodial Services** In-home care is focused on providing non-medical custodial services such as cooking, cleaning, errands, light housekeeping, bathing, dressing, toileting, continence care, medication reminders, ambulation, physical activity and companionship.

**Assisted Living Facilities (AL)** Apartment or condo style living that allows seniors to live in an environment with considerable assistance. Services provided can include meals, organized activities, multiple levels of medication management and non-medical care. These facilities offer different levels of care and as the clients' needs increase, costs increase accordingly.

**Independent Living Facility (IL)** Apartment-like complexes where seniors live independently. There is usually no care provided. In some facilities meals are offered to residents. Clients can choose to participate in structured activities with others their age.

**Residential Care Facilities for the Elderly (RCFE) or Board and Care Homes (B&C)** Homes in residential neighborhoods that serve persons 60 and older. They provide room, board, housekeeping, supervision and assistance with personal care necessities such as hygiene, dressing, eating and walking. Facilities usually centrally store and distribute medications for residents to self-administer.



## **MEDICARE COVERS**

Hospital Acute hospital care is defined as necessary treatment of a disease or injury requiring continuous management in a hospital setting.

**Home Health Agency** Provides physical therapy (PT), speech therapy (ST), occupational therapy (OT), social worker (SW) or skilled nursing care in the client's home. To qualify, the client requires a medical reason and a physician's order. Does not require a three-day hospital stay.

**Palliative Care** Focuses on the medical care for those diagnosed with life-threatening diseases (similar to hospice). The main difference between palliative care and hospice is that there is no definite life expectancy needed to enter into palliative care programs. Hospice patients typically have a prognosis of less than six months life expectancy.

**Hospice** Focuses on managing the medical needs and comfort of those who have a diagnosis such as cancer, end-stage dementia, COPD, CHF, end-stage heart or lung disease, or even failure to thrive marked by progressive decline in nutritional intake, functions, weight loss, or sudden disorientation.

**Durable Medical Equipment (DME)** Equipment such as: walkers, wheelchairs, hospital beds, oxygen, etc.

**Skilled Nursing Facility (SNF), Nursing Home or Rehabilitation Center** Most skilled nursing facilities provide:

**Short-Term Rehab** Focuses on physical therapy, speech therapy, occupational therapy, and nursing / skilled needs.





## **MEDICAID COVERS (once assets are depleted)**

Most SNFs also provide

### **Long-Term Custodial**

Focuses on the long-term custodial care of seniors such as bathing, dressing, feeding and other Activities of Daily Living (ADLs).

## **ADDITIONAL FUNDING**

### **Veterans: The Veterans Aid & Attendance Pension**

Provides wartime veterans and their surviving spouses with tax-free financial aid for senior care. It is paid for by the Department of Veterans Aid and Attendance Pension.

### **Long-Term Care Insurance (LTC)**

A privately purchased insurance product that extends coverage for the cost of long-term care beyond what Medicare covers.

Now that you are an expert on what Medicare pays for and what you are responsible for paying out-of-pocket, it's time to cover how your part can be financed. In order to create a budget, it is important to consider all possible forms of income.

### **Convert life insurance to pay for care**

Life insurance policies hold a hidden value that can be used to pay for long-term care. At no cost, and in as little time as 30 days, a policy owner can exchange a term, universal, whole, or group life policy for a tax-advantaged Long Term Care Benefit account that will make automatic, monthly payments to any form of care an individual chooses.

## **SOCIAL SECURITY**

Most seniors use their social security as the base for determining their senior care budget. It is important to carefully consider when to file for benefits, as there are many varying strategies. Andrea Coombes of the





Wall Street Journal shares three common strategies, but it is important to consult with your personal accountant to determine which strategies will work for you.

**First strategy:** Many financial planners are recommending delaying filing as long as possible to earn “delayed retirement credits”. Many baby boomers are already working longer due to declining retirement savings accounts. Every year they wait to file, they can increase their benefit by 3-8%, depending on when the retiree was born. Since surviving spouses receive the full benefit amount upon their working spouse’s death, this can make a huge difference. With life expectancy increasing, the odds are that every year you wait to file will pay dividends.

**Second Strategy:** Plan as a couple and take into account the life expectancy for each spouse, family history, etc.

Joe Elsasser, an Omaha, certified financial planner, who created software that advises seniors on when to retire, states that “Making a joint decision is imperative for couples”.

Consider a hypothetical situation. The husband, the higher earner, believes he is going to die relatively early and the wife thinks she’ll live a long time. So the husband claims his benefits as early as possible and the wife delays.

“That’s exactly opposite of the scenario that should happen,” Mr. Elsasser says.

As we mentioned before, each year you delay claiming your benefits past your normal retirement age, your benefit increases about 8% up to age 70, and in the event of a spouse’s death, the surviving spouse can take whichever benefit is higher.

If the husband claims early and then dies first, “effectively he’s shortchanged his wife’s survivor benefit,” Mr. Elsasser says. Instead, that husband should delay his claim, so if need be, the wife can claim the highest



possible benefit for the rest of her life. If the wife dies first, the husband simply keeps his own benefit.

The key that most people miss is that you're trying to maximize benefits over both spouses' lives.

**Third Strategy: "File and Suspend"** – This can help maximize the family's income. Say a husband plans to delay his benefit until age 70. He is allowed to claim his benefit at his normal retirement age—say it's 66—and then immediately suspend it.

That way, his benefit amount keeps growing—thanks to those delayed retirement credits—but since he did make that initial claim, his wife, at her full retirement age, can file a "restricted" application to claim spousal benefits based on her husband's record, but not her earned benefit.

Generally, spousal benefits are up to 50% of the other spouse's monthly benefit at full retirement age (some age restrictions apply). In this scenario, her own benefit now can grow until she reaches 70 too.

In one hypothetical "file and suspend" scenario, a couple, both 66, could collect an additional \$60,000 by delaying their benefits with the wife taking spousal

payouts while they wait," says Lisa Colletti, New York-based director of wealth management at Aspiriant.

Another use of a "restricted" application: Say a 66-year-old husband decides it makes sense for him to delay his benefits until he's 70. His wife started her benefits at 62. "What the husband doesn't realize is he is entitled to 50% of his wife's benefit while he waits, because she already filed," Mr. Horowitz says.

When he turns his full retirement age, the husband can tell the Social Security Administration that, rather than filing for his own benefits, he wants to restrict his benefits to his wife's record. If he changes his mind, he can switch over to his own benefits at any time. In one scenario, that couple would receive an additional \$42,000 by the husband claiming spousal benefits.

Note that the spouse who files a restricted application must be at least full retirement age. "If you apply for spousal benefits prior to full retirement age, then 'deemed filing' applies. You are deemed to have filed for both your own benefit and the spousal benefit at the same time," says Jim Blankenship, a certified financial planner in New Berlin, Ill., and author of "A Social Security Owner's Manual."





It's tough to generalize about Social Security strategies. Each spouse's age, benefit amounts and health outlook play a big role in how and when to claim. The main point to remember is, don't claim before you assess your options.

### **LONG TERM CARE (LTC) INSURANCE**

These policies are used to pay for many types of senior care. Most of the early LTC policies were written to pay for nursing home expenses but as time went on the policies expanded to cover in-home care, assisted living, adult day care and even some skilled nursing or care management costs. These policies are available to purchase by those who are healthy. If you have a loved one who has health issues or who already needs senior care, it is probably too late to consider taking out a policy. However they may already have one in place that can be of great value to you at this time.

### **LONG-TERM CARE BENEFIT**

A Life Insurance policy can be converted into a Long-Term Care Benefit Plan in as little time as 30 days to start making monthly, tax-advantaged payments directly to the care provider of choice:

- No fees or obligations to apply and enroll
- Most types of life insurance qualify
- All forms of care covered
- Monthly benefits are flexible
- No more premium payments
- Final Expense benefit
- Medicaid qualified spend-down

An existing Term, Universal, Whole or Group life insurance policy may be eligible to set up a Long Term Care Benefit Plan. To fund the Plan, the insurance policy will be sold and the proceeds will be deposited into an irrevocable, FDIC insured Benefit Account in the name of the policy owner.

Monthly payments are made automatically from the Benefit Account to the care provider of the family's choice. If care needs change, the family can simply update the account instructions and payments will be directed to the new care provider. The amount of the payment can also be changed at the family's direction.

Each account provides a final expense payment to help with funeral costs. In addition, if there is any remaining account balance when the person receiving care passes away, the balance will be distributed tax-free to that person's designated beneficiaries.

A Long Term Care Benefit Plan extends the time a person would remain private pay and delays their need for Medicaid. All health conditions are accepted, there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill, and there are no loans or premium payments. The Long Term Care Benefit is an accepted form of payment by every Home Care, Assisted Living, Memory Care, Nursing Home, and Hospice company in the United States.

### **IT IS IMPORTANT TO ASK YOUR FAMILY MEMBERS WHO NEED CARE WHETHER THEY ALREADY HAVE A LONG TERM CARE POLICY IN PLACE.**

Many family members we work with who are looking for senior care for a loved one are surprised to find out that person has a LTC policy in place. It is not uncommon for us or a family to find out a client we are helping has a LTC insurance policy that nobody else knew about.

Check bank records to see if any insurance payments have been made over the last year. Find out exactly what is in that policy before making any claims.



If you find a policy and need help understanding it, feel free to call AMADA at 1-877-442-6232 and we can do a complimentary LTC assessment by phone to help you understand what your policy covers.

Most LTC policies have a similar structure but each individual policy has different small print. Below is a list of sections that we use as part of AMADA's LTC planning guide to help families understand how to best to use their policies. We recommend you call us before putting in a claim, so we can walk you through the planning guide. If your first call is to your insurance company, you may unknowingly be giving them information that may slow or invalidate a claim. It is vital to understand what is in your policy before making a claim.

#### **What is the elimination period on your policy?**

0      30      60      90      100-day period

The elimination period is like a deductible where you are responsible for paying the full portion until your coverage begins.

#### **What is the maximum daily benefit?**

Usually \$80-\$300 a day

Maximum daily benefit is the maximum amount your policy will reimburse for each day.

#### **What is the maximum lifetime benefit?**

Days or \$

Most policies state the maximum lifetime benefits in terms of days or dollars. Find out which your plan uses.

#### **What does my policy cover?**

Assisted Living Care?

In-home Care (caregivers)?

Skilled nursing facilities?



### What do I have to do to activate my LTC policy?

- Call in and request a claim packet
- Fill out the claim form and send it in
- Make sure to list the information of the company providing care and their tax ID
- Check to see if the policy requires a doctor to fill out a form documenting your need for care
- Check to see if you need an assessment from a Registered Nurse (RN)

### Once my claim is approved how do I get reimbursed?

To be reimbursed you need to ensure that each invoice you receive from your provider is submitted with notes documenting that assistance with ADLs is provided each day.

After determining your plan's elimination period and maximum daily/lifetime benefits, put together a plan to optimize your policy's benefits based on your expected length of care. Activate your claim as soon as possible to minimize your out-of-pocket expenses during the elimination period.

### VETERANS BENEFIT PAYS FOR SENIOR CARE COSTS

The Veterans Aid & Attendance Pension provides wartime veterans and their surviving spouses with tax-free financial aid, based on a VA means and assets test, for the following senior care needs:

- In-Home Care Givers
- Assisted Living Community
- Nursing Home/ Skilled Care
- Independent Living or Board & Care Residences
- Adult Day Care Center

### WHO QUALIFIES

Must have served at least 90 days of active duty with at least one day during a period of war.

### Eligible Periods of War

- World War II: December 7, 1941-December 31, 1946, inclusive.
- Korean Conflict: June 27, 1950-January 31, 1955, inclusive.
- Vietnam Era: February 28, 1961- August 5, 1975, inclusive.
- Persian Gulf War: August 2, 1990, through date to be prescribed by Presidential proclamation or law.

### Must require the assistance of another person

to perform activities of daily living such as dressing, bathing, cooking, eating, taking on or off prosthetics, leaving home, etc.

**Adequate medical evidence** that you cannot function completely on your own, verified by your physician.

**Financial Qualifications:** Less than \$70,000 in assets (excluding home and vehicles).

**"Honorable" or "General Under Honorable"** discharge conditions.

**A surviving spouse** must have been married to the veteran at the time of his or her passing.

### YOU HAVE TWO OPTIONS TO OBTAIN YOUR VA BENEFITS

#### OPTION 1

Amada has a free comprehensive resource guide which includes the following:

- Eligibility worksheet to determine if Veteran or spouse will qualify
- Application for Veteran (VA Form 21-526)
- Application for Spouse of Veteran (VA form 21-534)
- Step-By-Step guide to answering all questions in application



- Medical Statement for Consideration of Aid and Attendance (VDVA Form 10)
  - Your physician needs to fill this out stating you need assistance with certain activities of daily living (ADLs) such as walking, feeding, bathing, etc.
- Checklist of all required forms and supporting documentation. For example:
  - Must include military discharge papers (DD-214)
  - Must include marriage certificate (for married veterans or surviving spouses)
- Assign a representative to visit family on-site
- Able to assist through the entire claims process
- Can provide a VA accredited letter of determination
- Will review denied VA claims
- Can assist families who are over qualified with financial planning

**Process Time:** 3-6 months, in most cases benefits are retroactive

## OPTION 2

Amada has partnered with experts in the Department of Veterans Affairs Programs.

They can conduct a complimentary assessment of eligibility and more (fees may apply).

**Process Time:** 1-3 months, in most cases benefits are retroactive. 100% approval rate.

## WHAT THE BENEFITS CAN BE USED FOR

- In-Home Care Givers
- Assisted Living Community
- Nursing Home/ Skilled Care
- Independent Living or Board &
- Care Residences
- Adult Day Care Center



Call an Amada representative today for a complimentary comprehensive benefit analysis.

## **RESOURCES FOR LOWER INCOME SENIORS**

State Medicaid programs have several plans in place to care for low-income seniors. Many of these seniors are called Dual Eligible or Medi-Medi, meaning they qualify for both Medicare and Medicaid. Many states have programs that pay for seniors to stay in nursing homes once their Medicare reimbursement days run out. In some states there are even programs that pay for in-home care, or even assisted living “waiver” programs that pay the difference between what seniors can afford and what the facility charges.

The National Council on Aging has various programs that assist seniors with care needs and many of those dollars go unclaimed. To learn more go to The NCOA website at <http://www.benefitscheckup.org> and fill out an online questionnaire. After filling out the questionnaire, you will receive a free report telling you what programs you qualify for and how to apply for them.

## **CASH FLOW CONSIDERATIONS FOR SENIOR CARE**

Many seniors are living longer, which means some are outliving the supply of liquid cash that they would normally use for senior care expenses.

Many seniors find themselves in a situation where much of their wealth is tied up in their home. A depressed real estate market makes it hard to sell those homes and pull out the cash needed for care.

Here are some strategies to help seniors find the money they need to pay for care.

**Reverse Mortgages:** These allow homeowners to pull money out of the equity of their home to pay

for care costs. They get tax-free dollars in the form of a loan that doesn't need to be paid back until they sell the home. The downside is that you are taking equity out of your home. The money that is borrowed against that equity is compounding interest and eating away at your remaining equity. In some cases, if someone lives longer than expected, all the equity can be eaten away and in severe cases, the home can be lost completely. It is important to talk to a financial advisor if considering this option.

**Turning a Life Insurance Policy into Cash** by using a cash surrender option. This is when life insurance policies have a cash value that can be cashed out immediately. By doing this the death benefit is forfeited so weigh all options fully before making this decision. Policy holders can also use an option called accelerated death benefits or third party settlements which allows them to receive cash immediately in trade for some or all of the future value of the long term death benefit. The difference between the two is that the accelerated death benefit is usually done through the insurance company and the settlement is done through a third party.

It has been said that if you fail to plan you are planning to fail. It is important to have a strategy in place and to let all your family members know your plan so they can assist you when a crisis arises.

**If you have any questions or senior care needs, call us and we can assist you.**



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