



JURIS ECONOMICS

# Life Care Plan Valuation for

*John Richardson*

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## Methodologies & Executive Summary

This economic valuation has been prepared utilizing the demographics of John Richardson. The enclosed report depicts the anticipated medical costs from January 3, 2025 to January 23, 2062. Results are provided in discounted present value amounts.

Statistical information is derived from demographics on the statistical date of valuation. Financial information is derived from calculations based upon the financial date of valuation. Base values, growth rates, and discount rates are separately stated in each section where appropriate. In this report, the statistical date of valuation is August 1, 2024 and the financial date of valuation is January 3, 2025.

The change in value over time for any particular item is commonly referred to as the growth rate. Increasing a known value by the growth rate provides the expected value at a future point in time in undiscounted terms. Future value is the amount one will pay in the future.<sup>1</sup>

$$FV = PV(1 + r)^n$$

In order to determine the value today of a future value amount, the discount rate is used. The discount rate is the expected return on an investment or set of investments over time. In the legal context, a risk free rate is generally utilized. When the discount rate is applied to a future amount, the present value is found. Present value is the amount one will pay today for the item in the future.<sup>2</sup>

$$PV = FV \frac{1}{(1 + r)^n}$$

The life expectancy of John Richardson is for a Male born on August 1, 1985. Life Tables are published by the *Centers for Disease Control, National Vital Statistics Reports*. Here, *National Vital Statistic Reports, Vol. 72, No. 12, (2021)* provides life expectancy in the United States and yields a 37.482 year life expectancy. A Statistical life expectancy of 37.482 years has been utilized in this report. This results in an end of life expectancy occurring on January 23, 2062.<sup>3</sup>

The total present value of medical costs from January 3, 2025 to January 23, 2062 amounts to \$6,748,399.59. Periodic values are provided in the following sections.

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<sup>1</sup> Abbreviations: Present Value (PV), Future Value (FV), growth rate (g), and Number of Periods (n)

<sup>2</sup> Abbreviations: Present Value (PV), Future Value (FV), discount rate (d), and Number of Periods (n)

<sup>3</sup> The term “statistical” is used when a particular datapoint derives from a study or set of studies. The term “custom” is used when a datapoint has been selected by the user. Where a custom datapoint it utilized, information to support the assumption may be gathered from the user.

## DEMOGRAPHICS & STATISTICAL INFORMATION

### DEMOGRAPHICS

Name:	John Richardson
Date of Birth:	8/01/1985
Gender:	Male

### STATISTICAL INFORMATION<sup>4</sup>

Statistical Date of Valuation:	8/01/2024
Financial Date of Valuation:	1/03/2025
Life Expectancy (Years):	37.482
Statistical End of Life Expectancy:	1/23/2062
Life Expectancy Model:	<i>United States Life Tables, 2021 Nat. Vit. Stat. Rep., Vol. 72, No. 12.</i>

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<sup>4</sup> Statistical Information is derived from demographics on the Statistical Date of Valuation.

## LIFE CARE PLAN TREATMENT FREQUENCY BY CATEGORY

### Therapies

Note:

Line Item	Start Date	End Date	Qty	Freq	Time	Cost Per Treatment	Cost Date	Annual Cost
Physical Therapy Evaluation	1/03/2025	1/23/2062	1.00	1.00	Per Year	\$300.00	1/03/2025	\$295.85
Physical Therapy Treatment	1/03/2025	1/23/2062	1.00	12.00	Per Year	\$304.00	1/03/2025	\$3,597.49

### Medical Care

Note:

Line Item	Start Date	End Date	Qty	Freq	Time	Cost Per Treatment	Cost Date	Annual Cost
Pain Management Consultation	1/03/2025	1/23/2062	1.00	1.00	Per Year	\$325.00	1/03/2025	\$320.50
Pain Management Follow-Up	1/03/2025	1/23/2062	1.00	3.00	Per Year	\$216.00	1/03/2025	\$639.03

### Nursing Care

Note:

Line Item	Start Date	End Date	Qty	Freq	Time	Cost Per Treatment	Cost Date	Annual Cost
Attendant Care	1/03/2025	1/23/2062	12.00	1.00	Per Day	\$37.50	1/03/2025	\$164,358.99
Skilled Nursing Visit (LVN)	1/03/2025	1/23/2062	3.50	1.00	Per Week	\$250.00	1/03/2025	\$45,668.97

### Pharmacy

Note:

Line Item	Start Date	End Date	Qty	Freq	Time	Cost Per Treatment	Cost Date	Annual Cost
Cyclobenzaprine (30 mg)	1/03/2025	1/23/2062	1.00	10.00	Per Week	\$5.85	1/03/2025	\$3,053.30

## LIFE CARE PLAN DAILY COST BY CATEGORY

### Therapies

Note:

Line Item	Start Date	End Date	Daily Cost	Cost Date	Discount Rate	Growth Rate	NDR
Physical Therapy Evaluation	1/03/2025	1/23/2062	\$0.81	1/03/2025	3.50%	2.50%	1.00%
Physical Therapy Treatment	1/03/2025	1/23/2062	\$9.85	1/03/2025	3.50%	2.50%	1.00%

### Medical Care

Note:

Line Item	Start Date	End Date	Daily Cost	Cost Date	Discount Rate	Growth Rate	NDR
Pain Management Consultation	1/03/2025	1/23/2062	\$0.88	1/03/2025	3.50%	2.50%	1.00%
Pain Management Follow-Up	1/03/2025	1/23/2062	\$1.75	1/03/2025	3.50%	2.50%	1.00%

### Nursing Care

Note:

Line Item	Start Date	End Date	Daily Cost	Cost Date	Discount Rate	Growth Rate	NDR
Attendant Care	1/03/2025	1/23/2062	\$450.00	1/03/2025	3.50%	2.50%	1.00%
Skilled Nursing Visit (LVN)	1/03/2025	1/23/2062	\$125.04	1/03/2025	3.50%	2.50%	1.00%

### Pharmacy

Note:

Line Item	Start Date	End Date	Daily Cost	Cost Date	Discount Rate	Growth Rate	NDR
Cyclobenzaprine (30 mg)	1/03/2025	1/23/2062	\$8.36	1/03/2025	3.50%	2.50%	1.00%

## LIFE CARE PLAN VALUATION PRESENT VALUE BY CATEGORY

<b>Category</b>	<b>Note</b>	<b>Total Cost</b>
Therapies		\$120,558.38
Medical Care		\$29,712.08
Nursing Care		\$6,503,582.81
Pharmacy		\$94,546.31
<b>TOTAL PRESENT VALUE</b>		<b>\$6,748,399.59</b>

## References & Statistical Resources

Arias, E., Xu, J., and Kochanek, K., et al. United States Life Tables 2021. *National Vital Statistics Reports*; Vol. 72, No. 12. Hyattsville, MD: National Center for Health Statistics. 2023.