

The DAILY PLAN-ITTM

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Protect Clients by Planning Ahead for Alzheimer's

Are your clients adequately prepared if Alzheimer's strikes themselves or a loved one?

Approximately 44 million individuals have the disease, and about 25% of those living with the disease are undiagnosed.

Caring for a loved one with Alzheimer's isn't easy physically, emotionally or financially. That's just one reason why it's important for your clients to put a plan in place for their own and their loved one's health care needs.

The day will come when the afflicted person will need around-the-clock care. It's important to plan now for those later needs because this disease advances quickly, with a life span ranging from 3 to 11 years.

Alzheimer's and Insurance

Health insurance is important and helps manage expenses for someone living with Alzheimer's. Planning ahead and having health insurance in place now helps your client or their loved one avoid being declined by an insurance company when diagnosed with Alzheimer's.

Your client might have some protection from being denied coverage under existing law, but that's for individuals who are diagnosed with early onset Alzheimer's. If your client has trouble finding coverage, then he or she can access government subsidies to help with the purchase of health insurance.

Existing Policies

It's important to avoid canceling existing health care policies unless your client has researched the differences in premiums and levels of coverage. Health insurance costs are substantially higher for someone who is 64 or older.

Encourage your client to review existing policies and check for the level of coverage and how much an individual will be required to pay out-of-pocket.

Also, review the policy to see if it covers long-term care, hospital care, doctors' fees, prescriptions and home health care. If one of these items isn't listed in the policy, your client

will need to find other methods of support. These could be retirement plans and health savings accounts. Before using these other methods, your client should always speak with you as their financial advisor about the risks.

Long-term care insurance can also be an option. It can pay for living at a nursing home or assisted living facility. (The average monthly cost to live at a nursing home is around \$7,000.) This policy should be in place before someone is diagnosed with Alzheimer's. An individual is generally no longer eligible for long-term care insurance once diagnosed.

Advanced Directives and Estate Planning

Advanced healthcare directives (also known as living wills) are very important for a patient to outline their healthcare wishes. Everyone should also name a designated healthcare power of attorney to ensure that their wishes are carried out and to make medical decisions if they are incapacitated.

Along with advance directives, your clients should also annually review their planning documents with an experienced estate planning attorney to make sure there's a power of attorney for financial decisions, a will, and a living trust in place to determine what happens to property after death.

Regardless of whether your clients or their families are affected by Alzheimer's disease, it's a good idea to have a plan on how to financially and strategically manage a healthcare crisis.

As always, we hope this article has been of help to you and your clients. If there are any planning issues with which we can help you, please contact our office.

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