



<http://supportforhome.wordpress.com>

Follow us on 

<http://www.twitter.com/SupportForHome>

Find us on Facebook 

<http://tinyurl.com/3rovgp9>

**Linked in** 

<http://tinyurl.com/6htq5b9>

Support For Home Blog 10/28/2011:

## Funding Home Care Costs

As a home care / elder care company, we at Support For Home talk to a lot of families about funding the costs of such care. One of the choices that a number of them face is whether to spend Long-Term Care Insurance (LTCI) dollars first or to save those monies and spend their own dollars first.

I am not an accountant, although my folks were, and maybe some of it rubbed off, in spite of my efforts to avoid it. For me, the answer is really very simple, but that may just be because we deal with the question so frequently. To most families, there are so many things going on when home care is needed for a loved one that this important analysis almost gets lost in the background noise.

So, we will construct a scenario that is pretty realistic and will, I think, make clear why we feel using your Long-Term Care Insurance benefits before you spend any of your investment dollars is the right approach. This is going to involve a bit of arithmetic, but I think it is worth it.

First, however, I should say that for the other owner of Support For Home, my wife, no arithmetic is needed. For her, it is as simple as the fact that LTCI does not work like life insurance. If she gets run over by a beer truck — doubly unlucky, since she is not a great beer fan — her LTCI policy is worthless. Value? \$0. Her words: "Spend the darn LTCI money while you are here to use it!"

## In This Issue

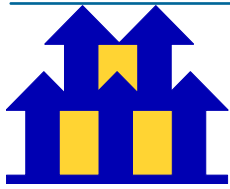
Funding Home Care Costs	1
Funding Home Care Costs Continued...	2
TNYT: "Bring Health Care Home"	3
Recipe, Thank You Board, Sudoku	4
Flowers For Seniors	5

That having been said, let us agree that the goal is to make our total dollars (investments and LTCI benefits) last as long as possible. The two possible scenarios we will explore are,

1. Spend personal investment \$ first, then spend LTCI benefit; or
2. Spend LTCI benefits first, then spend personal investment money.

For the scenario, we will assume a total LTCI benefit of \$150,000 and personal investment funds of the same amount.

We can give the Long-Term Care Insurance policy the benefit of the doubt and say it has a 3% inflation rider baked in, which is not always the case. (go to page 2)



# SUPPORT FOR HOME® INSIGHT

NOV/DEC 2011

www.supportforhome.com

	3% Return LTCI Policy \$	6% Return Investment \$	Yearly LTCI Premium
After Year 1	\$154,500	\$159,000	\$1,800
2	\$159,135	\$168,540	\$1,800
3	\$163,909	\$178,652	\$1,800
4	\$168,826	\$189,372	\$1,800
5	\$173,891	\$200,734	\$1,800
6	\$179,108	\$212,778	\$1,800
7	\$184,481	\$225,545	\$1,800
8	\$190,016	\$239,077	\$1,800
9	\$195,716	\$253,422	\$1,800
10	\$201,587	\$268,627	\$1,800
	Total LTCI Premiums		\$18,000

Let us also assume that we have home care costs of \$2650 per month (\$31,800 per year). Our investments should earn 6% per year, unless we have a lot of Studebaker stock (if you are too young to remember them, sorry). So, our first table looks like this:



Thus, your investment, allowed to grow, rather than being spent on home care, increases significantly more rapidly than your inflation-protected LTCI benefits. Growing that investment pot is a major part of the successful equation.

SPEND INVESTMENT, THEN LTCI \$		EOY
Spending investment \$ first reduces	\$123,384	1
investment principal each year, as	\$95,171	2
shown to the right, including	\$65,265	3
LTCI premiums.	\$33,565	4
Investment \$ last 5 years	(\$37)	5
LTCI \$ take over in year 6	-----	
LTCI \$ available: \$173,891 starting year 6	\$146,354	6
At end of year 7	\$117,990	7
At end of year 8	\$88,776	8
At end of year 9	\$58,685	9
At end of year 10	\$27,692	10
At end of year 11	(\$4,231)	11
	=====	



Now we can look at the two possible scenarios for using your total funds – LTCI and investment dollars.

As you can see, by the end of year 11, in the scenario where investment money is spent first, both LTCI benefits and investment dollars are gone.

So, what happens if you use your LTCI benefits first?

EOY	SPEND LTCI, THEN INVESTMENT \$	
1	Spending LTCI \$ first ends payment	\$121,746
2	of LTCI premiums - saves \$1800 / year.	\$92,644
3	Investment \$ continue to grow.	\$62,670
4		\$31,796
5	LTCI \$ last ~5 years	(\$4)
	Investment \$ take over in year 6	-----
6	Investment \$ available: \$200,734	\$179,070
7	At end of year 7	\$156,106
8	At end of year 8	\$131,765
9	At end of year 9	\$105,962
10	At end of year 10	\$78,612
11	At end of year 11	\$49,621
12	At end of year 12	\$18,890
13	At end of year 13	(\$13,684)
		=====

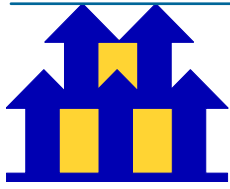


The bottom line is that your funds last an extra 1.7 years, by using the LTCI benefits first, saving your investment dollars. \$9,000 of that saving, in our scenario, comes from not having to pay the \$1,800 per year LTCI premium for the first five years of your care.

So, whether your goal is to maximize the length of your home care or preserve dollars for a later move to assisted living or skilled nursing, you are still better off using the LTCI insurance benefits at the beginning. If you do not have an inflation rider on your LTCI policy, the motivation to use your LTCI benefits first is even greater.

Oh, and remember, stay away from beer trucks. Best wishes. Bert

**Support For Home®**  
**www.supportforhome.com**  
**1333 Howe Avenue, #206, Sacramento, CA 95825**  
**Phone: 916.482.8484/530.792.8484 Fax: 916.564.6847**



Support For Home Blog 12/5/2011:

## TNYT: "Bring Health Care Home"

As a home care & elder care company, we at [Support For Home](http://www.supportforhome.com) have a passion for helping folks live where they want to be — at home. The evidence that people are happier and healthier living in their own homes for as long as they possibly can is very strong. An article in [The New York Times](http://www.nytimes.com) on Sunday makes the case quite eloquently.

The author, Dr. Jack Resnick, talks about the "Independence at Home Organizations" element of the recent health care reform act (2010). Regardless of how folks feel about the bulk of the new law, this effort to create a new approach to delivering health care could be a major improvement:

*Independence at Home Organizations — groups of doctors and nurses who treat patients in their homes — and incentives to make that work appealing. The organizations can invest in extra services and home visits (for which Medicare typically will not reimburse them) because they will share in a cut of the savings that result from avoiding hospital visits and expensive procedures.*

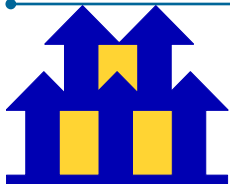
This element of the law is supposed to go into effect on January 1, 2012. However, Dr. Resnick is rightfully concerned that delay will happen, as the Medicare people are way behind in getting rules in place. As Dr. Resnick points out, there is really no technical reason why bringing health care home can not proceed rapidly:

*We have the technology. Electronic medical records can give a doctor with an iPad as much information as any institution. With hand-held machines and a few drops of blood, doctors can get test results in seconds at a patient's bedside. Portable X-ray and ultrasound equipment can be wheeled into homes. Monitors can alert doctors to any change in a patient's heart rate.*

As a provider of home care — in our case, focused on Activities of Daily Living (ADLs) rather than medical treatment — we are very much aware of the great technologies already in place to make telehealth and health care at home both efficient and effective. Just check out what companies like Care Innovations and Phillips and others are doing in this space.

What may be harder to deal with is inertia, and Dr. Resnick points out some of those issue, as well: *The fact that this care is possible at home means that the role of hospitals must change. Acutely ill patients who need operating rooms or intensive care will still be brought to hospitals. But they should be quickly discharged to the care of the doctors and nurses who know them best.*

I do not think any resistance on the part of institutions is driven by self-interest. I believe it is based on a sense of, "but that's the way we have always done it." Which is one of the reasons we need to break the mold. Best wishes. Bert



### Pear and Pomegranate Salad



**Ingredients**

- 3 cups green leaf lettuce, rinsed and torn
- 1 Bartlett or Anjou pear
- 1/3 cup pomegranate seeds
- 1 tablespoon vegetable oil
- 2 tablespoons pomegranate juice
- 1 tablespoon lemon juice
- 1 teaspoon prepared Dijon-style mustard
- 1/2 tablespoon honey
- ground black pepper to taste

**Directions**

1. Divide the lettuce between two bowls. Halve and core the pear, then cut each half in slices. Divide the pear slices and pomegranate seeds among the two bowls and mix gently.
2. Combine the vegetable oil, pomegranate juice, lemon juice, mustard, honey, and pepper in a saucepan. Bring to a boil over high heat; reduce heat and simmer, stirring frequently, until the dressing thickens slightly, about 2 minutes. Pour the warm dressing over the salads and serve.

**Nutritional Information**

Pear and Pomegranate Salad

Servings Per Recipe: 2

**Amount Per Serving**

Calories: **153**

- **Total Fat:** 7.1g
- **Cholesterol:** 0mg
- **Sodium:** 88mg
- **Total Carbs:** 23.5g
- **Dietary Fiber:** 3.8g

**Protein:** 1.6g

**Source:**

<http://allrecipes.com/Recipe/Pear-and-Pomegranate-Salad/Detail.aspx>

### Happy Holidays



Support For Home would like to thank all our the wonderful people who referred clients to us in 2011.

We look forward to making 2012 the best year yet!

### Sudoku

Source/Answer:

<http://www.sudoku.ws/easy-4.htm>

		8	9					1
7			1	3		9	8	
		3				6		
				4	8	1		
	1	7				6	4	
		5	2	1				
	2					8		
6	8		5	1				7
5					6	3		

Copyright 2005 M. Feenstra, Den Haag

## Flowers For Seniors

**October 19, 2011**  
**Yolo Adult Day Health Center**

**October 20, 2011**  
**Asian Community Center Nursing Home**

**November 17, 2011**  
**Primrose Living With Memory Loss**

We are delighted to have **Yolo Adult Day Health Center, Asian Community Center Nursing Home, and Primrose Living With Memory Loss** participate as the October and November recipients of Flowers For Seniors. Once again, we see that The Brightest Light Is A Smile©.

We want to thank the wonderful elders for the joy they gave us and for being very special people.



We would like to thank the companies that donated their flowers and time to bring a smile to the seniors above:



*Forever Yours Flowers & Gifts*  
1520 Merkley Avenue W. Sacramento CA  
(916) 372.2271



How can you get involved:

Support For Home will work together to receive contributions from florists and companies in the community. If you would like to join us, let us know. You can give us a call or send an email to the program at: [flowers@supportforhome.com](mailto:flowers@supportforhome.com).

**Support For Home®**  
**www.supportforhome.com**  
**1333 Howe Avenue, #206, Sacramento, CA 95825**  
**Phone: 916.482.8484/530.792.8484 Fax: 916.564.6847**

# *Munch n' Mingle*

Support For Home organized a Munch N' Mingle social event on 11/17/2011 to bring awareness to the Yolo Adult Day Health Center programs. The event featured activities such as physical therapy and memory magic. Food was donated in support of the event from Atria Covell Gardens in Davis. Thank you all who attended and supported the event!



# **Flowers For Veterans**

This past Veterans' Day, Support For Home organized a "Flowers For Veterans" event with McCormick & Schmick's restaurants. Veterans that ate at McCormick & Schmick's were honored with a card and a bouquet of flowers as well as a free meal. A special thank you goes out to Flora Fresh Inc., Relles Florist, Bella Bloom Flowers, and Strelitzia Flower Company who helped make this large event possible by donating over 1400 flowers.

