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AACM and You: What's your back-up plan?

For many people, planning for future needs can seem like a daunting task. It's difficult, if not impossible, to predict every need that will arise, and to plan for the best possible solutions.

However, at Accountable Aging Care Management, we have the expertise to help make this planning process easier by assisting you or your clients in "covering all the bases". These "bases" include the financial, legal, and medical aspects of planning.

We examine each client's specific set of circumstances in order to make appropriate recommendations or referrals to other resources (for example, to a trusted elder law attorney or financial planner). Often, this planning process may require clients to appoint (if they haven't already) family members or other individuals to assist in representing the client's wishes when the need arises.

One of the challenges in this process can be choosing someone willing and able to respond when a crisis occurs. We can help clients identify the most suitable representatives and provide the "back-up" they may need when that crisis occurs.

As part of our "[Safety-Net Services](#)", we have created a new service-offering to provide assistance and "back-up" support to the advocates and medical power of attorneys that you or your client has chosen. We can provide the necessary expertise and support for when crisis occurs. Please see page two to learn about "Contingency Care" and how this program could serve you or your clients.

Client Stories: Making a Contingency Plan

Beginning this year, Accountable Aging Care Management (AACM) is offering a new service called Contingency Care. This program provides assistance with advance medical planning and back-up support for clients' medical advocates or powers of attorney.

Below are examples of two recent client scenarios in which the Contingency Care service can provide peace of mind. A more detailed outline of the program is on the following page.

Miss Bennett is currently an active senior living in her own home in Georgetown. She is not married and doesn't have any children. When she retired and moved to Texas fifteen years ago, she left behind most of her family connections in New Jersey. Miss Bennett is generally in good health, but is concerned that as she ages, she won't have anyone nearby to look after her needs if she were to fall ill. She knew she needed to choose a Medical Power of Attorney, but was worried that her niece in New Jersey wouldn't really know what her wishes were or wouldn't have the important information that would be needed in a crisis. Miss Bennett needed someone locally who could not only ensure that all the necessary documents would be in place, but who also could serve as a back-up during an emergency.



The **Simpsons** live in San Antonio. Their two children and five grandkids live in El Paso and New Orleans. While the adult children share the medical power of attorney, Mom and Dad are concerned about burdening them with all the details about their medical

care. When they had a few medical issues last year, they realized they didn't have the expertise to handle the situation on their own and needed someone who would have access to not only their personal medical history and information but also to the nearby resources. They also felt that their children wouldn't be able to actively keep up with their needs without help. Currently, their medical needs are under control, but they want to have someone assist with keeping their medical information updated so their children will be ready to go in a crisis situation.

Who needs Contingency Care?

Contingency Care is for anyone who would like to ensure that their representative (e.g. power attorney) will have the assistance they may need in case of medical need or crisis. It is especially for those who have chosen representatives who may not have close knowledge of their individual needs.

Some examples of persons who might benefit from Contingency Care: a widow, a couple without children, a bachelor, a person whose nearest living relative lives far away, or a family whose representatives are very busy or occupied.

What does Contingency Care mean?

A “contingency” is an event that may occur in the future, particularly a problem or emergency that may happen unexpectedly and that ought to be prepared for. When a person creates an advanced directive or appoints a medical power of attorney, it is a form of planning for that unexpected medical crisis, or contingency. But simply choosing a representative or a preferred course of action may not be enough.

How does one ensure that their chosen representatives will be prepared with all the necessary information to help them take the correct course of action when such a need arises? This is of particular importance when the representative may not be very close (physical or otherwise) to the individual. This is often the case for those without children or spouses, or those whose appointed relative is not closely involved with their daily life. For these individuals, their representative may be a neighbor, a friend, a distant cousin, or some other person who may not have intimate knowledge of their health issues.

Contingency Care At-a-Glance

Program includes:

- **Initial Meeting:** 2 hours (Get acquainted, gather personal history: interests, concerns, current medical issues, names of doctors, medications, etc.)
- **Quarterly updates:** in person, by phone, or email
- **Guidance with Medical Power of Attorney process** (Do you have one? Need to choose one and need help setting one up?)
- **Home Safety Assessment** (after the initial visit)
- **Create Medication List**
- **Prepare Medical History document complete with insurance information and list of doctors**

Cost for 2012-2013:

- \$1000/year (\$250 billed quarterly)
- Standard hourly rate for additional care management services such as attending a doctor’s visit or arranging for in-home care

The new Contingency Care service-offering will provide the necessary planning tools and back-up support to ensure that the chosen representatives will be prepared with the all the essential information (updated health record, medication lists, doctors’ contact information, etc) whenever the need may arise. Contingency Care will also provide a ready go-to resource for when help may be needed with decisions on care or on course of action.

Where is Contingency Care offered?

Contingency Care is currently offered in the metro areas of our three markets: Austin, Dallas, and San Antonio.

When should Contingency Care be used or started?

As soon as a person becomes aware that they will need to plan ahead for a potential medical crisis, a call should be made to Accountable Aging Care Management. The Contingency Care service is designed to give clients plenty of time to have their records organized and to have their desires articulated to their representatives. Please see the “At-a-Glance” box to the right for details on what the service will provide.

If a person waits too late and contacts us at the point of crisis, they will most likely need to go through the traditional care management route. This will generally cost more, and may be more stressful if there is a time-crunch to get all the necessary information gathered.

If you are interested in learning more about Contingency Care, please contact the AACM office [nearest you](#). We look forward to serving you, your client or your family.

Tax laws seem to change every year, so it's important to stay current on which deductions or credits for which you, or your client, may be eligible. Did you know that there are tax deductions that may help filers who have to pay for assisted living care? Read below for a common tax scenario question and a response from Accountable Aging Care Management's team of experts.

Are there tax deductions for assisted living care?

Q: My dad has Alzheimer's and has become too much for my mom to handle. They have recently hired a caregiver to come for 8 hours a day. Is there any way that the cost of the caregiver can be a tax deduction for them? We do not want to move dad to assisted living yet, but if that is a taxable expense and the caregiver is not, we might want to reconsider our decision. This whole process is very expensive and we need to make the best financial choices to support my parents. Will we be able to take tax deductions for assisted living care?



A: Tax deductions for both caregivers and assisted living can be made under the right circumstances and with the proper documentation. It's common knowledge that you can deduct the cost of medical expenses if they exceed 7.5% of your Adjusted Gross Income. But, many times both families and tax professionals may be missing the deduction for long-term care and non-medical costs for a "chronic" condition (as defined by the IRS).

According to Internal Revenue Code 7702B, a **chronically ill person** is defined as someone that meets either of the following descriptions:

1. He or she is unable to perform at least two activities of daily living (ADLs) without substantial assistance from another individual for at least 90 days due to a loss of functional capacity. (Activities of daily living are eating, toileting transferring, bathing, dressing and incontinence.)
2. He or she requires substantial supervision to be protected from threats to health and safety due to severe cognitive impairment.

In order to qualify with the IRS for the deduction of long-term care and non-medical expenses for either or both of these conditions, the elder or their family **must obtain a letter from a licensed health care practitioner who is a physician, a registered nurse or a licensed social worker.** This letter must state that the taxpayer meets one or both of the conditions above and detail the plan of care prescribed to address these conditions. Deductible long-term care costs will be those that are consistent with the services prescribed by the plan of care. The letter does not have to be elaborate but must be specific.

In your case, getting a letter from your father's doctor describing his medical condition and need for assistance with bathing or dressing, for example, and his need for care to meet these needs would suffice. This letter would allow you to deduct the caregiver's cost at the present. As his condition progresses and his needs may exceed the current plan, the costs of an assisted living residence could be deducted. **Getting a letter annually describing the condition and the plan of care is recommended.**

Although your parents have just encountered this situation, there is also assistance available for families who dealt with these issues in the past. Once the letter is obtained, an amended tax return could be filed showing these expenses. You must follow the standard tax return amendment procedures.

You are encouraged to confer with a tax professional to determine if the facts and circumstances meet the IRS deductibility criteria. **IRS Publication 502** has more detailed information and other potential tax benefits. It can be downloaded from www.irs.gov/formspubs/index.html.

AACM Changes Faces

Accountable Aging Care Management is growing and changing. In the last few months, we've seen a surge of new clients, we've said farewell to one care manager, and welcomed two new care managers. So, here's our little update.

Meredith Patterson joined AACM in November of 2011, as the newest care manager in our growing San Antonio office. Meredith has worked in health care for over 25 years specializing in neurological and rehabilitation nursing. She holds a Bachelor's Degree from the University of Texas Health Science Center at San Antonio and has a certification in rehabilitation nursing. Through her nursing career, Meredith has worked in acute care, head injury rehabilitation and long term care settings. She is a frequent speaker for professional and community audiences on the topics of Dementia, Brain Health and Memory Research. You can find her blog at <http://www.brainnurse.wordpress.com/>.

Then in December 2011, **Myra Richmond**, one of our long-time care managers in the Dallas area retired from regular care management in order to spend more time with her own aging parents. While she will no longer be seeing clients, we greatly value her insight and contribution to our team, and will continue to consult with her as the need arises. We wish her the very best in this new season of her life.

Taking on Myra's role in Dallas is **Kathleen McClain**. Kathleen has spent her entire career in healthcare, beginning as a home health aide while in college. After graduation, she began work as a social worker in long-term care and acute hospital settings. She went on to obtain her nursing home administrators license and managed an assisted living. Kathleen's interest in healthcare delivery led her to a variety of hospital positions focused on physician relations and outreach. She spent many years in hospice, working with families, and with the hospice team in leadership roles. Kathleen earned her Bachelors of Science degree in Studies in Aging from the University of North Texas and is a member of the Dallas Area Gerontological Society and the National Hospice and Palliative Care Organization.

We are excited to welcome Meredith and Kathleen to the Accountable Aging Care Management team!

Because referrals are the lifeblood of our business, the best way you can thank us, as a satisfied client, is by referring a friend, neighbor or colleague to us! We appreciate all your referrals.

Accountable Aging Care Management Team

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Visit us online: www.accountableaging.com

Accountable Aging Care Management is an eldercare consulting and care management firm.

Accountable Aging is a single source for older adults and their families to attain knowledge, resources and on-going assistance with the challenges related to aging or caring for an elder loved one. We serve older adults in Austin, Dallas, San Antonio and the surrounding areas.

With this newsletter, our aim is to provide a trusted conduit for eldercare information and resources and to highlight the services we offer that meet the needs of older adults and their families.

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