

The ElderCounselor

"Helping Seniors and Families Find Solutions"

Volume 5, Issue 3

Helping Families Deal with the Financial and Emotional Costs of Dementia

As many of you know, May is National Elder Law Month. The National Association of Elder Law Attorneys (NAELA) has declared this month the time for Elder Law attorneys across the nation to take time out of their busy practices to help educate the public about Elder Law and how an Elder Law attorney can help seniors and their families by offering solutions to the unique issues that come with aging. This issue of The ElderCounselor will discuss a debilitating condition that many Americans eventually face as they age: dementia. First, we will describe what dementia is and what it isn't. Then we will turn our focus to its costs to the individual, the family and our nation. As Elder Law attorneys we are specially situated to help find solutions to many of the problems this condition brings with it. While we can't stop dementia, we can help protect those in its clutches while the medical world continues to seek prevention, treatment and reversal of the condition.

Dementia Defined

The Alzheimer's Association defines dementia as, "a general term for a decline in mental ability severe enough to interfere with daily life. Memory loss is an example. Alzheimer's is the most common type of dementia."

Dementia is not actually a specified disease. It describes, instead, a general decline in memory or other thinking skills and is identified through a variety of symptoms. Alzheimer's disease accounts for 60 to 80 percent of dementia cases. In order to be characterized as dementia, at least two of the following mental functions must be significantly impaired: visual perception; reasoning and judgment; memory; communication and language; or ability to focus and pay attention. Dementia is not a normal part of aging as the terms "senility" or "senile dementia" infer. If a loved one is having trouble with any two or more of these mental functions, it's a good idea to get it checked by a doctor. Dementia is progressive and typically

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takes over the mental functions over time. In this way, it provides the individual and the family with time to plan for its disastrous affects.¹

Cost to the Individual

The cost to the individual with dementia is difficult to quantify. Because dementia is a progressive condition and one where aging is the greatest risk factor, it is logical that at the beginning and younger stages of dementia, the cost to the individual is minimal. As dementia progresses, so does the need for assistance with daily activities. This assistance often comes in the form of meal preparation, help with grooming and hygiene, transportation assistance, as well as help with many other daily activities. Dementia patients can become so mentally challenged that they may place themselves in dangerous situations, such as roaming neighborhoods and getting lost. While the individual affected by dementia may need only a few hours of help per week at the beginning of symptoms showing, soon they may need around the clock supervision, not only for assistance with daily activities, but to protect them from themselves. The individual's costs will include medical expenses as well as paying a caretaker.

Caretaking for one with dementia varies depending on the quantity of care required. An in-home caretaker may charge up to \$21 per hour or higher. Adult day care can run as high as \$18,000 per year or more. When an individual can no longer live alone but is not quite ready for a nursing home, Assisted Living facilities are available but may cost as much as \$40,000 per year or more. When around the clock care is needed, a nursing home can cost an individual around \$80,000 per year, or higher. To view costs in other states and national average costs of long term care, see the MetLife Survey of Long Term Care Costs, <https://www.metlife.com/mmi/research/2012-market-survey-long-term-care-costs.html#keyfindings>.

Cost to the Family

Where the individual with dementia is fortunate enough to have family nearby, the family will often step up to assist the ill loved one with their daily activities. Again, the process can be gradual and before the helpful family member realizes it, they may find themselves missing work and, finally, quitting their job altogether in order to give proper care to the dementia patient. Obviously, the cost to the family includes the loss of income from this family member's job.

The less recognizable cost to the family, however, is the emotional strain that is placed on the family member caretaker. In order to save the family money, many family members will work nearly twenty-four hours, seven days per week. The ramifications are physical, mental and emotional health problems to the caretaker. The medical costs and possible future psychological costs to the caretaker, then, must be considered.

It is important that family members take a step back from the situation and assess this cost. Providing a caretaker with time off every day, week and year is a must to ensure the caretaker's health. The caretaker must have appropriate support in order to keep caring for the loved one.

¹ <http://www.alz.org/what-is-dementia.asp>

Cost to the Nation

As a nation we have begun to recognize the devastation that dementia has caused and will continue to cause. Organizations such as the Alzheimer's Association have been effective in lobbying for monies to be put towards the research of dementia treatment, prevention and reversal. The cost of dementia to our nation has been a great motivator for politicians to fund such research.

A study conducted by RAND Corporation in 2013, estimated the national cost of dementia to be between \$159 billion to \$215 billion (including an estimate for the monetary value of informal care provided).² The majority of the costs associated with dementia are for institutional and home-based long-term care and not medical services.

Medicare and Medicaid pay for some of this cost, which amounts to a taxpayer burden. According to the Alzheimer's Association March 2013 Fact Sheet, in 2013 it is estimated that Medicare and Medicaid paid approximately \$142 billion in caring for those with Alzheimer's or other type of dementia.³

It is clearly in the best interest of the nation's economy to continue research on prevention, treatment and reversal of dementia.

Conclusion

The costs of dementia can be devastating to the affected individual, their family and the nation. While scientists continue to search for solutions to the debilitating condition, the families affected with it must face its challenges. It is recommended that those families seek emotional support by way of a therapist or support group. In addition, seeking out an Elder Law attorney can benefit the affected individual and family members in several ways. Elder law attorneys can guide families to important resources available for the financial and other challenges they will face. Elder law attorneys can also ensure that the family's assets are being used in the most efficient manner considering other available resources and the family's individual goals.

Getting an Elder Law attorney involved in planning for the challenges ahead is one of the most important steps a family facing the impact of dementia will take. If you or someone you know is affected by dementia, we can help and we welcome the opportunity to do so.

To comply with the U.S. Treasury regulations, we must inform you that (i) any U.S. federal tax advice contained in this newsletter was not intended or written to be used, and cannot be used, by any person for the purpose of avoiding U.S. federal tax penalties that may be imposed on such person and (ii) each taxpayer should seek advice from their tax advisor based on the taxpayer's particular circumstances.

² <http://www.rand.org/news/press/2013/04/03.html>

³ http://act.alz.org/site/DocServer/2012_Costs_Fact_Sheet_version_2.pdf?docID=7161