

DEMENTIA, Alzheimer's:

Most people will live longer life, but due to various factors will have poor quality of life as they age.

1 in 9 have alzheimer's (above age 65)

5.5 million are diagnosed, and many un-diagnosed. Alzheimer's can last 8-20 years.

MEDICARE does not cover: Medicare does not cover medication administering, meal prep, bathing, dressing, toileting, things that are usually referred to as activities of daily living (ADL's). Medicare often covers these things for up to 90 days after at least a 3-day hospital stay.

COST:

Cost of living in California is one of the highest. A plausible worst case scenario is having home care for 24 hours a day. The cost is two million dollars for 5 years of at home care. Basic cost is for one person for 24 hours at \$25 is \$219k/year.

Genworth has an extensive trove of current **Cost of Care** data on their website at

<https://www.genworth.com/aging-and-you/finances/cost-of-care.html> In addition to local data, people can compare costs with other regions.

Representative San Jose case (Genworth website):

Assisted Living : \$66,000 per year with 7% annual increases.

Long Term Care : \$142,000 per year with 6% annual increases

In an particular facility it is about \$7k for semi private room (2 bed) and \$7.7k for private room.

In addition, there are *a la carte* options that a resident might use. At many facilities, these are defined in tiers of increasing need. Each tier is an additional \$450 per month. Expect double digit cost increases for many tiers (other than basic).

Variations

There is a price premium of 25%-50% for dementia and Alzheimer's care. This is attributable to the need for a greater staff-to-resident ratio and closer monitoring of residents.

Some facilities-- especially at the high-end-- offer or require a large lump-sum "buy-in" in exchange for a lower monthly rent. Again, a person's home is their proxy LTC policy.

Lower-end facilities cost about a third less and come with a commensurate drop-off in amenities, dated facilities, and less enthusiastic staff engagement.

Like most things in the Bay Area, costs are higher here. People flee to surrounding states for for more economical options. So, the Bay Area is a good marker for maximum cost estimates.

Financial Needs, Solutions and Planning

Usually it is funded from with Social Security, perhaps a pension, and whatever savings they might have. Sooner rather than later, they sell their home. People's homes are their LTC proxies. All of this works in many financial plans.