



Turning Savings and Home Equity into Senior Care Options

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with Powwow, LLC



About Quentara Costa

- Certified Financial Planner® since 2010
- Masters of Financial Planning from Bentley in 2008
- Secretary of the North Andover's Council on Aging
- Member of NAPFA, XYPN, Fee-Only Network
- Personal experience with elder care planning



Let's Powwow!

- Poll the audience
- Step 1 - Take Control
- Step 2 - Know Your Options
- Step 3 - Make an Informed Decision

POLL THE AUDIENCE

Where are you
in the process of
planning for
senior care
options?



WHY IS THIS SO DIFFICULT?!

Our needs in the future are largely unknown.

- Physical?
- Mental?
- Sudden or gradual?
- Will family dynamics change?
- Will laws and resources change?

And if we don't know... it's hard to pinpoint the cost!

Step 1: Take Control

The Definition of Independence

Taking responsibility for your own actions, making independent decisions, and having emotional, financial, and physical self-sufficiency, while also recognizing that true independence can include relying on and helping others within a community.

What it means to be independent

We usually symbolize our independence in our career and/or home.

- The biggest fear anyone has is losing their independence.
- Our independence doesn't need to be symbolized, it needs to **realized**.
- Therefore, the conversation needs to include alternatives that allows us to be the best unencumbered version of ourselves.

Understanding how we age

- Aging isn't personal - it happens to ALL OF US!
- Read: *Being Mortal* by Atul Gawande
- Think through your day and all the steps it takes to do common activities.
 - Driving, cooking, household chores, general home maintenance, and movement throughout the home.

You'll notice quickly that even mundane tasks can require considerable mobility and memory function.

Transition Triggers

You have control over your preferences!

If you have a problem maintaining independence,
can it be resolved by reducing, replacing or
eliminating?

Results

Once preferences are determined it's MUCH easier to back into the affordability and overall options.

- You can determine if private care options are affordable
- If LTCi is needed or can fund preferences
- Whether the house should be sold
- Communicate with family on how they can help with time or money
- Whether you'll be on Medicaid programs sooner/later than expected
- Whether you'll qualify for Veteran's Aid and Attendance or PACE
- If local Elder Services programs can play a role



Step 2:
Make no assumptions,
know your care options.

Home Care

Care Type	Hourly	10 hours	Month
Companion	\$40	\$400/day	\$12,000
Health Aide	\$40	\$400/day	\$12,000
Skilled Nursing	\$125-150 (1 hr visit)		

+ the cost of homeownership, groceries, transportation without having access to the value of the home.

**Genworth Cost of Care Survey 2024, Greater Boston Area
Right at Home, 2024 Price List, Boston North**

Retirement Community

Assisted Living Facility:

- Average per Genworth: \$7,825 (\$260/day)
 - In my experience, this pricing is on par with the independent room rates.
 - I typically find Assisted Living which includes a care package to be more like \$10,000+/month (\$333/day) in this general area.
 - Memory Care \$12,000+/month (\$400/day).
- Keep in mind the value of your home can be liquidated and accessible to pay rent.
- The cost of homeownership falls off.
- The cost of things like yoga class, car, groceries may also reduce or be eliminated as it's included in the cost of rent.
- Typically, I find that couples spend about \$1k/mo beyond the cost of rent and Medicare. Individuals \$500/mo.

Genworth 2024 Cost Of Care Study, Greater Boston Area

Nursing Home (Skilled Care)

Massachusetts requires that Assisted Livings offer a social model of care. That means the feel to a retirement community is very residential and generally offers independent -> memory care.

Once skilled care services are needed, a move to a nursing home may make the most sense unless you hire a skilled homecare provider or work with hospice to deliver services at the retirement community.

Skilled Care:

- \$14,889 semi-private/month (\$496/day)
- \$16,364 private/month (\$545/day)

Once this level of care is needed, there is the safety net of Medicaid should assets be spent down to \$2,000/per person or \$162,660/couple in 2026. There are also options for asset protection trusts and immediate annuities in the right circumstances.

Medicaid rarely covers retirement communities or homecare. Ideally, you're in a nursing home for a very short amount of time.

Genworth 2024 Cost Of Care Study, Greater Boston Area

Continuing Care Retirement Community (CCRC)

- Ideal for independent seniors 65+ to take full advantage of amenities (golf greens, pools, gym trainers, trips, clubs)
- A campus like environment, meaning dining areas and amenities may be in totally different buildings.
- Lease a unit by paying an entrance fee (\$200k - \$1M).
- At move-out, you will receive 0-90% of your initial entrance fee.
- You may have to buy or rent a covered parking space and storage unit as well.
- Pay monthly rental fee toward maintenance + meals (\$3k - \$10k/mo).

Continuing Care Retirement Community (CCRC)

- Care is handled differently at each CCRC.
 - Some offers all levels of care throughout the campus
 - Some stop short of long-term skilled care and only offer a short-term rehab or advanced memory supports.
 - Some bring care to your leased unit whereas others have you transition throughout the campus.
 - Some start with a higher independent rent but keep it relatively stable throughout various care levels. Others

My suggestion

Be realistic, tour, and set correct expectations.

Don't pay for amenities like a pool if you don't own a bathing suit. Pick what suits your lifestyle and keep your future self in mind. **How will the community grow with you?**

If it doesn't handle all your potential concerns, address its limitations with a plan b so you're prepared for any "what-ifs."

For example: Assisted living offer skilled care, so is your Plan B to hire a nurse or to proactively investigate local nursing homes so you have an idea of where to go if necessary? Either preference can then be reflected in your financial plan.

Ask about a trial run: You may be surprised how your opinion changes after having someone sit with you all day vs. trying a respite stay at assisted living or doing a weekend at a CCRC.



Step 3: Make an Informed Decision

Create a plan using all your data

- The sale of your home and reprioritizing your living expenses. Ax expenses that no longer apply and add what does. The cost of something like assisted living should not just be lumped on top of current spending.
- Breaking out health insurance, care, and living expenses to make it possible to set different and more expected inflation rates. It also makes it easier to adjust expenses for all the “what-ifs!”
- Graduating to different care-levels within the community so that mentally and financially you’re not surprised by this possibility. This is especially true if you have a spouse.

Create a plan using all your data

- Ability to see alternative care measures that may be of interest to ensure you're making a well-informed decision.
- LTC insurance benefits, if purchased or deciding. Make sure the benefit is reflected accurately against the plans elder care costs and that you'll be able to comfortably afford the premium until you draw from the policy.
- A roadmap of how you'll draw from income and net worth to cover the expenses in a tax-efficient way (with your beneficiaries in mind as well!)
- When you may be mostly "spent down" in order to qualify for community programs and Medicaid. Is the timing what you thought?

Any Questions?

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