

Understanding Alzheimer's Disease: From Science to Wealth Planning



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Physical and cognitive changes are a natural part of the aging process. Symptoms can manifest slowly and progressively, or appear suddenly with the onset of illness. In a perfectly appointed world, families would prepare for these events in advance, planning for medical, legal and financial contingencies. In the case of cognitive impairment as a result of Alzheimer's disease—the sixth-leading cause of death in America—individuals and families face complex emotions and planning issues:

- How quickly will the disease progress?
- When will a loved one become unable to participate in the decision-making process?
- Will previous planning accommodate current needs and circumstances?

Providing families with wide-ranging and critically important information is central to our delivery of meaningful wealth management services. During a recent client event held in New York City, for example, we invited Dr. Richard Mayeux, Chair of Neurology at Columbia University, and Lee Miller, Director of Glenmede's New York region, to share their insights on Alzheimer's disease, its effect on diagnosed individuals and their families, and the important legal, medical and financial planning issues it raises.

Moderated by Steve Brandfield, a Managing Director in our New York office, we share the following excerpts from their discussion:

Q What physiologically occurs with the onset of Alzheimer's?

A Dr. Mayeux: Alzheimer's disease is the most common of the many forms of dementia, particularly among the elderly. In essence, proteins in the brain undergo a structural change, thereby interrupting normal functionality. The brain initially tries to compartmentalize these proteins into small organelles, but somehow in the transition from a normal to abnormal protein, it is believed the remaining nerve cells are toxically affected, resulting in Alzheimer's disease.

Alzheimer's disease starts in a particular area of the brain—the part that forms new memories. One of the first signs of Alzheimer's appears when people become unable to remember recent happenings. While older memories may remain intact and an individual may continue to function normally, newer memories become lost.

Q What types of behaviors should prompt someone to consult their physician?

A Dr. Mayeux: We all misplace our glasses or forget where we parked our car—such occurrences are not usually cause for alarm. However, when a person begins to repeat the same questions over and over in a short time and has difficulty with short-term memory, these instances can signal the beginning of Alzheimer's. Many times, it is a spouse who first notices these behaviors.

Q From a legal standpoint, how is mental capacity determined?

A Lee Miller: Capacity is defined differently depending on the document. To write and sign a will, for example, testamentary

capacity requires that the person signing the will:

- Understands that he or she is making a will, or that a lawyer is preparing a will at the individual's request;
- Knows the natural objects of his or her bounty—typically, immediate family members; and
- Has a general idea of the nature and value of his or her assets—knowing the exact market value is unnecessary.

While an individual has early-stage dementia, diagnosed or obvious to family members, that does not mean he or she lacks testamentary capacity. Even with some mental deterioration, there can be periods where an individual is lucid and able to oversee the drafting and signing of legal documents.

Q Following an early diagnosis, how should patients empower others to act on their behalf?

A Lee Miller: We recommend establishing a power of attorney, a will and a revocable or living trust.

Everyone should have a will and a durable power of attorney appointing a trusted family member or individual advisor to act on their behalf, be it for lack of capacity or because they become unavailable for a reason such as they are traveling. One should also consider establishing advanced health care directives, a health care proxy and a living will. Most power-of-attorney documents are considered “durable,” meaning the appointed person will continue to act on the patient's behalf even if the patient's health deteriorates. Unless there is a time-frame or purpose specified, for example, for a real estate closing, the power of attorney typically remains in effect until death or termination by the principal.

Q What are some best practices for those serving as power of attorney?

A Lee Miller: Any person serving as power of attorney must be organized. By law, they must keep the patient's assets separate from their own assets, and they must keep good



records, which should include receipts and records of all incoming funds, outgoing payments and transactions.

Q In general, what should aging persons do to prepare their finances?

A Lee Miller: In addition to the steps just mentioned—a power of attorney and estate planning documents—one should:

- Consider freezing your credit to protect from identity theft.
- Establish automated payments to avoid missing bill payments for utilities, credit cards and insurance premiums. Grant your family permission to receive duplicate statements to keep them abreast of your account activity.
- Organize your documents. Let your family know where to locate insurance policies and other legal documents, what banks you use and where your safety deposit box is located. Provide them with the names and numbers of your medical providers, and pharmacy.
- If the time comes when someone has to step into your shoes, the more organized you are, the better equipped the appointed individual will be to act on your behalf.

- We also recommend you put a medical release form in place. A Health Insurance Portability and Accountability Act (HIPAA) release gives medical providers authorization to release your medical records to the individuals you identify.

Q Should someone with progressive Alzheimer's continue to sign documents?

A Lee Miller: It depends on what is being signed and its import. For example, if it's an annual renewal of a real estate tax rebate, it may be fine to allow the person to continue to sign with supervision. It is best to consult the family attorney on these types of issues.

It is critical for individuals affected by any degenerative disease to plan ahead—well before a person becomes unable to advocate his or her intentions. Understanding—and acting on that understanding—only comes through communication. By talking to family members and trusted advisors in advance about issues relating to mental and physical decline, a family can more effectively move forward together. These conversations also increase the likelihood of realizing each person's needs and expectations along the way and help family

members to appropriately oversee medical, legal and financial issues as they arise.

Glenmede has created a tool to assist in organizing your thoughts—our *Guide for Family and Advisors*. Ask your Relationship Manager for a copy today or find the document at <http://www.glenmede.com/pdf/Guide-for-Family-and-Advisors.pdf>.

Featured Events

We will continue to draw upon our resources to bring important and compelling topics to the forefront, as we have in previous instances:

- A Genetic Investment: A Roadmap for Wellness and Graceful Aging** Held at the Brazilian Court in Palm Beach, noted geneticist and physician-scientist, Charis Eng, MD, PhD, of the Cleveland Clinic, discussed how family health history and genetics empower our decision-making. Dr. Eng also spoke of the interaction between wine and genes in human health, and Per Holmberg, Head of the Wine Department at Christie's, led a tasting of the wines discussed by Dr. Eng.
- Impact Generation Series** Geared toward millennials, the event featured a craft beer and cheese tasting followed by interactive roundtable break-out discussions with Glenmede professionals focused on investing with the future in mind, the power of compounding and investing in your reputation.
- Agewise and Stages: Managing Wealth at Various Life Stages** This multi-generational educational event geared toward family members spanning four generations was held at Hamilton Farm Golf Club in Gladstone, New Jersey. Based on an individual's life stage, guests were invited to choose from four
- Safeguarding Your Finances, Credit and Good Name** This past summer, Glenmede's Ohio office hosted an engaging seminar discussing cyber security and the risks individuals could one day face. The event featured security expert, William Kowalski, J.D., Principal and Director of Operations for Rehmann Corporate Investigative Services, who discussed cyber risks, exposures and solutions for safeguarding personal information.

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