

The Parent Care Conversation

The conversations you should have with your parents... while you still can!

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Cavignac & Associates manages risk and negotiates insurance for the business community, and normally our newsletters are focused on the specific risk management concerns of our business clients. Occasionally, however,



an issue comes up that transcends business. Caring for aging parents is one of those issues. It is something nearly everyone will have to deal with in their lifetime, and it is the subject of this newsletter.

The comments in this newsletter are predominantly pulled from the concepts I learned in a book written by Dan Taylor, *The Parent Care Conversation*. Dan faced the same issues many of us will have to deal with, and his book is a “how to” on the subject. I should point out that this newsletter is more of a wake-up call than a specific step by step on the issues. If this issue is a concern, I would urge you to buy Dan’s book.

The Issue

Long term care for aging parents is a sensitive, often difficult, but ultimately inevitable issue for all of us. The choice is to either be proactive, working with your parents to develop strategies while they can still be involved in the decision, or to be reactive and deal with it only when you have to. It will come as no surprise that better decisions are usually generated in the first scenario.

Good reasons to avoid the subject:

There are a lot of good reasons--excuses--not to deal with the issue of aging parents:

- My parents have money, property and papers scattered everywhere...I don't even know where to start.
- My parents say they've already worked things out with their attorney.
- My parents are very private; they didn't talk about their finances when I was young, and there is no way they will open up now.
- I have my own life to deal with; I don't have time for this...and I don't know what I'm doing.
- I'm lousy with money, besides I'm pretty sure my sister will handle this.

These are just a few of the typical excuses for not proactively working with parents to create workable elder care strategies. Excuses are justifications for not taking control of a situation, for opting to do nothing instead of something in order to avoid assuming responsibility and accountability. Unfortunately, no matter how many excuses you have, this issue will not go away. You or a sibling will have to face it, so you might as well face it now.

Getting Started

Recognize that this is a challenging, complex and emotional set of issues. In order to fully understand where your parents are coming from, you need to listen to them.

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One of Steven Covey's 7 Habits is "Seek first to understand and then to be understood." Only by understanding your parents' concerns, fears, and desires can you craft the best decisions. Remember, the objective is to partner with your parents and to help them strategize about their own future care.

Step 1: The Big Picture:

Conversation—it begins with your parents' vision of what they want their future to be. This conversation is all about getting your parents to reveal how they want to spend the rest of their life. It is important for your parents to understand that you cannot participate in or be held responsible for their care unless you are a part of the conversation about that care. This point is critical. Your parents may think that they don't want to burden you with this issue and they may not be comfortable discussing it; however, they are placing a much bigger burden on you by not discussing it, and they are also doing a disservice to themselves. It is also important for you to remember that this conversation is about what your parents want, not what you want for your parents.

Step 2: Money:

Once you know how your parents want to spend the rest of their lives, you need to determine if they can afford it. You need to obtain an overall grasp of your parents' current financial situation and their future financial needs. Unless you know what assets your parents have and where those assets are, you won't be able to arrange things to maximize their use and to protect those assets as much as possible while not running afoul of the myriad of federal and state Medicare and Medicaid rules and regulations. Taylor provides a number of strategies and tools that can be used to help your parents manage their finances. The key is to make sure you know exactly where your parents are financially and who their advisors are. Equally as important is not to take your parents' word for it that they are financially sound, not to assume someone else in the family will handle this and not to count on the government to fund your parents' care.

Step 3: Property:

Your parents may have accumulated a significant amount of property in their lifetime, and the purpose of this conversation is to determine how they would like that property

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to be managed and/or distributed both in the years they have left and after they are gone. This discussion will also help your parents decide on what they want to keep and what they don't need, helping them get lean and mean with their possessions. Your parents basically have 3 choices:

- Make a will or create a trust,
- Start giving away stuff now, or
- Do nothing.

It is important to make these decisions now; don't put it off. It is also important that all siblings be involved in any dissolution of property and that everything be correctly documented. Just as important, don't tell your parents what they can and cannot keep. After all, it is their stuff!

Step 4: The House

The objective is to get a fix on how your parents feel about their ability to keep living where they are now. Under what circumstances (if any) would they consider living elsewhere? This may be one of the toughest decisions they have ever had to make. Your role is to help them transform these challenges into a set of realistic possibilities for achieving a positive experience.



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Where can they get it?
Care facilities vary widely.*



Step 5: Professional Care

What type of care will your parents need? Where can they get it? Care facilities vary widely. Taylor provides strategies on how to select the right facility, and selecting the right one is critical. Facilities will fall somewhere on the following continuum:

**Retirement Community-Assisted Living-
Special Care-Nursing Care-
Acute Nursing Care-Hospice-Internment**

In addition to the facility itself, you need to evaluate the staff as well as the Emergency Services Policy. Once your parents are in a facility, you need to visit regularly and keep an eye out for signs of negligence or neglect. Typically, when your parents reach the point where professional care is required, what they need the most is the three C's: connection, community and conversation.

Step 6: Your Parents' Legacy:

Legacy is about remembering the past in order to make sense of it. How do your parents want to be remembered

by family, friends and others? This conversation lays the ground work for creating and preserving their legacy through declaration of assets, gifts and other bequests. An effective legacy conversation will determine how your parents view themselves and their lives, how your parents want you to remember them, what your parents want others to remember them for, and how and by whom your parents also want to be remembered.

Step 7: Executing Essential Legal Documents and Strategies

The best strategies in the world are worthless if they are not properly documented and executed. Critical legal documents include a will, a declaration of guardian, powers of attorney, and a trust and health care power of attorney. Numerous other documents may also be necessary. Needless to say, having the right advisors is critical as well. Go through a process and make these selections thoughtfully. It is important to make certain that everyone who should be involved in the documenting phase is involved. Equally important is to go through a checklist to make certain you have all the documents you need and to make certain the documents are stored where people can find them.

Final Thoughts:

People my age will remember the Fram Oil Filter ads from the 1960s and 70s. The mechanic stands in front of a car that is obviously broken down and says, "You can pay me now (buy the inexpensive Fram Oil Filter) or pay me later," (funding the exorbitant cost to repair your vehicle because you didn't buy the filter). This issue is similar. You can deal with the issue now when you have the time to involve your parents and make the right decisions...or you can deal with it when it happens when you are under the gun and in total scramble mode.

There are any number of ways to deal with these issues, and I'm not saying the strategies outlined in Taylor's book are the gospel; however they have worked for me, and I strongly recommend that if this is an issue you are now facing, or expect to face, you buy his book. Proactively managing your parents' golden years is a process which is never done. Things change, and your parent care strategies will change and evolve as well. Decisions need to be reviewed periodically with all involved, at least annually. Updating a parent care plan after its original design should be viewed much like seeing your doctor on a regular basis. It just makes sense! ❖

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live well, work well

Fiscal Cliff Deal: The Good and the Bad

On Jan. 1, 2013, the House of Representatives voted on and approved the Senate's proposed solution for avoiding the so-called fiscal cliff that was predicted to happen when the tax cuts enacted by the Bush administration expired.

Whether the fiscal cliff deal will boost or put a damper on the country's economy is a subject of much debate.

Highlights of the fiscal cliff deal include:

- Permanent extension of Bush-era income tax rates for individuals earning \$400,000 (or \$450,000 if married) or less annually
- For individuals earning more than \$400,000 (or \$450,000 if married) annually:
 - The Bush-era income tax rates will expire, meaning their tax rates will rise from 35 percent to 39.6 percent
 - The capital gains and dividend tax rates will increase to 20 percent from 15 percent
 - The two new Medicare taxes, enacted in the Affordable Care Act, for high income earners are permitted
- Permanent rates for the Alternative Minimum Tax (AMT)

- The AMT is indexed for inflation
- Continued extension of unemployment benefits for one year for the long-term unemployed
- Extension of several expired "temporary" tax breaks for individuals for one or two years
- Expiration of the two-percentage point Social Security payroll tax cut, increasing the rate from 4.2 percent to 6.2 percent



- Estate taxes rise from 35 percent to 40 percent on amounts to over \$5 million dollars (indexed from 2010).

While the full effects of the deal remain unknown, some economists are saying that the permanent decrease in taxes will likely increase consumer spending and optimism. Others contest that the changes in tax rates could slow the economy and reduce growth.

Feb. 14 is National Donor Day

Donating isn't just for the wealthy—almost anyone can donate organs, tissue, marrow, platelets, blood and plasma, and it doesn't cost a thing. For National Donor Day this year, set up a blood drive or bone marrow registry drive in your community, or register as an organ, tissue or marrow donor.

While the number of blood transfusions increases by 9 percent each year, only 5 percent of eligible donors donate blood. Since blood cannot be manufactured, the only way to gain blood for transfusions is through blood donation. Your blood donation will save lives.

DID YOU KNOW

Eighteen people will die each day waiting for an organ.

While many organs can only be donated by deceased donors, others can come from living donors as well.



live well, work well

Live Well, Work Well (continued from page 4)

Staying Hydrated in the Winter Months

While staying hydrated is important year-round, it's especially difficult in the winter months. Cold weather can make your skin dry and flaky, and can make drinking water seem like a chore. Follow these tips for staying hydrated this winter:

- Make your water taste better - Try infusing it with fresh fruit (lemon slices, berries, cucumber slices, etc.) and keeping a full pitcher handy in the fridge.
- Eat plenty of fruits and veggies - Apples are made up of about 84 percent water, while tomatoes are 94 percent water.
- Mix up cold, hot and room temperature drinks - Try having a cup of hot tea in the morning, drinking ice water with meals and placing a water bottle next to your bed for middle-of-the-night cravings.
- Take water with you - It is easy to stop at a soda machine when you're out and about, but taking water bottles with you (in your purse, car, etc.) may help you avoid giving in to sugary drinks.



Be Frugal - Do It Yourself

There's more to thrift than just shopping sales. If you save 50 cents on a bag of potatoes, but then spend \$20 getting fast food because you don't make time to cook, you're not getting ahead. Increase your independence and save money in the long run. Learn how to do the following things:

- Garden - Grow your own fruits and veggies. Go all-out and grow squash, potatoes, tomatoes and more, or start small by cultivating your own fresh herbs.

- Cook and bake - Stop wasting your money on eating out. Plan your meals at the beginning of the week, get groceries and stick to your plan. Pick up a few cookbooks at the library—whether you're looking for quick meals, healthy snacks or sumptuous desserts, there's a cookbook to meet your needs.
- Can and preserve - Buy produce in bulk when it's in season or on sale, or grow your own. Can or preserve it for later in the year when produce costs skyrocket.
- Sew, knit or crochet - Hiring a seamstress for alterations can be expensive. Giving up on your favorite pair of jeans because the button falls off is just unnecessary, and even the simplest curtains can be costly. Sewing, knitting and crocheting are excellent ways to get exactly what you're looking for without spending a lot of money.
- Household repairs - While some things are best left to professionals, others can be done by pretty much anyone—learn to unclog drains, re-caulk showers and fix squeaky doors and you'll save yourself a big chunk of change.

Quinoa & Black Bean Salad

Quinoa is a grain that provides all 9 essential amino acids, making it a complete protein. It is also cholesterol- and gluten-free.

- ½ c. dry quinoa
- 1 ½ c. water
- 1 ½ tbsp. olive oil
- 3 tbsp. lime juice
- ¼ tsp. cumin
- ¼ tsp. ground coriander
- 2 tbsp. cilantro, chopped
- 2 medium scallions, minced
- 1 can (15 oz.) black beans, rinsed and drained
- 2 c. tomato, chopped
- 2 medium bell peppers (1 red, 1 green), chopped
- 2 fresh green chilis (or to taste), minced
- Black pepper (to taste)

Rinse quinoa in cold water. Boil water in saucepan, add quinoa. Return to boil. Simmer until water is absorbed, 10 to 15 minutes. Cool 15 minutes. Meanwhile, mix olive oil, lime juice, cumin, coriander, chopped cilantro and scallions in small bowl. Set aside. Combine chopped vegetables with black beans in large bowl. Set aside. Once quinoa has cooled, combine all ingredients and mix well. Cover and refrigerate until serving.

Yield: 6 svs. Each serving provides 208 cal., 5g total fat, 1g sat. fat, 0mg chol., 284mg sodium, 7g total fiber, 9g protein, 34g carbs, 619mg potassium.

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