



# INCOME LONGEVITY

BY NATIONAL PRIVATE CLIENT GROUP, LLC  
A MEMBER FIRM OF ELDERCARE FINANCIAL NETWORK

## MY MOUNT EVEREST STORY

BY JULIE ANN HEPBURN

In July 2016 a life-threatening crisis happened with my husband Kirk's father and mother, Jack and Norma, which forced us to move them both immediately into an assisted living facility. We could not have anyone come into the home to help them due to their hoarding. Their home had become unsafe, and neither of them could remain in the house.

At age 83 and 84 years old, both of them continue to live on science. Recently diagnosed with Parkinson's and dementia, Norma has had seven stents put in since 2005, with two done in 2017. Jack has had open heart surgery and testicular cancer, and in 2011, the doctors diagnosed him with Alzheimer's disease. The crisis event that occurred made it clear even to them, there was no option - they required assistance - it was imperative at that point.

Financially speaking, the elder Hepburns were behind the eight ball - were leveraged to the max with no money saved and ever-growing credit card debts. Their few properties had maximum mortgages; they had too many vehicles and other lifestyle expenses that compromised their financial security. Norma had never worked outside the home, and early in 2015, Jack was forced to step away from the day to day operations of his business, where he had worked since the early 1970s with his business partner, who assumed control of the company.

To maintain a stream of income, we immediately stopped payments on all credit cards, mortgages and other items that were draining their cash away to fund their care – and it was still not enough. What little of their Social Security income we recaptured had to be supplemented by us. With my financial and business expertise, I was forced to help dissolve Jack's interest in his company by structuring a stock purchase sale with his business partner. We began working on the negotiation of this sale in early 2015. More than two years and two additional attorneys later, we finally closed the transaction, which yielded only \$235,000 after more than 40 years of hard work. One-third of that came to Kirk and me as reimbursement for Jack and Norma's bills and care that we paid for since the 2016 crisis event.

To continue to generate income, Kirk and I have sold any and everything of any value, which means we are having a fire sale on heirlooms and family memorabilia, but it's the sentimental value that is far more significant.

Furthermore, Kirk and I have funded the assisted living facilities to the tune of \$11,000 *per month*. That's right **PER MONTH**. This cost is \$5,500 for each parent, and the facilities have informed us that these prices might go as high as \$21,000 each per month, depending on how their level of care and assistance changes as they age, and how their various health issues progress. Unfortunately for us, Kirk's siblings are not financially able to help, and so we are on our own in managing this situation.

Although we closed the sale of Jack's business in early 2017, just one short year later, the balance of those funds is gone. Medicare does not pay for long-term care, and we must prove that Kirk's parents meet the eligibility requirements for Medicaid, which the state manages. To do that, we have spent down what few assets they still have to care for them, and in May 2018, we filed the paperwork for Medicaid. Medicaid will pay 100% for their care but only at a Medicaid-qualified facility. We will continue to pay for their personal effects, any medical costs not covered by Medicare and their end-of-life expenses.

Mind you, about 12 years ago I strongly recommended to my in-laws that they get Long Term Care coverage. Because of their longtime health issues, Kirk and I realized that they were headed for future problems, and were even willing to pay the premiums, but couldn't get them to complete the paperwork.

At the point that we were forced to take action, each parent was well beyond the requirements to qualify for benefits in most long-term care contracts – the ability to bathe, dress, eat, toilet, transfer, and normal bowel and bladder functions on their own. Jack and Norma were each further compromised by the cognitive impairments from which they individually suffer. Fortunately, before this crisis erupted, we had gotten power of attorney for both of them, which enabled us to act quickly when the moment of crisis arrived.

This situation is not uncommon. Most children are not prepared to be caregivers – emotionally, physically or financially - for their parents or in-laws; most elder parents don't think they'll ever be in this position, and they rarely plan for it.

Ideally, our wish and theirs would have been to bring someone into their home. Keeping Jack and Norma at home with a professional caregiver would have been a preferable option to have. A long-term care solution would have prevented Kirk and me from endangering our financial security to take care of his aging parents. We are fortunate that there was an asset - the business - which repaid the funds we initially spent on his parent's behalf, and which kept us from having to file for Medicaid earlier in the process - not everyone is so lucky.

Unfortunately, most parents are unwilling to share their financial situation and their plans for long-term care with their children. Call it parental pride, stubbornness or denial, the inability to face their fears honestly about aging and their future care jeopardizes both their own and their loved one's financial security.

Now that Jack and Norma are under the Medicaid umbrella, we have another concern – we worry about the quality of the care they receive. Because of the lack of planning on their part, we must rely on the state to fund their long-term care. Moving them to a private-pay facility is not an option, and we will continue to pay for whatever expenses are not covered by Medicare and Medicaid. Because of their differing health problems, they live in two separate facilities necessitating double-duty on our part. Our goal is to be hyper-vigilant about the quality and extent of their care, while diligently managing their dollars and ours for as long as they live.

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