

Episode 117: The Continuum of Long-Term Care Planning (Part 3)

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home, long term care, talking, facility, aging, assisted living facility, house, custodial care, care, wade, mom, caregiver, require, retirement, skilled, living, providing, pay, nursing home, miami

SPEAKERS

Bob French, Alex Murguia, Wade Pfau

Bob French 00:00

The purpose of retire with style is to help you discover the retirement income plan that is right for you. The first step is to discover your retirement income personality. Start by going to risaprofile.com/style and sign up to take the industry's first financial personality tool for retirement planning. Well, it looks like we're talking about long term care for the long term. Got it? Okay, that's the last time I let Alex write one of these after surgery.

Alex Murguia 00:52

What's up party people. Welcome to this episode of retire with style. And we're continuing our long term care arc with the continuum of long term care. Wade take it away. Well

Wade Pfau 01:06

put Alex the continuum continuing continuum of long term care say that 10 times quick. Not really, though rain in Spain. But yeah, we're now Episode Three into the arc. And yeah, we're really just moving along here in terms of wanting to talk about how you make that transition generally help at home. Perhaps at some point it becomes paid help at home rather than in formal help. adult daycare centers, assisted living facilities, nursing homes, and then we can add hospice to the list, but that's not necessarily specifically a long term care thing. But yeah, that's we kind of want to break down what each of these are. And before we get to that, though, I don't know if there's anything new going on in your life that you'd like to share.

Alex Murguia 01:53

I'm glad you asked way the so kind of you are you just saying that they go through the motions are usually people

Wade Pfau 01:58

who tend to read the episode they're like, Okay, scale, we miss content. But now Now we got this.

Alex Murguia 02:05

Really? I'm sorry, do do my voice again. Let me know. How is it? How do I sound?

Wade Pfau 02:13

What was it? Oh, is this referring to a review? I don't remember that. No, no,

Alex Murguia 02:17

I thought you were doing a soundbite of me saying oh my god, we miss content. Now. Nothing. Nothing going on. I mean, we're already in my life. While we Wade, and I caught up in what we can we were here in Kansas a few weeks. Oh, we had sunlight, hail and snow on all in one day. Amazing.

Wade Pfau 02:41

But it was like a high of 80 degrees. A low of 17 degrees. Really big swings crazy. Wade You were still there. I left before the 17 degrees. Alright. Are you this is what I've been blowing in with the cold northerly winds.

Alex Murguia 02:56

I think they're blaming it on Jackson mahomes. So we'll see how that goes. The quarterback. Yeah, that's a brother. That's all he's like in the way. Yeah, kind of like people say I'm like that with you.

Wade Pfau 03:14

Gossip from the Kansas City behind the scenes? Yeah, something like

Alex Murguia 03:19

that. But no, Wade next Monday coming up. As mean, I don't know if you guys have been listening in me operation number three on two knees. I got my knee replacement on the left side. We'll see how that goes. Partial. Partial. And so I think I can single handedly do an episode on knee surgeries for the for the group at some point. Yeah. So I had to slow down on the pull ups Wade. So we had a February thing going on, we'll have to call out to on that and revisit

Wade Pfau 03:50

my six in one shot collapse in so that I made that same theory go. I haven't been keeping up with a very long march. I

Alex Murguia 03:58

had to do like 12. I think I did six. But I didn't try. You don't happen that I got all amped up in the first few days after the thing. I was just doing constant pull ups. And then I went to the gym and I did something for my forearms. And I just like, got like, tennis elbow like immediately. And then I was like, the

Wade Pfau 04:17

gods are telling me now fixed elbows next.

Alex Murguia 04:21

No, no, no, no, that's already it's recovering. But I had to slow down on that. So I didn't want to overdo it. Plus, I needed. I wanted you to catch up, make a game. And if you don't, I mean, it's one of those things kind of like you do with me on the podcast. You give me some information to

catch up. And then you separate from the facts and then to catch up and then you separate from the fact kind of like that, right. But with that we'll do it with healthcare. distinction here sorry, see that I've

Wade Pfau 04:51

already got the two distinct categories in the retirement income world.

Alex Murguia 04:56

Thank you. Thank you. Long Term Care and well Yeah, I would say to for our guys, our folks, is that this episode, we're just going to level set, there's a lot of definitions of what things are like the previous one, we just dealt with, look, these are the costs you're kind of looking at, let's get that out of the way. This one is then cost being both just time you know, your time is cost, or asking your family to run you around. That's a cost. You know, believe it or not, I've experienced that actually quite a bit. But I'm fortunate enough that it's not an issue, but there is a cost. Here, we're kind of just laying the groundwork on what the different terms are. So it's kind of one of these vocabulary sessions, if you will, kind of what we did with annuities, when we did that piece, and we'll get into it, but we have any of you we have a lots of stuff in store for you folks, such as interviews, with experts, with advisors, with folks that are part of these facilities, etc. So we're gonna want to do right by this. But by doing right by this as we're going to dig deep no matter what. So it's kind of like, Wade, oh, you know what else? Remember, we went to New York, and we heard Peter Thiel. Oh, yeah, yes. Yeah. And he was, he was talking about his the health care stuff. And he got into his podcast, and he said, Look, I don't shy away from getting into the details. And so I guess that was a great phrase, because we won't either. And we just need to level set, that there is no other way to do it, but to discuss the terms. So buckle in and away we go right way, right.

Wade Pfau 06:29

In turn number two, there we go. So we're talking about, again, the continuum of long term care, from the early stages to the end stages, and just defining what those different levels are. And of course, each individual may not progress step by step through each level of long term care need. Some of the steps are skipped some of the steps, maybe the only one that's used. But yeah, it's really just an opportunity to walk through less care to more care, and what that can look like. And then if we have time, in today's episode, we'll see how long this part takes. But also continuing care retirement communities are a newer innovation that allows you to bundle some of these different categories into one living arrangement. So we can also talk about that. But that's the idea. Not everyone's going to necessarily require moving to an institution. Proper planning for this can help people to stay at home longer. People do want to stay at home, like if you as well. And actually there have been surveys of this. So one of the surveys we've seen, just noted, although that was quite a bit later in my notes. So a survey of from Merrill Lynch of people 50 and older, where would you like to receive Long Term Care 85% viewed receiving care at their home as being preferable to moving to an assisted living facility or nursing home? So helping as much as you can? in home care?

Alex Murguia 07:49

There's an inverse to that, though, Wade, when they asked the son in law's? Where would they like their mother in law to receive that care? Only 15% said at home with us? So, you know, take that, that one's for many baskets out there. We love you made earlier. And, and what's the

general what's the general progression that that folks should expect? You know, it's more and more, not less than less. But what does that more and more usually look like. So it

Wade Pfau 08:23

starts with informal care provided by family or friends at home that's just maybe helped with basic household tasks and things. Eventually, as that becomes more onerous, it may require paid help at home. So having a health care aide, does it a few times a week to provide some in home care and service. As well as probably at that stage, also the informal care from family or friends, adult daycare centers can step into that at some point in terms of if somebody if the caregiver needs to work and not completely give up their career. The adult daycare center provides an opportunity to get care at another facility during the work work hours. And also that's good for providing social arrangements, social networking opportunities, and so forth for the individual. Then eventually, you get to the stage where it may be required to move out of the home. Assisted Living is the next step of people who need help with more tasks, but still have a degree of independence, then nursing home care, and then hospice, which again isn't really long term care, but kept the end there with hospice care.

Alex Murguia 09:33

Yeah. Okay. And so why don't we bring it up by skilled versus Oh, sorry.

Wade Pfau 09:43

Yeah, we're just gonna Now dig in deeper on what some of these different things mean. Yeah. Go ahead.

Alex Murguia 09:48

For a second, I thought I was on mute. That's why I was like, Oh, wait, let me check real quick because I was coughing and I hit the mute button. Did I not unmute myself. Like

Wade Pfau 09:57

you were so when Take your SMS skilled versus custodial care. But I'll let you proceed.

Alex Murguia 10:03

Yes. So what do you think about skilled versus custodial care? What does that mean? If that comes up? Yeah, those

Wade Pfau 10:12

terms are important because this gets back into partly with the conversation. Medicare is not a long term care provider will define especially when we get into long term care funding mechanisms exactly when Medicare might provide limited support. But if it does, it's always for skilled care. So that's where you really need medical attention as part of the care from a skilled licensed care provider. Most long term care isn't necessarily skilled, it's called custodial care, or non skilled care. And it's for those chronic conditions where people need help with the activities of daily living. So it's not necessarily medical intervention, per se, but help with the six activities of daily living that we we talked about, I believe in the first episode of this arc, help with bathing, continence dressing, eating toileting, transferring to and from a bed. So it's not medical care doesn't require a skilled professional, it's often provided by family members, friends, unlicensed workers, but that's what custodial care is. And most Long Term Care is related to custodial care. It's really only when you start getting to the levels of, well, more professional type paid support,

and or having individuals move to assisted living or nursing homes where the skilled care becomes a more important component as well.

Alex Murguia 11:38

Just a question, if you know, you know, if not, that's fine to wait, I don't mean to put you on the spot. But if we're, if someone's speaking to somebody about the type of care they need, and if it's about medicine, you know, providing, you know, giving them medicine, would you put that in the skilled category or custodial care? Well,

Wade Pfau 11:58

I think it's just a matter of you've got like the the week of the pillbox, where each week you have the herd each day you have the pills the person needs to take, and you've got prescriptions and all that that probably could fall more in the custodial care, because informal family members and so forth, could be doing that it doesn't require medical intervention that requires a higher degree of medical knowledge necessarily. So I think in most cases, that'd be custodial care.

Alex Murguia 12:27

Okay, so that skilled care custodial care. Now, what about geriatric care versus care, geriatric Geriatric Care Managers versus care?

Wade Pfau 12:37

Does it really two terms for the same thing? Yeah, but yeah, that's geriatric care managers, or care coordinators are individuals who can help navigate all these long term care decisions. There are professionals that you can pay, or as we talk later, in the next episode about or possibly two episodes, where we talk about different funding mechanisms, mechanisms for long term care. Oftentimes, a benefit of a long term care insurance policy is that a Geriatric Care Manager or care coordinator will be provided on your behalf to help you navigate making all these decisions, where to move to what are the terms of the contracts and so forth. And that's because this can be complicated, and it's not something people have experience with until the need arises. It can be very valuable and helpful to work with a professional who is able to help with all this decision making when someone needs long term care.

Alex Murguia 13:34

Okay. And then homecare, what would that entail here like you know, such as long term care, you know, when, when it begins, etc. Yeah,

Wade Pfau 13:45

so that's where we're kind of talking about the first stage or the first step with needing care. And it begins with, you need some help around the house. And we talked Two episodes ago as well about, we've already mentioned again, the activities of daily living, but then the incidental activities of daily living, things like house cleaning, managing the household finances, driving, that sort of thing. That's where people may need help first, ultimately, and then gradually need help more with activities of daily living. And as a first step, because this is always going to be probably before any long term care insurance benefits are triggered, and so forth. homecare starts with informal care, family members, friends, people who are just part of your social network, who can step in and help with some things around the house, potentially help with some of the activities of daily living in an informal manner, not necessarily paid right away. At some point, it may be necessary to also get paid help for these sorts of things. But it's really

having helped with that custodial care, helping with those activities of daily living still at home, before moving to an institution. It's kind of the first stage that people will experience as they make that transition towards needing more help with long term care.

Alex Murguia 15:04

And we just say there's some business. And if you don't, if you can't go to family members for whatever reason, are there businesses that offer these services? Yeah, absolutely.

Wade Pfau 15:14

That's a big growth industry where there's plenty of businesses that are set up to provide at home care caregivers who will visit the home provide services, perhaps paid on an hourly basis, or some sort of contract. But yes, absolutely. When you get to the point, or you if you don't have any informal caregivers who can help out, you can make that transition towards getting this sort of paid help at home.

Alex Murguia 15:41

And now the only thing I would say, for here, for those of you listening at home, and it could be yourself receiving the care could be you could be a son or daughter that you know that people are chipping in to help your parents. This is where I've personally seen not directly I've been fortunate, I'm not meant to be directly like with my own parents, but I've seen close family members have their parents effectively get ripped off, this is where, you know, you'd bend and Blanche DuBois a little bit and you get by with the kindness of friends, but this is where it comes back to, it can come back to haunt you in terms of, there's a difference if you're overseeing them, or if it's yourself where you're, there's a difference between delegating and abdicating. And you want to be careful here because this is when you're that person is very susceptible to ultimately just getting ripped off. Because you're having someone in their home you know, you know pretty much you know, getting getting access to things that perhaps are sensitive, such as bank accounts, etc. And you just want to be very careful and tread lightly around that just in case

Wade Pfau 16:45

elder abuse angle and I find plants to bog got by with the kindness of from the kindness of strangers not

Alex Murguia 16:50

Yeah, you're right. What did I say said? I say, alright, Stanley Kowalski. Sorry, sorry, I said it the

Wade Pfau 17:00

wrong way. So but you make a really important point though. This is an area where you do have to be concerned about elder abuse, having someone you don't know who's now entering the home and has access to things and if the person's not as mobile and so forth, may not be able to fully monitor what's going on. But if you do have a trusted at home caregiver, this can also really help as well reduce some of the stress for the informal caregivers, and allow them to focus more on social interactions rather than providing the care, the bathing and the different things that can be stressful. So letting those family members focus on social interactions rather than being the caregiver themselves. That can be a potential benefit here.

Bob French 17:45

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Alex Murguia 18:09

Hey, Wade, do you think Tennessee Williams had home health care when he choked on a bottle cap? Right, then it's something weird like that.

Wade Pfau 18:18

I don't recall that particular detail.

Alex Murguia 18:23

Yeah, I think I think he choked like on some sort of bottle. Yeah, some sort of drink bottle. I think I'm sure you could use home health care at that point in his life

Wade Pfau 18:36

to pause and looked up his Wikipedia. I'm not aware of

Alex Murguia 18:40

that. We'll hear it in the comments if I'm I think I'm not 100%. I've been wrong many times. So, alright, so that's that's the long term care. That's getting someone in there. Now, if you're in that, in that sort of path, then aging in place is obviously a consideration that you're looking at, because you're having people come into your house. What are some things around there? Because this is a movement that's starting to grow? When you take it away?

Wade Pfau 19:12

Yeah, so aging in place. It's, it's a movement, it's about how to can you make sure you can live at home and receiving home care, because like we mentioned earlier, most people really prefer to stay at home. They don't necessarily want to move into an institution. But you have to make sure that you've laid the foundation where you can safely and comfortably age in place, stay in the home. And that can require some home renovations, different things we can talk about that. Just making sure that the home is safe and that you're able to move around. Having a community support so that aging in place is easier if there's social services that maybe deliver meals or provide social interaction, or even providing transportation to doctor's appointments because As the government is realizing that it's cheaper to support people aging in place at home than it is to move into institutions, we are seeing trends where Medicaid is making it easier. And this is one of the funding mechanisms once you've run out of other options, but being able to support aging in place or at home care through Medicaid, just realizing it's cheaper to do that. But again, to age in place, the home has to be set up and retrofitted to make that feasible.

Alex Murguia 20:31

And Wade, I think I would say this and not to take this podcast off the off the office angle. But is this where a reverse mortgage could be appropriate? as well?

Wade Pfau 20:43

Yes, yes, one of the many possible uses I talked about with reverse mortgages is providing the funds to support paying the costs for aging in place, because we can talk about what some of these potential home renovations are. But yeah, they can be expensive. And so using a reverse mortgage to tap into the home equity to pay for these home renovations, to allow the individual to age in place can be a great potential as a reverse mortgage. Sure.

Alex Murguia 21:10

Yeah. And so think about it. We're gonna get towards the end of this podcast, and we'll get to it today. If not, next one, about what are some options and you're talking about continuing care facilities, etc. So if you end up selling your house, to buy to go to a place that could accommodate you aging in place, where you could have potentially taken out a reverse mortgage age in the house that you want, and make sure it fits your needs, etc, etc, with neighbors that you know, you know, maybe it would have been a better option, just FYI, from that standpoint. And Wade, I did look it up. He died from he choked to death from inhaling the plastic cap of a bottle of the type used on nasal sprays, or iSolutions.

Wade Pfau 21:53

Okay, well, yeah.

Alex Murguia 21:57

Well, what a way to go, not not to make fun of that, but that's like, you know, one of our greatest playwrights dies eating a hotdog or something like that, man. Life is cruel, isn't it that homecare

Wade Pfau 22:07

may or may not have helped her depending how much

Alex Murguia 22:12

I like I like how you brought them back together, we

Wade Pfau 22:15

learned something new.

Alex Murguia 22:20

Maybe someone needs Yeah. He had like Ichi eyes or something. For you? What are some, what are some basic things when we're talking about aging in place? You're talking about, okay, it's going to retrofit the house. What are some things to think about that you may not be thinking about? And frankly, this is stuff that I remember doing for my parents and there's simple things like oh, having a seat in the bathtub, I got to the point that my mom could not like get into the bathtub and stand you know, taking a shower etc. What are some things just you know, pepper in our listeners heads right now about things to think about.

Wade Pfau 23:01

And some of these are easier or cheaper, others might be quite expensive to do. But yeah, some ideas you can

Alex Murguia 23:07

do at home depot, some of them you're gonna get a contract and you need permits.

Wade Pfau 23:10

These magazines have a lot of ads for things like a some sort of walk in bathing facility. So walk in shower with grab bars, other bathrooms, safety features, not having to be required to step over a tub. That is just one basic thing to make it less likely to get injured when when bathing so walk in showers. Something that would maybe be the most expensive one potentially on this list. Making sure that everything that person needs is available on one floor of the home so that they don't have to use stairs to get to kitchen, bathing facilities and bedrooms. Everything they need is on one floor and if that's not possible, perhaps installing an elevator or an I don't know the name of it, but you know those electric stair lifter type things. You see a lot of ads for that as well.

Alex Murguia 24:04

Something as long as you don't have Gremlins in your house.

Wade Pfau 24:07

Yeah just but just recognizing that it may be increasingly difficult to climb stairs at some point and so making sure that's not required to be able to get to a restroom or to be able to get to a kitchen becomes important

Alex Murguia 24:21

I think living up north you know this is from Miami so a lot of houses were one story homes just I think it was more for hurricane prevent hurricane damage prevention although right now with construction many of them are two three stories but I to me and I my involves did this and my parents my wife's parents are divorced so on both sets but they both kind of moved into one level floors. One level houses like we're not Ramblers, but like they're they're not to stories by any means. And I think part of that was self conscious of the fact that I don't want to go up and down the steps in my mid 80s or 90s cuz there was that stat, what did we hear member Peter T. I'm doing this from memory. So don't, don't kill me here. But if you break your femur or hip past, let's just say age 65, there's something like a 20 to 30% chance that you may not survive past the year next

Wade Pfau 25:19

year. I think that's the right number.

Alex Murguia 25:21

I don't remember something like that. And and that's not even standard of living in any that I'm just talking like life or death. So you can imagine all that other stuff is worse. And so you want to give yourself the best chances of not getting into trouble. And to me, I think a single single floor house is the way

Wade Pfau 25:39

another thing he said that kind of resonated was usually we talked about like the top four killers. And I made sure I can name all four because like cancer, heart disease, one number one is bottlecaps. No, but he said, but like a close kind of honorary mentioned for fifth would be false. And so a big part of aging in place is trying to reduce the risk of falls. And we'll see that more with some of these other ideas as well.

Alex Murguia 26:03

Wade, that's also what I'm trying to get you to do put pull ups my man. Yeah. So grip strength. is big into grip strength.

Wade Pfau 26:12

Oh, yeah, he was playing with that, too. I, well, we all could pick up a copy of that. But there's so I now have my copy of outlive. And it's a long book. It's try to get through it at some point.

Alex Murguia 26:24

Yeah. But ya know, so there's things to begin. And I think this is where it's things are getting interesting simply because I'll talk about my parents, my mom and the smart home, right? The things you can do right now. And we're not going to make this into a tech episode by any means. But you can do so much now with smart homes, just by having the Amazon Echo or like a Google, you know, some sort of hub. I mean, I can literally look at what's going on in my mom's room right now and talk to her, and we're having an immediate call, I can control lights in her house, etc, etc. So from here, and so you'd be surprised. Those developments are going to be better and better, not worse and worse over time. So aging in place is actually an interesting thing. If if you really design it outright. Just FYI, I think you can do a whole series on just smart homes that are actually not in the future. But right now, to help facilitate this kind of movement. You should check it out for your Mom, wait, I don't know if you have that right now. But the sort of smart home echoes and stuff like that are quite amazing. Yeah,

Wade Pfau 27:30

yeah. And that's on the list. So I won't have to mention that when when we get there. But absolutely the monitoring health status man. And when that can be part of it, too. It's not just like being able to see in the house in control likes, but actually getting real time health updates, what's the pulse, that sort of thing, and also helping to monitor that medicines are being taken so forth. And just the alert buttons that have been around I think, at least since the 1980s. But yeah, that's that technology is also very important with aging in place. Another important factor is potentially needing wheelchair accessibility, that could be another expensive one on the list. But making sure that there's a ramp, so you don't have to climb stairs to get in the home, there's a wheelchair accessible ramp, the doors are wide enough, the hallways are wide enough to fit a wheelchair, and having at least one shot one wheelchair accessible entrance to the home. So that's another one of the more expensive options on the list. Another option that's not going to be as expensive and something people may not think about. But just for door handles and faucets. Having levered handles rather than twisting knobs. I guess that's back to your grip strength there Alex, being able to just push a lever rather than having to twist a knob is going to be helpful as people age.

Alex Murguia 28:50

It's all fun and games, Wade until you need catching.

Wade Pfau 28:54

Having good lighting is important as well. Making sure that things are visible. Having the cabinets, closets, that sort of thing have be low enough so that well especially in the kitchen. If you can cook while sitting so that you've got the cabinet's and so forth low enough to be able to make that feasible. That's an important consideration.

Alex Murguia 29:21

No, it's amazing. We laugh but now you think about it. Well, no, no, no. Yeah. No, thank you. Thank you for bringing thank you for bringing the seriousness. This conversation Yeah, no, but the commercials in the 80s I'm thinking of the clapper and a falling and they can get on when you had mentioned something. But like those are the best one of these best selling Sen on TV items for a reason. Right. It's one of these things that there's there's a significant need. And if you can set yourself up in your house to you know, delay the inevitable. I mean, why not? And the good news is, I think a lot of these things are good being significantly better with technology. And it doesn't require an engineer to set it up, frankly. Yeah, absolutely. That's it. And so if there is a day where you need to, well, before we get out of the house, what's your take on the adult daycare community centers. And those

Wade Pfau 30:20

just real quick, one more thing on the aging in place, that's important back to the idea of trying as much as you can to reduce hazards to falling, not having rugs, or other items on the ground that can cause tripping hazards. That's a pretty simple one. But then also potentially just having nonskid softened flooring in the home as well to help cushion any falls. That'd be another important consideration.

Alex Murguia 30:50

Surprise, you don't put elbow pads or stuff like that.

Wade Pfau 30:52

You can wear football helmets, roller derby,

Alex Murguia 30:59

man and No, buddy, right. There's things you could do one out, especially in the fall is I would that's why I said the first floor, that kind of thing falls or something that you don't want to mess around with, in a major way. Because it's hard to come back from that no matter what.

Wade Pfau 31:13

Yeah, yeah, it's that that fifth item on the

Alex Murguia 31:17

there's so many knock on effects. Okay. All right. So we check the boxes on that good. Yeah. All right. adult daycare and community centers. Before we get into it, I would say anecdotally, this to me, I noticed a significant downfall with both my mom and my dad, when they kind of my mom Alzheimer's wise, you know, and my dad with hearing, he you know, and not socializing, not socializing and isolating yourself. I think that begins to really deprive yourself from a lot of just sensory integration issues that the human being you kind of need as a human to keep your brain, you know, functioning. That's not scientific at all. But I'm trying to do it and more anecdotally, and I think there's a tremendous need for adult daycare and community centers simply so you're doing something during the day and getting stimulated. Yes, there's someone watching over you. But we're social beings and staying in a house by yourself, you start isolating yourself. It that's a slippery slope on many levels. But

Wade Pfau 32:30

yeah, I mean, that's an important potential downside of aging in place is social isolation is have you as you become less mobile, not having those opportunities. That's where part of aging in

place is just having that community network where there are volunteers who may stop by and visit people who are really immobile in their homes. But then, yes, at some point as well, the adult daycare center is really the first step towards providing some care outside of the home. And that's, it's really a more recent development of having these facilities where it's kind of like daycare at the beginning of life, it's now as you get closer to the end, while the informal caregiver, family or friends, probably most cases family for this type of scenario, that individual has to go to work. They take the person needing care to the adult daycare center, maybe like nine to five, that kind of situation. At the adult daycare center, that person can receive custodial care, in some cases, potentially even some skilled care or at least monitoring medicines, that sort of thing. And have those social interaction opportunities. Being able to do arts and crafts and play card games, doing different things with people they're really important both for the individual to get that social interaction and for those caregivers to be able to not completely sacrifice their careers potentially as caregivers.

Bob French 33:59

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Alex Murguia 34:37

Now this is where it gets a little tricky way. And I'm gonna take my mom here as an example. In Miami, especially and Miami, South Florida. I think it it stands out there like the number one Medicare fraud area in the country. It's one of those things right. And there's like an there's like a daycares. Enter on every strip mall, if you will. And I had the toughest time getting my mom into one of these for three weeks for three days out of a week, you know, for three days a week. I'm gonna put you on the spot. Why do you think that was? Well,

Wade Pfau 35:17

that would be nothing to do with this, because this will be more of a no but

Alex Murguia 35:21

but they were playing the system, let me say like this, they were playing, it says no one wanted and it was really more medicate here. No one wanted to take my mom for three days. Because they want to just medicate people and put them in for five days a week. You know, I get it.

Wade Pfau 35:40

Maybe if somebody is coming three days a week, it's hard to fill up that spot the other two days a week. So they prefer

Alex Murguia 35:45

they wouldn't want it. But it was like But you know, the cynic in me tells me that some people that were claiming were going five days a week weren't really you know, I mean, they just, they were just like, it's there was a game they were playing, you can do good yourself. But I went to I went and spent two days in Miami, just trying to find a place for my mom. And I think I visited 20

of them. And none of them wanted my mom for three days a week. And she didn't qualify for Medicaid. It was for five days are nothing. And they were saying, look, there's no chance. They were just telling me because this is how it works. This is how the game works. And we're not gonna I'm Cuban. They're Cuban. So they were kind of like treating me as, like in the loop, if you will. And it was just like, No, I can't do it, buddy, you know, kind of thing. And so this is one of these things that us, you know, we have these notes. And we can say this is there. But there's there's rules to the game around this that, unfortunately,

Wade Pfau 36:40

are kind of weird. Yeah. You know, on many levels. I can't really comment on that specifically. But even I think just a non cynical explanation is just those spots are gonna be empty the other two days of the week. And they really Yeah, but But yeah.

Alex Murguia 36:55

I would say the people that were Medicaid, I would, I would venture to say they didn't know they were there. I mean, they didn't know they weren't rolled, they're

Wade Pfau 37:01

not I guess incentivized to only say they want to go three days a week, because that'll lower their bill if Medicaid is paying anyway.

Alex Murguia 37:09

Yeah, some of the more you know, they were saying, Okay, let Medicaid pay. I'm only going there twice a week, though. I'm not going there. Five. Yeah. And they were fine. Being toward five days, but you know, that kind of thing. And it was just, it's a weird sort of Racket, at least they're in South Florida. Hopefully, in de Moines, it's fine

Wade Pfau 37:26

now that you scandalized an entire section of the country. Right. background knowledge on this particular. It's,

Alex Murguia 37:37

I'm saying it from the standpoint of a son trying to get his mom in a thing. It was like, I couldn't do it after after like, two days of just doing nothing, but you know, going there making calls before and after, it's just a nightmare. But here's an option.

Wade Pfau 37:55

Yeah, and it's really a more preliminary step. These are individuals who don't necessarily need to go to like a assisted living facility. And adult daycare centers are generally much more cost effective than because in assisted living facility, you now live there full time. Whereas it'll take care center, it's really during business hours. So it's a lot less expensive than an assisted living facility. And it can help further that ability to age at the home. Because you're still getting the social connection, your caregivers are able to get a break from caregiving, allowing them to continue that at home care for longer. That's really where that niche can be to, to help their community centers are different. They're not. It's more you can stop by for social activities. But it's not something generally that you'd pay for or that may have scheduled activities. But it's not. You go there nine to five each day, and that the community centers can also be a good place to

also find out about other long term care options in the community, or government programs and different things, different resources available.

Alex Murguia 39:01

You're talking here like the why like Silver Sneakers, that kind of thing.

Wade Pfau 39:03

That could be one. Yeah. The town I live in has a senior living center. That's more like a part of the Parks and Rec almost in a way. But it's yeah, the town being Dallas. No, not that. I don't live in Dallas. I'm in the suburbs. That's what I'm talking.

Alex Murguia 39:23

Yes. All right. All right, small town.

Wade Pfau 39:29

Okay. All right. And

Alex Murguia 39:31

then the next one is assisted living facilities,

Wade Pfau 39:33

assisted living facilities. This is where you're no longer at home. This is where you actually are now going to move on a more permanent basis to an apartment in a facility. That it's not, you don't need the level of care required with a nursing home. So you still have some independence. There's it's not going to be 24 hour around the clock care. But there could be scheduling of different services. So you're scheduled with the activities of daily living that you may need help with, at scheduled times you'll receive that help, social activities, recreational opportunities, usually like meals are provided help with providing the medication, housekeeping services, transportation and medical visits, all that can be provided through assisted living. But it's for people who still have a degree of independence so that they don't require the full time nursing care. And it's usually less expensive as well as full than full time nursing care. But more than an adult daycare center,

Alex Murguia 40:37

yeah, I would say this way, then maybe it's a matter of semantics. But there's even an interesting hybrid between here and before you get to the nursing home, because I would say, my mom is fiercely independent in her life, she was living with my sister. So she's followed this trajectory that, that we laid out that it got to the point that my sister really couldn't, couldn't do it anymore. And I actually had to, you know, find a assisted living facility and put my mom there. And interestingly, these are one of these things that they know, right? And there's, there's emotional issues surrounding that. Both the finding the family dynamic, and then herself and realizing that, okay, I'm what I'm one step closer to that final stage. It's just there's no way around. Right? But this is more like a home. It's in Miami, it's it's, it's like, I don't know, there's a four bedroom house. It's treated like a home. But my mom has 24 hour care there with two nurses. And during the day, they you know, they they put her on in the living room do arts and crafts, stuff like that. I couldn't I couldn't get her into what's it called? A daycare. So they put they do enough stuff there that it takes care of it. They walk around and everything but there's someone there all the time. So it's kind of a in between, it's not just here you go, you're doing

things they feed her to help pay their if they need to change or they will you know, things like that, but it has a home Enos to it, it feels like a home, it doesn't necessarily feel like a hospital nursing home where like my dad is

Wade Pfau 42:15

living facilities will generally feel more like at home, you have your own apartment. And but or it could be in a single house. That would be a more expensive version, probably but same idea that you have your own place still. Yeah,

Alex Murguia 42:31

you'd be surprised. I mean, this in Miami, there's tons of them. And no, I think we lucked out. But it's the it's been a huge relief over the last two years. Was it when I moved my mom? No, you probably know as well as I did when I said, Hey, I gotta go down. But it's been a huge relief. And I feel like so fortunate to have found a place for my mom and where I don't have to worry. Okay, what's going on? And she may not know it, but you know, she's in a good place there. So that this, this has been a godsend for me.

Wade Pfau 43:06

Yeah, that's the idea. I mean, the whenever you start talking about moving into one of these facilities, there's going to be contracts involved. And we could be talking about a lot of potential costs could be separated between upfront fees, ongoing monthly expenses. So if you're helping, when someone needs care, they're going to be less capable of doing this. But if you're helping someone, it could be important to have an elder law attorney, just take a look at the contract and review the contract with you and make sure you understand all the different provisions and aspects of the care to be provided.

Alex Murguia 43:42

What would be some good questions to ask?

Wade Pfau 43:44

I'm glad you asked. Well, I mean, timing is everything. These are some things to keep in mind. So questions you'd ask an assisted living facility, if there are monthly fees, which there probably will be, what do they cover? And then how much flexibility is there for the facility to change those fees in the future? Who's doing the assessment about what care is needed? And when those needs might change? What kind of limits are placed on the amount of care received? What's the we talked about nursing homes being a higher level of care? So what's the process to determine whether someone's situation has worsened to the point that they can no longer receive the needed care at the facility and would maybe need to then move to a nursing home? So like, what's the trigger to require that sort of transition? What happens if the resident runs out of funds to pay the ongoing fees and that would be about can they transition easily to Medicaid? is will they be able to stay in the same facility with Medicaid or is there would they have to move to a different facility at the by facility I mean, like apartment that they're in at the facility? Okay, how many What if there's any grievances? How are they handled. And this could be about things like the individual doesn't want to join the meals or struggles with taking medication moving inside or outside, how much freedom do they have to leave? And so forth. So how are grievances handled? anything along those lines? What's the housekeeping schedule? What's the like the activities? What's the the agenda or schedule for different activities available? How is the staff trained? What qualifications are required for staff members? And what about the

situation with the benches? So what does the facility have available to help individuals who maybe entered into the facility before dementia was an a particular issue? But if there's signs of dementia, what happens at that point is well, how does the facility handle that? But do they have the facilities to support dementia? Or would that require another move to another location that might be better equipped for those kinds of issues?

Alex Murguia 45:58

The only thing I would add to this, because this seems very formal. And I think there's, again, there's two types of living facilities that people are listening. There's a living facility, like, yes, there's an apartment complex, or some sort of campus, you know, like a dorm, if you will, where there's literally 50 people, 100 people or whatever, right? If I put my mom on that she'd get lost in the mix, she just went to be overwhelmed, it wouldn't work. And so that live assisted living facility that worked for her was just a home with like, for the ladies. And you know, there's two nurses at all times there. And maybe there's among, you know, three or four nurses that do the whole thing. And it's like family run, there's a lot of those side, assisted living facilities out there, at least in Miami, like a

Wade Pfau 46:45

lot of dentists single house by itself, or is that there's a neighborhood of houses that are all part of no single

Alex Murguia 46:51

house by itself. It's a large house with four, four rooms, for them, each of them have their own room, and then the nurses, you know, effectively stay in one of the rooms, two of them, and they rotate out and they literally take care of them like family, you know, you and it's not, it's significantly less expensive, than if I were to go to some dorm campus here like, like you're explaining where they have, you know, you can play blackjack or whatever gin, runny rummy during the day, or what am I want to do any of that? Yeah, exactly. Whatever the hell led to undo any of that, you know, and it's, there are things there that are, you can say less formal, in the sense of not all decked out with all of this and maintains this family vibe to it. And I don't know how my mom, you know, so there's two different types of assisted living, in my mind went to something like this, which is a dorm, I don't know if she would last, you know, frankly, she'd get lost in the mix, and she wouldn't get out of a room. Whereas in this one, it's just, you know, there, I guess what I'm trying to say is there's results vary among this. And you know, who you know, who your parent is, and how they would function. And frankly, this is a place that my mom could probably stay in until the last days of her life, because after a while, they just take her in like family, and they'll keep on taking care of her. So

Wade Pfau 48:12

how many pages was the contract for this facility?

Alex Murguia 48:16

This is in Miami, Maryland. It's different in my works in Chinatown. Chinatown, Jake. Let's move on. Now, there is a contract, but it's, it's, you'd be surprised there's a big difference between getting this institutionalized service, if you will, and a small business that's running an assisted living facility, obviously, there's good and bad in each of those. Right? All I'm trying to get at is there's a spectrum. Because when I was in Miami, I did look at this big campus, if you will, like this that you're describing, it looked great, you know, it was like The Love Boat, but just in a

campus right now. Like, my mom never never survived there as opposed to hey, look, there's these four Cuban or ladies right next to her, she's gonna feel at home versus two Cuban nurses that will take care of her, you know, that kind of thing. And like I said, it's been a godsend for both of us. So there's, there's a spectrum of ease that that you can find, and I'm sure any big city has, you know, both the formal formal one and the, you know, the kind of the ones that make you feel like part of the family, if you will,

Wade Pfau 49:30

just that's to your earlier point about there's less regulation in this area, you do need to be careful, but it's important to find some place where you're comfortable. And this episode is getting a little bit long in the tooth here. So we might want to hold off on the nursing homes in the continuing care retirement communities if you want to call an audio audible on that. Lets you map for the next episode. Otherwise, we're gonna get one of our Ask Power Plus emphasis here.

Alex Murguia 50:03

And we'll, we'll call it alright. Alright, wait. Well, folks, next one, we'll get into the other facilities nursing homes CCR o CRC,

Wade Pfau 50:12

off

Alex Murguia 50:14

of CCR. Let me see you.

Wade Pfau 50:18

Continuing employment communities.

Alex Murguia 50:21

Why don't you think organization All right, yeah. All right. Off we go. All right, everyone, catch you

Wade Pfau 50:27

next week. Thanks, everyone.

Bob French 50:29

Wade and Alex are both principals in McLean Asset Management and retirement researcher. Both are SEC registered investment advisors located in Tyson's Virginia. The opinions expressed in this program are for general informational and educational purposes only and are not intended to provide specific advice or recommendations for any individual or on any specific securities. To determine which investments may be appropriate for you, consult your financial advisor. All investing comes with a risk including risk of loss. Past performance does not guarantee future results.