Creating a Care Plan for Your Aging Clients

By Bob Mauterstock, CFP®, ChFC, CLTC
Creating a Care Plan for Your Aging Clients

By Bob Mauterstock, CFP®, ChFC, CLTC

Financial advisors have become adept at preparing retirement plans for clients. We put together asset allocation strategies and distribution plans that consider their projected needs. We illustrate theoretical income and expenses over their life expectancies to prove that they can in fact retire. But that’s where we stop. We don’t really take a close look at clients’ evolving needs as they age into their 80s and beyond. But clients are demanding more. And here’s why:

- The population of the “very old”—older than age 85—is the fastest-growing group in the United States. This population is at highest risk for needing care.1
- Medical science is preventing early sudden deaths, which means living longer with impaired health and a greater risk of needing elder care.
- The Alzheimer’s Association estimates the risk of Alzheimer’s or dementia beyond age 85 to be about 46 percent.2
- Someone turning age 65 today has almost a 70-percent chance of needing some type of long-term care services and supports in their remaining years.3
- Children are moving far away from parents or parents move away during retirement, making long-distance caregiving difficult or impossible.
- Government programs—already stretched thin for eldercare services—will experience even greater stress on available funds in the future.

Financial advisors must become what we now describe as “longevity planners.” They must address the needs of older clients. According to numerous surveys, the three principal concerns or life wishes among the elderly are the following:

- Remaining independent in the home without intervention from others
- Maintaining good health and receiving adequate health care
- Having enough money for everyday needs and not outliving assets and income

Our plans must evolve to consider these needs and address them through what we describe as a “care plan.” My experience, working with older clients during the past 35 years, has taught me that the care plan must include the following four areas: legal issues, long-term care plan, end-of-life planning, and legacy planning.

LEGAL ISSUES

Review each of your clients’ situations to determine whether they have the following in place:

- Will. Confirm if the personal representative named is still the appropriate choice.
- Healthcare proxy. This person has extensive knowledge of a client’s end-of-life wishes.
- Durable power of attorney. Each spouse has the power for each other, and a third person (child, advisor, or trusted friend) with power on each spouse.
- Beneficiary statements. Every life insurance policy, annuity policy, or individual retirement account must be checked for current appropriate primary and contingent beneficiary.
- HIPAA release form. This form allows a family member to get information about a client if the client is hospitalized.
- POLST form. POLST stands for Physician Orders for Life-Sustaining Treatment. It is a new form, available in some states, that gives seriously ill patients more control over end-of-life care including medical treatment, extraordinary measures (such as a ventilator or feeding tube), and CPR.

LONG-TERM CARE PLAN

If your client has developed a chronic illness such as Parkinson’s, Alzheimer’s, or heart disease, a plan must be in place to deal with this calamity. You can’t wait until dad has a stroke to try and create a plan. While your clients are still healthy, you must ask them three basic questions:

If you or your spouse suffers a chronic illness or disability, will you be able to stay in your home? This forces clients to look at their homes for any limitations. Are there a lot of stairs? Is there a first-floor bedroom? Is there easy access to bathrooms? If necessary, a geriatric care manager can do an assessment of the home for potential problems.
If you or your spouse needs continuing care, how will you pay for it? This leads to a discussion of sources of funds for custodial care. Clients must understand that Medicare only provides benefits for rehabilitation, not ongoing care. The value of long-term care insurance can be discussed as well as veterans’ benefits. The application provided by Genworth can give you detailed information on the cost of care in your area. It is identified as “Genworth Cost of Care.” If cash and investment assets are the only possible sources of funding for custodial care, potential costs can be calculated in retirement projections.

If you or your spouse needs ongoing care, who will provide it? This is a very important question. Will the healthy spouse be expected to be the main source of care? Is another family member to be another source of care? Or will it be necessary to hire a home care assistant? It is very difficult to find professional caregivers today and families must understand that. In some cases, families may be required to place a family member in assisted living or a nursing home.

END-OF-LIFE PLANNING

Probably one of the most difficult areas to discuss with clients is planning for the end of life. It is something that most of our older clients think about but are afraid to discuss with their families. Many often feel that such a discussion is necessary only if the end of life is imminent. But the truth is that is the worst time to make end-of-life decisions. When families are under a great deal of stress, they often don’t make the right decisions.

I would suggest two sources to add end-of-life planning to a care plan. The first is a website called “The Conversation Project” created by Ellen Goodman, a former journalist for the Boston Globe.4 “The Conversation Project” is a nonprofit organization dedicated to helping people have the conversation with their families regarding their end-of-life plans. The website can provide you with a “starter kit,” offering guidelines to help you prepare and have the conversation with your clients and their loved ones.

The second source is the best document that I have seen that combines a health-care proxy and a living will. It is called “The Five Wishes” and it guides you through the process of determining your end-of-life wishes and determining whom you want to represent you.5 It is often described as “a living will with soul.” “The Five Wishes” include:

- The person I want to make decisions for me when I can’t
- The kind of medical treatment I want or don’t want
- How comfortable I want to be
- How I want people to treat me
- What I want my loved ones to know

With the signatures of two witnesses, this document is legal in 49 states. The website lists which states are included. I would strongly suggest that you complete this document for yourself and then share it with your clients. I am certain that this will initiate a valuable discussion of their end-of-life concerns and desires. Then give them each a copy of the document to complete for themselves.

LEGACY PLANNING

The fourth focus of a care plan for your clients is legacy planning. Research has shown that there are two primary concerns that older clients have as they age. First is their wish to maintain control of their lives, to be able to live where they want to live, to be able to drive, and to make decisions for themselves regarding their futures. The second concern takes the form of a question that they are constantly asking themselves: “How will I be remembered by my children and grandchildren?”

Legacy planning gives your clients the ability to share with their families and the world at large what has been important to them, what they have accomplished, and how they have made a difference in the world. It also is an opportunity to share their successes and failures and what they have learned from their experiences. The tool that I would suggest to accomplish these goals is a legacy letter.

The legacy letter can be in the form of a written document, an audio tape, or a video. In her very informative book The Wealth of Your Life, A Step-By-Step Guide for Creating Your Ethical Will, Susan Turnbull suggests that creating the legacy letter is a five-step process. Here are her suggested steps:

Identify to whom you want to send the letter. Do you want to send an intimate letter to just family or a more public document to be read by many people?

Consider your intentions and opening lines. Start the letter with a brief statement of why you want to write it: “I am hoping to share many more wonderful years with you, but I wanted to make sure that you know…”

Reflect and make notes. What is your theme? Is it an opportunity to express your love to those close to you? Do you want to share the values that have been important to you that you want to be remembered for? Do you want to pass on the wisdom that your experience has taught you? Do you want to pass on the family history to the next generation? Jot down your thoughts. You may choose to include some or all of these themes in your letter.

Create an outline to structure the order in which you wish to make your points. Keep in mind your audience, your goals, and the most important things you want to say.

Create your letter (or record it). I strongly suggest that you create a video of your words as well as a written

Continued on page 47
document. Your words will come to life in the video if you share them with enthusiasm and conviction. In this era of smartphones and sophisticated technology, it will be very simple to create a video recording. You can even post it on YouTube or Facebook if you so desire.

This document can remain with the family for generations reminding them who your clients were and what they believed in.

**CONCLUSION**

The four steps that I have outlined in this document clearly address the concerns of your aging clients. They will create a path for your clients to follow to experience peace of mind. Your clients will know that they have faced the critical issues of aging and formulated strategies to deal with them. As a result, you will make the transition from being a traditional financial planner to becoming a longevity planner, a guide to lead your clients successfully through the final stages of their lives.

Bob Mauterstock, CFP®, ChFC, CLTC, is an eldercare expert and a specialist in retirement-income planning, long-term-care planning, and legacy planning. He is a co-creator of The Elder Planning Specialist Program, an online training program available at www.plan4lifenow.com. Contact him at rmauterstock@gmail.com.

**ENDNOTES**

2. See https://acl.gov/ltc/basic-needs/how-much-care-will-you-need.
4. See https://theconversationproject.org/.

**REFERENCE**
