



For John Mitchell (below, left) of Garysburg, N.C., the decision to put his brother Ellis (right) in a nursing home was traumatic. Finding a place that actually felt like a home has eased his conscience.
Photo: Joe Link

70, Indy
Excellent story



Care for the Elderly

One Community's Solutions

Ellis Mitchell awoke early. It was time to feed the livestock on the family farm he and his youngest brother, John, worked. He pulled on his clothes and shuffled through the house.

Roused from sleep, John heard his brother and asked, "Where are you going?"

"Going to feed the mules and the hogs" was Ellis's response.

There were no animals, John, 55, explains. It was just one of the bizarre behaviors that Ellis, 76, began

acting out at the onset of Alzheimer's disease.

Such episodes continued and worsened. Ellis's doctor suggested a nursing home.

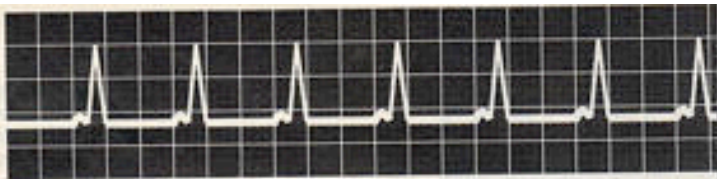
"I told the [doctor] Ellis wouldn't ever come to a place like this, because I would always take care of him," John says, pausing. "The doctor told me, 'No, you won't. You think you will.' Everything the doctor told me, I have seen come true."

Fortunately, "a place like this" turned out to be Hampton Woods Board and Care, Inc., a nursing/rest home in Jackson, N.C.

"This place is the best thing that ever happened to Northampton County as far as I'm concerned," John says, smiling.

The nursing home is part of a campus of care for the county's rural elderly and part of a nonprofit consortium called Rural Health Group, Inc. Now, when many rural areas face shortages of doctors, hospitals, and other medical services, the consortium is offering help in a variety of ways, some geared to senior citizens.

Rural Health's Vital Signs



Older folks in rural America need what everyone needs in the way of health care. But the health of seniors is doubly jeopardized by inadequate housing, nutrition, and transportation.

Hampton Woods Senior Campus includes the 78-bed nursing home where Ellis Mitchell now lives, a 15-unit apartment complex, and a senior center. Right across the road is one of the five medical practices in the consortium.

Campus of Care for the Elderly

Lizzy Bottoms, 83, has the television on, but her chair is turned toward the couch, not the set. Nearly blind, she follows the TV program with her hearing. The room she sits in is small but clean.

A young woman comes through the door, holding a grocery bag and a prescription bag. The woman puts the items away, then pulls out a motorless sweeper and begins cleaning the carpet.

The apartment complex where Bottoms lives was financed under a direct mortgage from the Department of Housing and Urban Development (HUD). Rent is based on seniors' income after medical expenses.

Many seniors like Bottoms probably couldn't live on

their own without the help of county chore workers. "They do house cleaning, take them shopping, cash their checks, and help them buy groceries," says Helen Bloom, the apartment manager.

For the nursing home on the campus, 90% of the funding came from a private mortgage company and was guaranteed by HUD. One of Rural Health Group's corporations and clinics provided the other 10%. The clinic worked with Northampton County to get a community development block grant of \$175,000 from the North Carolina Department of Economic and Community Development.

"A lot of nursing homes are struggling, trying to attract doctors to even come out to their nursing homes, whereas we have this group practice that started us," says Ken Reeb, administrator of Hampton Woods Senior Campus.

"When you think of a nursing home, you think of a dark, smelly place and people living in soiled beds," Reeb says candidly.

But at Hampton Woods, fields of crops grow beside the building. Residents, staff, and family members chat amiably. That awful, offensive smell of human waste and medical refuse is absent.

A Healthy Deduction



The Internal Revenue Service Farmer's Tax Guide seems plain enough: "You may deduct, as an adjustment to income on Form 1040, 25% of the amount paid on your behalf for health insurance for you and your family."

What the guide doesn't tell you is that many farm families, operating as sole proprietorships, could deduct 100% of their health insurance premiums by making some changes in their operations. Not only can you deduct all policy costs, but also out-of-pocket costs not covered by insurance.

To take advantage of this benefit, one spouse officially becomes the employee of the other. This arrangement allows the "boss" to provide health insurance and medical reimbursement for the em-

ployee and the employee's family, which may include the boss.

As a result, the family's medical costs would be fully deductible as business expenses on Schedule F, rather than partially deductible on Schedule A under itemized deductions or on Form 1040 as an adjustment to income.

Wisconsin dairy farmer John Krings estimates he has saved about \$1,000 in taxes each year for the past three years since his wife, Monica, became his employee. The arrangement made sense given the work she did.

Krings had help making the change from Insurance Center Administrators, based in Madison, Wis., and their AgriPlan program. The firm has about 5,000 clients in 22 states.

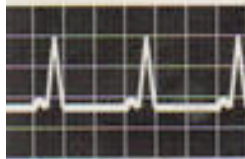
The arrangement is legal if the employment of the wife or other family members on the farm is justifiable. An IRS revenue ruling 20 years ago found in favor of a sole proprietor who paid the health care costs of his employees, in-

cluding his wife. The amounts reimbursed to the employees were not considered income, according to the ruling, and the employer could deduct these costs as a business expense.

There is, of course, no guarantee as to how an individual case might be viewed by the IRS.

Advisors familiar with this nuance of tax law provide these guidelines:

- Have a legitimate job with duties assigned to and performed by the family member you "hire." That job, such as bookkeeper or laborer, should be spelled out in writing along with health benefit provisions.
- Have a legitimate reason for making family members employees, such as new recordkeeping duties or an expansion of business.
- Seek the advice of a tax or legal advisor familiar with these laws. There is more to this than will fit into one magazine article. But the full deduction is perfectly legal if you do it right.



Helen Bloom (standing) serves breakfast to Aretha Sharpe (holding cup) and Jannie Harris at the Senior Center in Jackson, N.C. Photo: Sue Link



Some of the residents have lived their entire lives in segregated neighborhoods in the 60% black/40% white county. But now black and white families look out for each other's relatives.

Dances With Elders

Dr. Jane McCaleb of Rural Health Group stops a nursing home resident in the hall. "I heard you went dancing last night," the doctor says. The woman's wrinkled face lights up with a grin. She does a little gyration on thin legs, shimmying to demonstrate her dancing prowess.

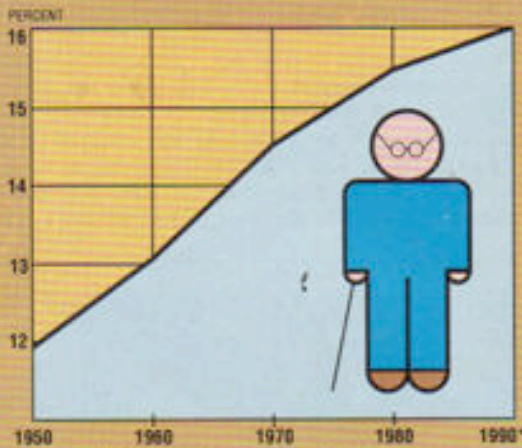
So what if a few dresses got caught in wheelchair spokes? The only thing she seems to remember is how young her old body felt as she glided across the floor.

The dance for local elderly citizens was held at the senior center.

"The whole object of the senior center is really to

This dove season

People Over 60 Living in Rural Areas



Source: U.S. Bureau of the Census *PF estimate

kind of stretch out to the community," explains Bill Remmes, chief administrator of Rural Health Group.

The aroma of homemade biscuits, scrambled eggs, and frying bacon greets visitors at the center. No one from the "neighborhood" had a birthday this month, so a breakfast is being served in place of the monthly celebration.

The 4,000-square-foot center was funded in part when volunteers "went door to door and begged, literally begged, for money," explains Donna Jenkins, the center's director.

Perhaps one of the center's most crucial functions is its connection with the home-delivered meals program. Jenkins coordinates the program.

"My last count, the [200] volunteers drove over 22,000 miles last year delivering meals," she says. Volunteer delivery people, like farmers Mary and Bill Little, use their own cars and are not reimbursed.

"For some of these people, we'll be the only people they'll see all day," Mary says.

What's Behind This Success Story?

The campus of care in Jackson is built on the previous successes of Rural Health Group.

Rural communities have to share resources, says Jim Bernstein, director of the Office of Rural Health and Resource Development in Raleigh.

Can the nonprofit consortium be duplicated in other rural areas? Remmes thinks so.

"Basically, if I could get two family practice physicians to work with me," he says, "I believe that we could get the grant funding that would be needed to get started in many rural areas."

By NANCY DORMAN-HICKSON