

**TABLE** of  
**EXPERTS** Series



*Insights into*

# AGING IN ALABAMA

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## The Experts

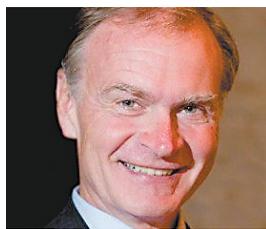


**Karen M. Hennecy**

White Arnold & Dowd

Ms. Hennecy, a past president of the Alabama State Bar's Elder Law Section, concentrates her practice on the administration of the estates of decedents and protected persons, elder law issues, assisting clients and their families with matters including advance directives, durable powers of attorney, wills, trusts, asset preservation, and Medicaid planning.

Ms. Hennecy received her B.A. in Graphic Design from Samford University in 1991 and her J.D. from Cumberland School of Law at Samford University in 1997. Ms. Hennecy clerked with private firms, the District Attorney's office and a criminal court judge. Immediately after law school, Ms. Hennecy directed the "Legal Counsel for the Elderly" program under Alabama's Commission on Aging Title III program for a ten county region. As legal counsel to the elderly, she did extensive public speaking on elder law issues, traveling to nursing homes, assisted living facilities and senior citizen centers while maintaining a practice exclusively in elder law. Ms. Hennecy continues this practice in the private sector specializing in a full probate practice, including Medicaid planning, and all aspects of elder law. She handles the administration of decedent's estates as well as estate planning including wills and trusts.



**Mark S. Williams**

Brookwood Medical Center

Mark S. Williams, MD, MBA, JD, joined Brookwood Medical Center as Chief Physician Executive in October 2014. He served as CMO and interim chair of the leadership team at North Mississippi Health System, the largest rural health system in the U.S. During his tenure, the organization received numerous quality and safety awards, including the 2012 National Malcolm Baldrige Award for organizational excellence.

While in Mississippi, he was a member of the governor's Medicaid redesign committee, the BCBS Hospital Quality Committee and the Physician Workforce Taskforce Group. He is currently the president of the Southern Medical Association. He is a former chairman of the Alabama Quality Assurance Foundation and previously served as the CMO of the St. Vincent's system. He is a health care consultant to large employers.

Williams received his MD from the University of South Alabama College of Medicine in 1980, an MBA from Samford University in 1995 and a law degree from the University of Alabama in 2001.

## The Discussion

**Q: What are some of the financial costs that come with aging and elder care?**

**Karen Hennecy:** The most obvious costs are those associated with where the aging individual is physically located. A senior at home who needs in-home care, and does not have a family member who can fill that role, would need to be able to pay for private care. Around-the-clock care can be exorbitant. Assisted living facilities are strictly private pay facilities and run several thousand dollars per month. There are no government benefits that apply to assisted living facilities. Once a senior has progressed to the necessity of skilled nursing care, a senior will spend between \$5,000 and \$10,000 per month in a skilled nursing facility. Once a senior has depleted all assets, Medicaid may be available to help cover the costs. Prescription drugs can also pose a huge financial burden to many aging and elderly individuals. Therefore, it is advised that aging individuals find a Medicare Part D plan that best suits their needs. As an elder law attorney, I assess all relevant issues regarding financial costs that come with aging and elder care, and assist family members in the obstacles and challenges that come with navigating their way through an overwhelming system.

**Mark Williams:** As we celebrate advances in longevity, the accompanying reality is that healthcare costs and the other costs associated with elder care become increasingly important challenges. While Medicare, Medi-gap, and Long Term Care Insurance may offset some of these costs, many families will encounter unexpected, and more costly, costs to care for elderly family members.

**Q: How can they address those costs in their retirement/financial plans?**

**Williams:** Good advice and timely family discussions, before illness or incapacity emerges, are important steps for elderly individuals and their families. The potential financial burdens of healthcare and elder care should be detailed as much as

possible and shared with all family members. Discussions among all family members as to their respective commitments and resources in providing care for elder parents can mitigate conflict and unanticipated expenses down the road. Realistic costs and the value of long-term care insurance, the limitations of Medicare coverage, and other related issues need to be shared. It is important that financial records be made available to a trusted family member or friend. Advanced care or end-of-life directives need to be thoughtfully expressed and up-to-date, and shared with family members. Ideally, a younger family member or friend will have been provided a power of attorney to act on behalf of the individual in the event of incapacity and inability to make decisions. That person needs to be keenly aware of the individual's wishes in these circumstances. Downsizing and the disposition of personal possessions along with appropriate estate planning are also important aspects of this planning process in reducing costs and easing the burdens of age and infirmity.

**Hennecy:** It is important to build networks and relationships with financial advisors who can help prepare and do advance planning. Long-term care insurance is certainly one vehicle that can assist with aging costs. On a daily basis, I assist individuals with their retirement and financial plans so as to ensure their needs are met and to protect the best interests of their loved ones.

**Q: What are the benefits of an assisted-living facility compared to in-home care? What are the options and how do costs vary?**

**Hennecy:** In my practice, the benefits of an assisted-living facility compared to in-home care always depends on individual needs. Generally, an aging individual prefers to stay in their home. If in-home care is affordable, staying in the home is less disruptive and can therefore be more advantageous in some instances. However, assisted-living facilities are able to provide a specific level of care, community and socialization that is beneficial to many

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individuals and their families. Many families will find that their loved ones benefit from a sense of community, fellowship, shared activities and peer interaction that can be found in these communities.

**Williams:** Many families will struggle with decisions related to the best living situation for their aging parent or parents. Many elderly individuals naturally wish to remain in their familiar setting as long as possible, and this is quite understandable and acceptable to many families. If this is the direction at a particular time, some options might include improving the safety of the home, finding occasional or live-in assistance, providing meals on a regular basis (many new services are now available in this regard), providing medication reminders and assuring regular visits by families or friends. But depending on available family and friends – with their respective time and financial resources and other factors – may not provide the needed social, medical or nutritional support. Assisted living resources should be discussed and

considered at this point. The costs for assisted living facilities may come as sticker shock for many families but – when compared to the costs of maintaining a home, providing support services and other related expenses – assisted living may be a better value. Various professionals and on-



*“I see the impact of an aging population in Birmingham on a daily basis. This impact will affect almost every industry in both the public and private sectors.”*

- Karen Hennechy

line resources are available to help in these comparisons. The average annual cost for a one-bedroom unit in an assisted-living facility is about \$45,000 but costs may vary by locale and the range of services offered, so these need to be investigated when considering this option.

**Q: How will the aging of the baby boomers impact Birmingham? What opportunities and challenges will it create for businesses?**

**Williams:** With the changing demographics and increasing greater number of elderly individuals,

it is natural that many business opportunities have emerged. These range from the provision of meals and other nutritional services to assistance with medical claims and money management. Senior care consultants, or navigators, can often provide guidance and expertise

on many of the challenges that families will face and that have been previously discussed. The use of technology to provide security and monitoring is increasingly common, as will be the availability of tele-health and similar services that provide real-time access to support services as well as family and friends. The risk of social isolation and cognitive decline is an opportunity for elder day-care or similar businesses. While many of these services exist in the Birmingham area, creativity and flexibility will be required to more effectively provide them to the elder care population. Of course, some elderly individuals may have difficulty in assessing the integrity and value of these services, so trusted friends or family members should be readily available to assist with these choices.

**Hennechy:** I see the impact of an aging population in Birmingham on a daily basis. This impact will affect almost every industry in both the public and private sectors. As a result, the contribution to the work force will be diminished as the baby boomers



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age. This will create opportunities that include a more diverse work force, and can create more progressive leadership. Some challenges for both the private sector and government may include the increase in cost to health care and determining whether to continue providing benefits for aging retirees.

**Q: What are some often overlooked aspects of aging that people fail to consider?**

**Henecy:** I encounter the diminished mental capacity of aging individuals in my practice with almost every situation as I work to assist the elderly and their families. Often overlooked is the impact of aging on the mental health of both the caregiver and the aging individual. Both parties must be mindful of this in an effort to help as they transition into a new season of their life. I have seen the stress of long-term caring for a loved one cause depression and isolation for the caregiver, and the ongoing stressors of aging cause depression and other issues for the senior.

**Williams:** Out-of-pocket medical costs continue to rise and – between prescriptions, copays and other medical needs – can rise dramatically. Long-term care costs, whether assisted-living facilities or nursing homes, are often unanticipated or underestimated. More simply, some

individuals will simply outlive their retirement and financial plans. As individuals retire and no longer receive income, their ongoing living expenses often remain constant. While general price inflation is not so evident at present, it should be factored into long-term planning.

**Q: What are some questions**



*“Some individuals will simply outlive their retirement and financial plans. As individuals retire and no longer receive income, their ongoing living expenses often remain constant.”*

- Mark Williams

**you should ask before choosing an elder care or assisted living facility?**

**Williams:** Solicit the wishes of your elderly family members in evaluating options. It is important to consider the degree of support that will be needed and the various tiers of assisted-living resources available. What is the availability of medical services for individuals with medical conditions? What about the quality of the staff and staffing ratios? Are around-the-clock services available? What about the facilities and costs? What about opportunities to interact with other

seniors? What services are included in the overall costs? What are other potential expenses? Are medication management or administration services available?

**Henecy:** We build relationships with facilities that will serve the needs of our clients depending on their level of care. The most obvious consideration is the cost associated

with the facility and the individual’s ability to pay. When looking at a specific facility, one question to consider is what the turnover rate of the staff is. This is often an indicator of how a facility is managed. An important component is finding out what the required qualifications for the staff are, and whether background checks are performed. These can help ensure the safety and protection of loved ones. The most important questions, in my opinion, relate to the integrity and skill sets of the individuals who will be doing the day-to-day hands-on care.

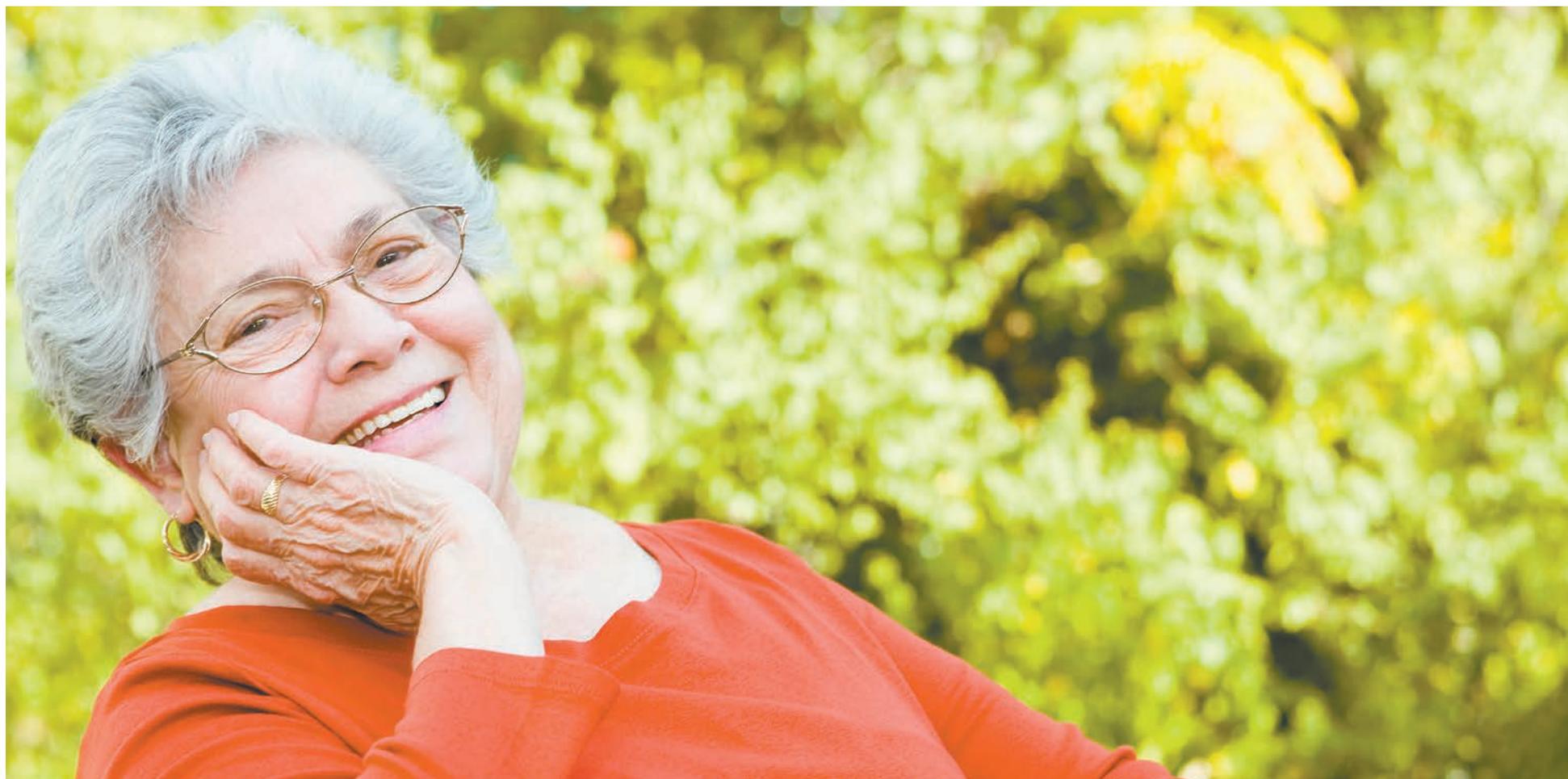
**Q: How are local health care providers preparing for the aging of the boomers?**

**Henecy:** I am confident that health care providers are making decisions on a daily basis that are in the best interest of an aging population. Our office witnesses the dedication and commitment of the health care industry to this upcoming challenge.

**Williams:** Local health care providers are adapting their office and hospital settings to better accommodate elderly individuals. The availability of in-home or visiting nurse services are increasing, and providers are beginning to embrace various technology tools that afford in-home access to important health care resources.

**Q: What resources are available to caregivers?**

**Williams:** The burden on caregivers can be substantial and long-term, and often impacts their family, career path or financial plans. This may be lessened by close family communication, early planning and an awareness of available resources. Both government and private resources are readily available to provide further direction. A popular federal government website is [www.eldercare.gov](http://www.eldercare.gov). This is a site that not only offers considerable information



but also provides direction to other resources. The American Association of Retired Persons, or AARP, offers a similar wealth of information, as do a number of other private or association entities.

**Hennecy:** One resource is the Jefferson County Conservator. Currently, Sidney C. Summey is the Jefferson County Conservator, appointed by the probate judge. The Conservator's services can be utilized by filing a petition in probate court asking that the County Conservator be appointed. The County Conservator is often appointed when there is a need for someone to make life decisions for an incapacitated individual. The Conservator's office can provide a full range of services including financial management, social work, housing and transportation needs, community networking and support for family members. Another often overlooked resource is the availability of geriatric care managers. These individuals can help provide clarity, direction, and support for caregivers in an effort to help them better facilitate the needs of their clients. In our office, we utilize the expertise of these professionals to ensure the best quality of care for elderly and disabled individuals.

**Q: How can caregivers account for the cost of caring for a loved one in their financial plan?**

**Hennecy:** Early discussions between caregivers and their loved ones can be key. They can build a network in their community to help them provide a steady flow of aging individuals. This includes earlier planning, making decisions younger, and accessing all resources available, including those offered by government.

**Williams:** Caring for an elderly loved one can significantly impact the caregiver's personal and financial situation. Gaining an understanding as to elder care expenses, available resources and the financial impact on the caregiver is very important. Discussing this with other affected family members in anticipation of these costs will mitigate future conflicts and surprises. A trusted financial advisor will likely prove valuable in projecting these financial impacts and designing strategies in light of the family's situation. Many families are

simply unaware of the costs of elder care, the limitations of medical or long-term care coverage and the challenge that these family commitments represent. At the end of the day, most families will benefit from assistance in this transition of life for their elder family members. Almost all of us will be caregivers for our loved ones and, without a doubt, most of us will be in need of such services in the future. The value of early planning, family communication and the use of trusted advisors cannot be overestimated.

**Q: What are some indicators that my parents need elder care services?**

**Williams:** Some signs may be obvious and others may be quite subtle. A chronic health condition that is worsening or a slow recovery from a recent illness may indicate a need for additional support. An increasing difficulty with managing the normal activities of daily living such as dressing, managing medications, cooking and similar tasks may be early signals. Weight loss, changes in appearance, strange body odors and the general sense of seeming frailer may also be early indicators. Unopened mail, indications of increasing gifts to charities, letters from banks or creditors may be more obvious. Some useful information on when assisted living should be considered can be found at [www.caring.com/articles/signs-its-time-for-assisted-living](http://www.caring.com/articles/signs-its-time-for-assisted-living), as well as other similar sites.

**Hennecy:** The answer to this question is at the heart of an elder law practice. This is something that almost every family will encounter at some point in their life. In my practice when meeting with clients facing tough decisions, first and foremost I advise family to keep the lines of communication open with parents. In addition I help point out some specific indicators including confusion, disorientation and falling, impaired navigational skills and diminished judgment. Another indicator could be sudden changes in behavior and susceptibility to exploitation and undue influence. Please do not hesitate to contact a trusted advisor if you or your family members are experiencing any of these issues.

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