

## West, Tom Episode 4 (Sept).mp3

In the 20 plus years of helping people plan for the cost of retirement and long term health care, we've identified one consistent theme among families and caregivers; people don't like to talk about money. Lifecare Affordability Planning helps families who are facing long term health issues and increasing health related expenditures to make better informed financial decisions during a time when there are so many unanswered questions. It's time to face this topic head on, address the emotional charge of discussing money, and discover practical ways to bridge the gap between a long term health care plan and your ability to pay for it.

[00:00:52] Hello and welcome to the Lifecare Affordability Planning podcast with Tom West and Arvette Reid from Signature Estate and Investment Advisers. Good morning guys how are you. Good morning. Hello. Hello. So I heard some pretty big news. Tell me about your new team member.

[00:01:08] Oh thanks for asking. We have been joined on our team by Mr. Robert Papa CFP a 22 year veteran in the industry. I had the opportunity of working with Rob in a relationship when he was over as a senior financial consultant at Charles Schwab where he was for a good 13 years before moving into private wealth.

[00:01:29] We recruited him over here particularly to help out with our Lifecare Affordability Plan rollout in the District of Columbia and Maryland.

[00:01:39] He's a fantastic addition has partnered with Arvette already on a handful of different cases and is sort of consistent with the forward growth that we're looking for in the practice.

[00:01:50] So welcome Rob.

[00:01:52] Yeah. So, that's outstanding. So can you spell his last name for me? P A P A Come on. Is his nickname Big? Come on. I know. I know it's like to come to, it's got to be - Weird right? Rob. Robert Papa. I loved that. Okay great. Well, that sounds like a great addition. So look forward to hearing a little bit more about him and the work that he's doing with your team and what the future holds. Arvette, how are you.

[00:02:14] I am doing well. I'm really excited about today's topic.

[00:02:17] Me too. Let's do a little recap here last time we talked about families and how they don't talk about money. An now today we're getting into - we're going to be speaking about professionals especially in senior housing and healthcare and why they don't talk about money. So I'm just going to ask that question, why don't they talk about money?

[00:02:34] Well I think that when Arvette and I were prepping a little bit for our podcast today I think the first place to think about professionals in senior housing and health care is that they are people too. There are folks in the workforce, they've got their own families, they're thinking about retirement and I think it's worth just considering they might just not have a comfort level with you know high degrees of financial literacy, to begin with.

[00:02:55] Remember that many Americans aren't saving enough for retirement don't have full command of how much money they're going to need now or down the road for things like college or saving for legacy or whatnot. So I think one of the first reasons that professionals in senior housing and healthcare don't talk about money is they're people too. And you know I think that just a personal discomfort with that as a topic. I mean we talked a little bit last time about people are comfortable

talking about health but they're not comfortable talking about money. I just think that's the place to start.

[00:03:27] Yeah and I think we need to go back to the idea that there are two different worlds. There's healthcare and there's finance, and as much as we keep reinforcing that they need to connect. They're actually already connected. Not acknowledging how connected they are so far but the two tribes just really don't understand each other's language.

[00:03:44] And you know I spent 15 years in the senior housing and healthcare market always on the sales and marketing side and had no problem talking to families about what offerings we had and how much they were going to cost but never did I get into the conversation about how they were going to pay for that or something like that.

[00:04:03] And even in my own world you know in our own personal world about understanding how we're going to pay for some of the bigger things that you know are going to come along. We just don't talk about it. Right.

[00:04:14] Right. So I think that, so first off, you know, people don't talk about money because they're people and professionals in senior housing and healthcare. Like I'm I'm really interested in this podcast because we're going to be able to lean a little bit on Arvettes experience in a variety of different roles that she had. So why don't you talk a little bit, what do you think, as a professional marketing professional senior housing and healthcare, talk a little bit about your role there why aren't you talking about money there?

[00:04:40] Yeah I think it's good first to set the stage. There really are two kinds of groups within the senior housing and healthcare market. There's the sales marketing side and then there's more the administrator executive director side which is more the business side running the business.

[00:04:54] Right. And, we've got the clinical and the therapeutic side too. Yeah, but when you get into the money conversations those the two places that most likely will have the money conversation. Right. Right. Less on the clinical side.

[00:05:04] Right. So as a sales and marketing professional, my job was to get people on board. So whether I was getting people to move into an assisted living or whether I was getting people to sign up for hospice services you know I was trying to make sure that these families were getting the help they need and that wherever I was was the place that was the best fit for them.

[00:05:26] So I we talked about all kinds of things like the need and what was going on in the home and you know the feature benefit of what we could do, and getting people to really understand the help that they need and what we can provide. But once again I never talked about money.

[00:05:40] Right. Right. Because your value proposition was very personal it was very emotional very physical.

[00:05:47] And then I'd say OK and the cost is this, you know. So that's a little bit experience from the sales and marketing side but from the executive director administrator side, they're running the business. They're the people that are used to budgets and they talk to families when families are already on service about how things are going or how costs may increase based on what's going on. So there's definitely an opportunity in both of those groups to do a better job of connecting the conversation of finances with health care.

[00:06:16] Sure that makes sense. So when you are doing you know marketing for say for example that that period of time where you do work in assisted living. Right. So.

[00:06:24] So you know when you're going through your day and thinking about interacting with families and then when you're thinking about all right well I'm not in front of families anymore. I'm back on the business side of things like what are you looking at. What is your dashboard? How do you know you're

successful in that role.

[00:06:40] Oh yes. Success was based on census, for the most part. So whatever your task was whether it was to fill the building or get census up, that's what you're focused on. And really as a sales and marketing professional especially from a personal perspective, I was not comfortable talking about money. I mean remember I've only been here at the financial wealth management firm for a year and a half. So I've learned so much in a year and a half. But when I was in senior housing healthcare I was not comfortable talking about money. So the last thing I was going to do was bring up a topic with the prospect that I really wasn't that comfortable about that might gum up my process.

[00:07:14] What would happen - Arvette, - Go ahead, Aric. Arvette, you said you weren't comfortable. Why weren't you comfortable talking about money though?

[00:07:20] I think it goes back to what Tom said is just I'm a person like everybody else. It's not something that we talked about in our household. You know my parents and I we would talk on a surface level but I didn't grow up with a financial professional in the house who talked to me about money starting as a child. Right. You know like we talked about in the last podcast.

[00:07:40] So how did you how did you, like in your different roles, how did you respond to a prospective client that should be moving in that just says, like, Yeah, it's too expensive. I can't afford it. Like how do you process that? Because it's a money objection. Right. And if you're in your role and you don't want to talk about money like what does that mean?

[00:08:00] How do you digest it or not digested in your role?

[00:08:04] Yeah and I think for me the question is is that really the objection. You know looking back like in the moment when I was doing it I didn't even think about it that way but now that I'm on this side I can look back at certain circumstances where people would say you know this is just more expensive and I can't afford it. And so I would try to come back with the, Well let's go back to what your needs are and is mom safe or dad safe or what do you need. But at the end of the day, I had no idea if they really could afford it because I never knew what questions to ask after that. Right. Yeah.

[00:08:36] That would be so hard. I can imagine being that position and feeling like I don't want to pressure them you know how do I ask that. Are you sure you can't afford this? I mean that's so insensitive right. So I don't think anybody would feel comfortable you know trying to find out if they could truly afford it or not. Or trying to help them walk through it is just simple facts. This is what you need, or you say you need, and whether you can do it or not. I'm just kind of a yes or no.

[00:09:03] I think that one of the things with yes or no that Aric was talking about you're just trying to get them to accept the help that they need.

[00:09:11] And I think that in terms of your sales process you were going through the value proposition of how they can get assistance and how they can be more independent and taken care of and you can be a good family member and the rest of it.

[00:09:23] And you used that emotional and personal connection with the circumstance that they're in to overcome a financial objection which might be a junk objection or might not be a junk objection. That's that's kind of the way that you are doing it.

[00:09:39] Well I also think in general people don't know how much health care is going to cost. Yeah. So sometimes when they say it's too expensive it really is the shock of seeing the number for the first time because everybody just assumes everything health care is covered by insurance. Right. And that is not the case.

[00:09:56] Yeah. Yeah. So, talk a little bit - so that's got to have an impact on what you were thinking about maybe you were using, was insurance like

[00:10:02] well, you know, some of it's covered by insurance, so talk to your insurance person and that was your sort of throwaway answer to the objection.

[00:10:10] Well it depends on the case so in Assisted Living's it was private pay right. Then like a hospice situation or a rehab situation, it would be covered by insurance. Sometimes I would say yes insurance will cover this and then I'd skirt through that answer right quick so we could move on because once again I didn't really want to talk about money. Right. And they probably really didn't want to talk about money so let's just keep moving this forward.

[00:10:34] Listen I think that I think it is this juncture you know we were rolling out this life care affordability plan. And one of the first and most successful cases that we had was the one that you spearheaded with the gentleman in Maryland. Why don't you talk a little bit about that because what's important about this particular case, the senior housing and healthcare professional that was in the mix there was actually the one that referred to us her inability to penetrate the financial discussion actually resulted in a plan of care that wasn't sufficient? So why don't you talk a little bit about that case and you know from start to finish.

[00:11:11] Yeah. And I think what's interesting was there are a lot of senior housing and health care professionals who know that they're not comfortable talking about money. And then there are a handful who feel comfortable talking about money and to the rest of us it sounds good. Until now I'm on the side of the house. Right. Right. And then I see it from a different viewpoint. Right. So, in this case, this the senior housing and healthcare professional she genuinely thought she was doing the right thing and thought she was doing the right discovery questions and sent us this referral which appeared to be someone that might fall into a financial assistance category. Like a Medicaid? Like a Medicaid category. So you know we jump in and we start digging and it's about you know him and his wife and what was best for the both of them. And as we started digging and it turns out he was nowhere near needing financial assistance and was in a - fortunately, he was in a position that he had made very good decisions. So him and his wife had lots of options when it came to health care. And what was best for them but it was an eye-opener to me once again how us and the senior housing and healthcare market think we know or some of us think we know that really didn't. It was way off. Right.

[00:12:28] And I remember that the house itself needed a little bit of work and there was a perception that somebody would be just a little bit above a poverty line.

[00:12:37] But just from appearances and behaviors. Yeah but the guys sitting on a few million bucks. And the idea of do you know can I take care of my wife at home. Right. If you're coming into a find a care plan discussion thinking that it's a Medicaid discussion - right - then the answer is no you can't take care of somebody at home. We got to think about community-based care and waivers and a whole bunch of other stuff. How did you, Arvette, get the guy to talk about money when the care professional couldn't in a way that was functional.

[00:13:10] Well I want to give the care professional props because first of all, she gave us the referral. So she recognized that something needs to be done from a financial perspective. Something wasn't right. Right. Something wasn't right. That's it. Something wasn't right. And so she reached out to us. But for me, it was just simply because I've been in the industry for 15 years, I was just coming at it a different angle. And now that I've been in finance I am a little bit more comfortable asking those questions. So I just directly asked him, which I would have never done in the senior housing health care world. Right. I would have never been comfortable doing that.

[00:13:41] So, - And some of it some of it goes back to how do we help, how do we help clients make decisions and, in this particular case, because obviously, we did some of the back end work,

[00:13:54] the gentleman was very forthright about what he was most hopeful for. What he was most hopeful for was the least amount of changes for him and his wife to be able to keep her at home with him with the fewest transitions. And I remember listening - I remember - I hadn't met the gentleman. I remember hearing in the story his frustration with not getting the answers and support and the feeling that these professionals are on the same side because what I want to hear is how can I keep her at

home, when the plans of care might have been taken in a different direction. And there was in the end if there was the financial wherewithal to be able to put a plan together that would be very expensive for some households, that was something that was possible. And, you know, kudos to the care professional, kudos to you because I think right now what we know is that families are getting better outcomes she's getting better help that they're paying more money for. But it accelerated a decision-making process.

[00:14:54] It reengaged the adult children who also didn't have a full perspective of what Mom and Dad really had because, like we talked about before, money was private and people didn't talk about it. So that I think was a big victory in terms of being able to impact that couple with life care affordability plan to unlock the potential of how their wealth was going to be able to serve some of their care plans.

[00:15:17] I can imagine the stress that it took off the family as well. The kids if you don't know what your parents have and you're concerned about Mom's health and what's going to happen in the future. All of a sudden you have the answer in front of you. That's a huge sigh of relief.

[00:15:32] Yeah I think so.

[00:15:33] Well let's talk a little bit about that other group in senior housing health care. Let's talk about administrators or executive directors. Think back to different parts of your career, Arvette, or different parts of conversations that you've had now that you've been part of this life care affordability team what are those conversations look like?

[00:15:53] How do administrators, how do observe active directors think or not think about the financial ability for the residents to pay for their care.

[00:16:05] I think this goes back to the last podcast we talked about how people as individuals in their work life are used to talking budgets and spreadsheets and things like that and then they go home and they don't necessarily have the personal finance conversation. So it's very interesting and unique that this group of individuals in the healthcare space they had the business viewpoint -Right - because they're doing the budgets, -Right- but they also were sitting across from the families. And so they're the ones telling the families that whatever level of care they're on now based on the clinical inputs they might have to increase the level of care which means increased costs. So, it means that. So they're having that money conversation with people that have already made the decision to be with that organization. So, it's no longer a sales pitch; this is why you need us, this is why you are already here.

[00:16:56] It's more like an operational management through the plan of care. Right.

[00:16:59] But the other side of it, which I've learned now being on the finance side versus the senior housing healthcare side, people are out shopping. Like we kind of knew that like when I was in senior housing healthcare we knew families were out looking for possible less expensive alternatives because they were scared about running out of money - Because they didn't know what they could afford. - They didn't know what they can afford. They were scared about running out of money but they weren't necessarily telling the executive director that. Some of them say it outright. Some of them don't. But the reality of helping the administrators and the executive directors in this world talk to families about using something like the life care affordability plan to help them plan out now that they've already made that decision.

[00:17:43] It's huge. It's going to bring the topic to the front and center instead of wondering whether these people are going around shopping for cheaper hourly rates or monthly fees.

[00:17:53] Yeah well, if it's if it's my mom in the assisted living and I'm sitting down from the executive director that's telling me that we're moving from a level 2 to a level 3 care and the costs are going to go up you know from you know eight grand to eleven grand a month, or whatever the number is, you know I'm not telling that executive director that I'm shopping around because I'm worried that maybe that my mom's going to be taken care of a little less. If I'm worried, since I don't know exactly what's going on after I leave, the last thing I want is to take any action that leaves my mom

[00:18:28] even fractionally more vulnerable because we know the senior housing and healthcare, clinical and therapeutic professionals, they're overtaxed, their staffing ratios are tight.

[00:18:39] You know you can only stretch a professional caregiver in an assisted living so far and I don't want my mom to be on the end of the line in terms of units of care distributed because there's a perception on the facility that she's on the way out the door.

[00:18:55] But that is such a family perception but everybody in the senior housing healthcare love on their people regardless. But it's interesting that say that because so many people feel that way.

[00:19:04] They're scared to speak up because they don't want something to happen but - That's because we don't know on the family side of things and I'm definitely not telling you I'm shopping you out because I'm worried and I don't have a guide to help me go through all this because of the money stuff and the health care stuff the space that we're exploring is so alien to everybody's everybody's experience so far.

[00:19:26] And you know I think that - But ,we love our residents. We love all our residents.

[00:19:29] I believe that and I know that, now. OK. I know that because of the time that we've spent but I think family members, family members they don't they are always worried and they don't know and you know nobody takes care of mom the way I take care of mom.

[00:19:43] So that's also one of the things that there's always an anxiety that somebody might not be taken care of to the standard. Some of that is not being able to accept the situation that they're in, to begin with. You know, you get the whole acceptance denial thing that's sort of rolling. Anyway, I think it's very predictable that families might need a facilitator, for lack of a better way to put it, to bridge this conversation of housing and healthcare and money because it's not it's not an intuitive conversation for either on the professional side or the family side. And that's where I think that we're trying to sort of move in and be able to improve outcomes.

[00:20:22] And Tom, the other thing that plays into that my mind is the media. Because if there's a story about elder abuse it's on there and it's on there a lot or it's highlighted as a top story and people are concerned about where mom is staying or is everybody in that. I mean, Arvette, you said we love, we all love our residents. Well, we see on the news that they're not always taken care of the best and that's a fear right that may or may not be real but it's real to us. And so having somebody navigate, Tom, like you said, boy that would be huge.

[00:20:51] Yeah. And for me, like I said coming out of the senior housing and healthcare network what I mean being in that industry for 15 years was life-changing for me. I mean it was I loved it. It was amazing. And I want to do everything I can now that I'm on the finance side to figure out how to better support the professionals in that industry so we can continue doing right by the families.

[00:21:14] And I really believe doing right by the families means learning how to have the financial conversation and or referring out to professionals like us to help bridge that conversation just like you said. There's a gap, there's a huge gap there that needs to be filled. And think about think about I'm staying in this administrator space right now, why do people leave the assisted living facilities?

[00:21:41] There's only a few reasons; they die, they have a plan of care that changes, or money comes into the mix. Either there's a perception that they can't afford it or they actually can't afford it. And you know when we've got you know administrators and executive directors that are that are in-house thinking about this among the group that's listening to us imagine how much more occupied beds days there could be if families have the ability to improve paying for their plan of care but just 10 percent.

[00:22:14] Right. What kind of occupied bed days like that kind of a number of that population that is leaving because of financial issues. It's a huge issue.

[00:22:24] And I don't want to discount the home care market because we talked we talked about assisted living but we know most people want to stay home. Sure. And so they're trying to get the home care in and they're trying to skimp on hours because it's so expensive that they're only doing four hours or 10 hours a week when really they need 60 hours a week. So it's the same conversation. Like if you can show a family that's only doing 10 hours a week and you know they need more how financially they can actually make it work and not only is it better clinically and therapeutically but financially it will be fine. Right. Then they're going to get the help they need which is really the 60 hours.

[00:22:59] Right. And I mean that really gets back to the main impact I think of this life care affordability plan. I have lost track of the number of clients that have the resources they either don't have the literacy or the command of their of their finances or the feeling of safety that you know somebody is telling me at a fiduciary standard how I'd be able to do this.

[00:23:26] They're not empowered to accept the help that they need because there's there's a decision making block. You know and we know this a little bit it's the same stuff we're on the healthcare side of things. Sometimes people don't ask for the help that they need for a whole bunch of different reasons. On occasion, some of that is I don't know that I can afford it even if they have the ability to afford it.

[00:23:47] So I was just reflecting on my sales experience again. And when we're going through the process of helping families when I was in the senior housing healthcare space we had the whole family in the room sometimes and I had no idea who the financial decision maker was. Like, I know who the health care person is and I want to, I needed the yes from the health care person, and I can figure that out quickly, but I never really took the time to figure out who the financial yes person was. And I think that's another thing we really need to teach the senior housing and healthcare market from a professional standpoint, you've got to figure that out from the beginning.

[00:24:21] Yeah let's talk I think just in terms of some last thoughts about ways that professionals in senior housing and healthcare can improve on this. I think some of it has to do with the way that families are screened. Like, you just mentioned, I don't know who the financial decision makers is or the success or financial decision maker is. But you know if you think about the way that people are screened; there's sort of two things, like we have seen in our practice, one of the things for the life care portability plan is you know if somebody is moving into a community or engaging a home care provider that does some financial assessment part of what are our services to fill that out for the client just because of

[00:25:04] that's that's part of what we end up doing.

[00:25:06] But we've seen forms from big great reputable care providing facilities when they're prompting about financial information from their incoming resident. The forms are wrong. The forms the forms they don't have enough room. They're asking the wrong questions. You know they talk about you know the particular thing that we're looking at was sort of annuity and then a blank line. It was so funny, I got the form and I gave it to Glenn who's the CFP in the office.

[00:25:37] I'm like hey can you just fill this form out for client X or whatever.

[00:25:40] And he's looking at it and like what are they asking? Like, what are we talking about. If you don't know what they're asking,

[00:25:45] I sure as heck don't know what they're asking. Well, we know that they don't know what they are asking because as you know in financial services an annuity could be like a zillion different things. It could be an immediate annuity.

[00:25:56] That's like a pension that's paying off for somebody's life it, could be a deferred annuity in an IRA, not in an IRA, but that's that's an example. And I was thinking about forms like one of the things that we did when we were building out the life care affordability plan is we looked to the Aging Life Care Association which is the new branding for geriatric care managers. And we took a look at their standardized forms as a profession and what kind of screening are they doing for finances. Because I

think broadly speaking, part of what aging life care professionals do is they try to provide a holistic view of what the care plan is what the family circumstances are what the care plan looks like what goals and what benchmarks are setting.

[00:26:46] Kind of like the consultants and the industry. Yeah they're like the swiss army knife of putting this together. But when I was looking through what the professional association does in terms of financial queries you know it mostly has to do with who's making the financial decisions.

[00:27:02] That's what I thought about it when you were talking about you don't necessarily know. The good screeners in senior housing and health care identify who the financial decision makers are. But then there's just some broad information like do your home, you know, what's your income, what are your assets. And like full stop. There isn't there isn't any question because it's not it's not the aging life care professionals job, but there isn't anything that says now that the job of the money has changed because you need to come up with a new five grand 10 grand 15 grand a month. Now that the job of money has changed, what are you going to do with your finances and investments to give you the best chance of affording the plan of care that you need. Like they're not there at the next stop and that's where I think life care affordability plan fits perfectly. We're going to use the Aging Life Care Association forms in the way that they screen to help build out the plan of care summary that we include in all of our annual cap life affordability plans. That's going to be something that we're really hoping to advance our ability for the service to make an impact. And to help the professionals. Yeah, and to help the professionals. That's kind of what we had in mind for our podcast Aric. When are you - think about any last minute questions or teeing up the next podcast. I had a lot of fun with this one.

[00:28:25] I want to I want to know what that next podcast is because you've pretty much alluded to it but, what are we going to cover next time.

[00:28:32] Well I think that what's coming up next,

[00:28:34] I think that we need to start giving professionals in senior housing healthcare better tools to be able to ask prompt questions to be able to maybe work through that objection of I can't afford it. Maybe giving a little bit better tools to suss that out. And then to decide a little bit how we're going to do a better job of identifying the financial decision makers and how do we improve families ability to make decisions where they are able to accept the help that they need. Because a lot of the long-term care that we're talking about it involves money but it's not about money. But we need money to be managed as best possible in order to afford the plan of care for the longest period of time yet.

[00:29:22] So also, Tom, I want to acknowledges the fact that we have a lot of families listening as well so not only are we going to put together some tools for the professionals next time but,

[00:29:30] I think it's really important for the families that are out there listening to understand the type of tools that should be available. So if they're in the middle of making this decision and working with the community, a facility, or a home care agency that they also know what questions they should be asking so that they're making the right decision.

[00:29:48] Hey guys this was a great podcast thank you so much for your time. Thank you. Thank you. And thank you audience for joining us today on the Life Care Affordability Planning Podcast with Tom and Arvette. If you have not subscribed to the podcast yet please click the subscribe now button below. This way when Tom and Arvette come out with a new podcast it'll show up directly on your listening device. This makes it much easier to share these podcasts with your friends family and co-workers. Again thank you for listening to today for everyone at Signature Estate and Investment Advisers, this is Aric Johnson reminding you to live your best day every day. We'll see you next time.

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