



Getting support for an adult living at home

Even when they need some help with daily living needs, most older Americans, studies show, still prefer to stay in their homes. As a result, most support for the elderly is delivered in their homes, usually by family members.

By the numbers

- Average cost of daycare is \$40 to \$100 per day.
- Geriatric care manager fees are \$50 to \$100 per hour.
- Number of daycare centers nationally: over 2,000.

Being the primary caretaker for someone who requires assistance with activities of daily living, such as walking, eating, and toileting, can be a consuming and sometimes exhausting task. To help with these responsibilities, families often turn to adult daycare or to home care services, and sometimes both. Below are details on these options, including the tax implications of hiring a caregiver and ways to keep a home safe for an older person. The last section provides information on the new profession of geriatric care manager, which has evolved to help families coordinate services for a senior in need of care.

Adult daycare

Adult daycare provides a safe social environment for those unable to remain at home alone during the day, and it also serves as a respite for caregivers. There are more than 2,000

such centers around the nation, usually affiliated with churches or nonprofit community agencies. Adult daycare can be a cost-effective alternative to placing a family member in a nursing home. It also can provide otherwise homebound seniors a chance for more social interaction with their peers.

Adult daycare centers typically offer:

- social activities
- medical and health services. Most programs have a nurse on duty, and some provide services like speech or occupational therapy.
- supervised recreation
- assistance with daily activities, such as eating or dressing
- at least one meal — usually a hot lunch

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Key points

- Adult daycare provides a safe social environment for those unable to remain at home alone during the day, and it also serves as a respite for caregivers.
- To find services in your area use the Eldercare locator on www.eldercare.gov
- Geriatric care managers can help you identify and locate the support you need.

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Some programs specialize in individuals with specific medical conditions (such as Alzheimer's disease), while others are for any older person who needs help with ordinary tasks. (Not all programs accept people with Alzheimer's.)

The settings can range from brand-new facilities to nursing homes or church basements. Transportation may be provided, and people generally attend three to five days per week.

What will it cost?

The average cost is about \$40 per day, although subsidized programs are available for only a few dollars per day. At the other extreme, some programs can run to more than \$100 per day. Insurance or Medicaid may cover some of the costs, and the adult child who incurs the expense may qualify for Dependent Care Tax Credit on his or her tax return.

How do I find one?

To locate an adult daycare program in your area, contact your local area Agency on Aging. For a directory of Agencies on Aging, consult the Eldercare Locator (see the "Resources" section at the end of this fact sheet). The Web site for the Extended Care Information Network — www.extendedcare.com — allows you to search by zip code or city/state to find adult daycare in your area (see Resources).

Selecting a home health care agency

If you or a family member needs home care services, you can hire a

worker on your own or find one through an agency. Although it will usually cost more to work with an agency, many families find the extra costs worth it. An agency will typically

- screen and select the home care worker for you
- take care of all paperwork pertaining to hiring, pay, taxes, and insurance
- get a worker to your door quickly — usually within a day or two
- provide a backup on a day the worker is unavailable
- supervise the worker
- provide bonding or insurance

There are some drawbacks to working with an agency, however. You may not be able to choose who your worker will be. You may not have the same worker every day. The agency may also limit what the worker can and cannot do for you.

Here are some questions to ask a home health care agency you are considering using:

- What licenses do you hold?
- How much experience do your agency's workers have with the patient's type of needs?
- Are services available on weekends, holidays, or at night?
- Do you accept Medicare or Medicaid?
- How do you screen your workers?
- Do you use your own employees or do you rely on contract staff?

- Will the same person provide the services every day?
- Are your workers licensed or insured?
- What kind of training do the workers receive?
- How will you coordinate services with our physician?
- How do you handle complaints?

Finding a home health care agency

You may be referred to an agency by a hospital discharge planner or other medical provider. If you meet the income requirements, you may be able to work through a state- or county-funded public home care agency, which provides services at discounted rates. Or you can contact an agency privately. ExtendedCare.com and another Web site, CareScout.com, both offer listings of home care agencies (see Resources).

Tax and legal responsibilities

If you hire an in-home caregiver, you will have legal obligations as an employer. Following is a general outline of what these responsibilities entail. Be sure to check with legal, tax, or financial advisers to obtain more details on these responsibilities and any additional rules that may apply to your family's particular situation.

Taxes

You have tax obligations if you pay an in-home caregiver \$1,400 or more (in 2003) and the government considers

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the worker to be an “employee” (rather than an independent contractor or an employee of an agency).

There are no hard-and-fast rules about when a caregiver is considered an employee, but among the factors the Internal Revenue Service considers are whether the caregiver comes into your home on a regular basis and whether you control what work is done and how it is done. A caregiver sent by an agency might be considered an employee of the agency if the agency sets the fee and exercises control over the work.

If you have exceeded the payment threshold and your caregiver is considered your employee, you must report and pay Social Security and Medicare taxes on that employee’s wages (unless the employee is under age 18). You and the caregiver each owe 7.65% of the caregiver’s wages, which you file annually using Schedule H. You are responsible for either withholding your employee’s share from his or her paycheck or paying the taxes yourself.

Unemployment insurance

If you pay more than \$1,000 in any calendar quarter to caregivers or helpers, you also will owe the state and federal government unemployment insurance tax.

Failure to pay

Failure to pay employment taxes may result in back taxes due, plus penalties, interest, or even criminal penalties. You also may be denying yourself considerable tax savings by paying an

employee “off the books.” Many have found that paying required taxes is actually less expensive than not doing so.

Minimum wage

You must pay your caregiver the minimum wage in your state. Contact your state’s department of labor to find out your state’s minimum wage and whether any exemptions apply in your case. The state labor department can also tell you whether you need to carry for your in-home caregiver a separate workers’ compensation policy, which is a requirement in some states.

Proof of citizenship required

Even if you are hiring a caregiver through an agency, the caregiver must show you valid proof of U.S. citizenship or employment eligibility and you both must sign Bureau of Citizenship and Immigration Services Form I-9, *Employment Eligibility Verification*.

Making a home safe for an older adult

Older adults are more likely to be injured in the home than any other age group. Falls are the major threat, accounting for half of all injury deaths among people age 65 and older. Other leading dangers are fire and scalding water. Some basic home safety measures can prevent many accidents and injuries.

A good place to start in reducing hazards in the home is to review the older person’s daily routine and make a list of needed safety improvements. Many of the improvements are steps you will be able to take on your own. Others may require the help of family

members or professionals. Here are some suggestions:

- Make sure all areas are well lit.
- Avoid floor clutter and keep pathways open.
- Keep wires and cords away from pathways.
- Eliminate large changes in height, such as thick carpet in one room and bare floor in the next.
- Put nonskid padding under area rugs, or remove small rugs entirely.
- In the bathroom, install grab bars around the tub and toilet.
- Use nonskid mats and strips to prevent slips in the tub and on the floor.
- Install bathroom doors that swing outward, since a victim who has fallen may block the door.
- Install handrails on stairs.
- In extreme cases, install emergency call buttons at strategic locations throughout the residence.

Preventing scald burns

The elderly are particularly prone to scald burns because of their thinner skin. Scald burns most commonly occur in the bathroom. Many households maintain their water heaters at 140° to 160°. You can minimize scald burns by adjusting water heater thermostats to the “low” position or to 120°. In addition, anti-scald devices are now available that shut off the flow of water when the temperature reaches a preset limit.

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Preventing fires

- Keep a working fire extinguisher in the kitchen and on every floor.
- Provide emergency cutoff switches for lights, stoves, and ovens.
- Use space heaters only as a last resort, and choose a model with an automatic shutoff. Never use extension cords with heaters.

For help in assessing safety risks in your home, contact your local Council on Aging, area Agency on Aging, your state's Department on Aging, or your local fire department.

Geriatric care managers

The families of those who require long-term care face a bewildering array of choices and questions. Is a nursing home necessary? If so, which one? What about care at home? Who will pay for it?

Answering these and other questions requires not just medical know-how but expertise in elder law, financial services, insurance, social services, and counseling as well. A new profession — that of “private geriatric care manager” — has evolved to help families think through these issues and coordinate services for the person in need of care.

Geriatric care managers usually have a background in social work, nursing, psychology, or law and are well enough versed in other areas to offer sound advice and to refer to a specialist when necessary. All have experience or training in gerontology.

A geriatric care manager can

- evaluate the patient to determine the necessary level of care
- assist in finding a nursing home or investigate and recommend alternatives
- make all arrangements for the delivery of health care services
- review financial, legal, and medical issues
- monitor care once it is being delivered
- serve as a liaison to families at a distance, making sure things are going well and warning of problems
- serve as an advocate for the patient and the family

Geriatric care management provided by nonprofit agencies

Some hospitals and public agencies have social workers who serve as geriatric care (or case) managers. However, such services are usually limited to the time the patient is under the agency's care and these workers' time is often stretched too thin to provide the level of assistance that patients and their families need. Some nonprofit agencies provide care management services on a sliding-fee scale, with payments based on one's income.

What will it cost?

Fees range from \$50 to \$100 an hour, and some care managers charge a flat fee for the initial assessment, which can range from \$200 up to \$750.

How to evaluate a care manager

The National Association of Professional Geriatric Care Managers suggests asking the following questions when considering a geriatric care manager.

- What are your professional credentials?
- Are you licensed in your profession?
- How long have you been providing care management services?
- Are you available in emergencies?
- Does your company also provide home care services?
- How do you communicate information to me?
- What are your fees? (These should be provided in writing to the consumer/responsible party prior to services starting.)
- Can you provide me with references?

How to find a private geriatric care manager

The field of private geriatric care managers is growing and chances are there is, or soon will be, one of these professionals in your area. To find a geriatric care manager near you, visit the association's Web site at www.caremanager.org. *continued*

Resources

Bureau of Citizenship and Immigration Services

www.bcis.gov
www.immigration.gov
1-800-375-5283

CareScout

www.carescout.com
1-800-571-1918, x390
search for home health agencies

Eldercare Locator

www.eldercare.gov
1-800-677-1116

ElderCorner

www.elder-products.com
daily living products and aides for seniors via the Web
1-888-777-1816

Extended Care.com

www.extendedcare.com
search for home health agencies

Internal Revenue Service

www.irs.gov
1-800-829-1040
1-800-829-3676 (forms and publications)

National Association of Professional Geriatric Care Managers

www.caremanager.org
1604 N. Country Club Road
Tucson, AZ 85716-3102
1-520-881-8008

U.S. Department of Labor

www.dol.gov
1-866-4-USA-DOL (1-866-487-2365)

Ducasse, Elizabeth, *The Competent Caregiver: A Guide to Hiring Care in the Home Independently*. (1st Books Library. 2001, \$13.98)

Wasch, William K., *Home Planning for Your Later Years: New Designs, Living Options, Smart Decisions, How to Finance It*. (William K. Wasch, 1996, \$19.95)

Contact your investment professional for more information.

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