

RIGHT RISK NEWS

DATES TO REMEMBER

(Spring-planted crops)
- county specific deadlines

Spring crop acreage
reporting deadline
- July 15

For more information see:
<https://www.rma.usda.gov>
<https://www.fsa.usda.gov>

Valuing Care Provided for a Family Member

Families often struggle with paying someone to provide care for a family member. Some cultures have strong beliefs regarding a need for the family to care for their own, while other cultures and individual families prefer to have others care for their family members in need. It is reasonable to expect compensation for providing care, regardless of who provides the care of a family member in need.



It is critical to establish the level of care required by a family member living at home and who requires care. Home Care is generally defined as non-clinical compassion and help for a family member who needs assistance with daily activities. Home Health Care (sometimes shortened to Home Health) involves clinical, medical supervision provided by a licensed professional. Some individuals may need both Home Care and Home Health, while others need only one or the other. Most will begin this stage of their lives needing only Home Care, later transitioning to Home Health.

Cost of Home Care and Home Health Care

The cost of Home Care is not easily determined, due to the varying level of desired services and the range of individuals qualified to provide such services. Almost anyone can provide Home Care if they are trustworthy and compassionate. Some individuals will have a family member(s) who is willing to provide some services, while other families will pay a non-family member to provide the desired services.



How Much Risk is Right for You?

Information on the cost of Home Health Care is more readily available. The median cost of full-time, in-home health care for seniors was \$4,576 per month in 2020, according to *Genworth Financial's 2020 Cost of Care Survey* (genworth.com/aging-and-you/finances/cost-of-care/cost-of-care-trends-and-insights.html), based on 44 hours of care per week.

There are many different agencies and companies providing home health care services, depending on the specific locale. The person receiving Home Health Care or his or her family will pay a pre-determined fee for each service received. Medicare, health insurance, Veteran's Administration and others may cover the costs of certain necessary services. Some extended care insurance policies may also cover all or a portion of the costs of in-home health care.

Compensating a Family Member that Provides Home Care

Some families believe they should contribute any Home Care services that they are reasonably able to provide at no cost to the person receiving the assistance. Such care will keep the costs of remaining at home to a minimum. A significant drawback to free Home Care is that the financial burden will fall on only one or two family members, usually those living nearby. Other families believe any care provider, including family members, should be compensated for their time and reimbursed for any out-of-pocket costs.

Consideration of the care provider's skills, experience and training should be a factor in the discussions about who should assist the person in need. Also, the care provider may need to quit his or her job, forego opportunities, move to another community or otherwise experience a change in lifestyle in order to provide the required care.

Steps to Establish Compensation

The first step in compensating a care giver is to determine what daily activities require assistance. Such activities may include compassionate time, bathing, grooming, meal preparation, laundry, house cleaning, paying bills, reminders to take medicines or transportation to appointments. It may also be critical for one or more family members to monitor and consult with doctors, attorneys, government agencies and financial advisors.



The second step is to determine how many hours per week are required for each service provided. The time needed to provide the desired services may vary throughout the year and will increase as the care recipient grows older and during times of illness. Agencies providing such services usually have a minimum number of hours per week that can be used as a guide for determining the approximate number of hours a family member might be expected to be paid for his or her time and efforts.

The third step in determining the appropriate compensation is to determine a per-hour or per-activity rate. Some families will set different rates for different activities. However, no rate should be less than the minimum wage rates for the state in which the care recipient resides.

A care provider has reasonable expectations to be reimbursed for using his or her automobile to transport a care recipient to appointments, shopping and other places important to the life of the care recipient. Reimbursement of mileage should be calculated by multiplying the number of miles by an acceptable per-mile rate. There are myriad sources which can be useful in determining a reasonable rate, including standard mileage rates published by the Internal Revenue Service (IRS) on the internet.



When to Compensate

Timing of compensation and reimbursement for expenses incurred is another important aspect of establishing a compensation protocol. Generally, there will be an expectation that out-of-pocket expenses will be reimbursed soon after the expense is incurred by the care giver. Payment for time spent providing the agreed upon care might be paid monthly, quarterly or annually. Further, family members may find it necessary to pay certain costs that should be reimbursed from the care recipient's estate. In any case, the care giver should maintain a record of all expenses and time spent

for review by other family members, regardless of the timing of compensation and reimbursement.

The most important aspect of care provided to someone is that the care provider, care recipient and care recipient's family have open, honest and frequent discussions about the care provided and compensation. Family strife and hard feelings will be reduced significantly if everyone agrees to the level of care, appropriate compensation and timing of payments. Transparency and open, honest communication is paramount here, as it is in many other aspects of family life.



~ OTHER RIGHTRISK NEWS ~

NEWS RELEASE - MARCH 10 | RIGHTRISK

Federal Reserve Beige Book: Summary on the Ag Sector

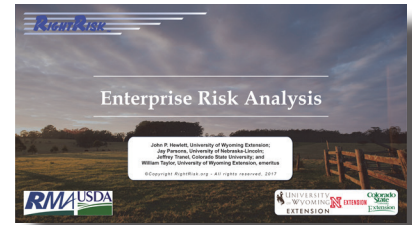
Economic activity has expanded at a modest to moderate pace since mid-January. Many Districts reported that the surge in COVID-19 cases temporarily disrupted business activity as firms faced heightened absenteeism. Severe winter weather was also cited as disrupting activity. As a result, consumer spending was generally weaker than in the prior report . . .

For more see: [RightRisk.org/News](https://www.RightRisk.org/News)



HIGHLIGHTED COURSE: *ENTERPRISE RISK ANALYSIS*

Enterprise risk analysis helps prepare an appropriate response to the risks facing the enterprise. Any risk management strategies adopted should avoid ineffective and inefficient alternatives that can prevent reasonable activities or distort resource allocation. The free *Enterprise Risk Analysis* course offers insights on: What is an Enterprise, What is Risk, What is Risk Management, How is Risk Managed, the Risk Management Process, Establishing Context, Enterprise Assessment, Risk Analysis, Risk Evaluation, Treatment Implementation, Case Study: Everett Ball Ranch, Case Study: Wilson Ranch, and resource links for more, along with recorded presentations, application examples, an ebook and much more.



To access the publication, see: RightRisk.org > Courses > Enterprise Risk Analysis

	March 1 Social Media Post <i>Lasting Legacy Course #1</i>		March 17 Social Media Post <i>RDFinancial RightRisk</i>
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How much risk is right for you and your operation?

