

Preparing for Long Term Care (LTC)

A guide for Caregivers

What is Long Term Care (LTC)?

Long-term care involves a variety of services designed to meet a person's health or personal care needs for a period of time. These services help people live as independently and safely as possible when they can no longer perform everyday activities on their own. LTC is provided in different places by different caregivers, depending on a person's needs. Most LTC is provided at home by unpaid family members and friends. It can also be given in a facility such as a nursing home or in the community, for example, in an adult day care center.

The most common type of LTC is personal care—help with everyday activities. These activities include bathing, dressing, grooming, using the toilet, eating, and moving around—for example, getting out of bed and into a chair.

LTC also includes community services such as meals, adult day care, and transportation services. These services may be provided free or for a fee.

People often need LTC when they have a serious, ongoing health condition or disability. The need for LTC can arise suddenly, such as after a heart attack or stroke. Most often, however, it develops gradually, as people get older and frailer or as an illness or disability gets worse.

What Are the Different Types of Home-Based LTC Services?

Home-based LTC includes health, personal, and support services to help people stay at home and live as independently as possible. Most care is provided either in the home of the person receiving services or at a family member's home. In-home services may be short-term—for someone who is recovering from an operation, for example—or long-term, for people who need ongoing help.

Most home-based services involve personal care, such as help with bathing, dressing, and taking medications, and supervision to make sure a person is safe. Unpaid family members, partners, friends, and neighbors provide most of this type of care.

Home-based LTC services can also be provided by paid caregivers, including caregivers found informally and healthcare professionals such as nurses, home health care aides, therapists, and homemakers, who are hired through home health care agencies. These services include: home health care, homemaker services, friendly visitor/companion services, and emergency response systems.

Home Health Care

Home health care involves part-time medical services ordered by a physician for a specific condition. These services may include nursing care to help a person recover

from surgery, an accident, or illness. Home health care may also include physical, occupational, or speech therapy and temporary home health aide services. These services are provided by home health care agencies approved by Medicare and are typically approved for only a limited time.

Homemaker and Personal Care Services

Home Care agencies offer homemaker and personal care services that can be purchased without a physician's order. Homemaker services include help with meal preparation and household chores. Personal care includes help with bathing and dressing. Agencies do not have to be approved by Medicare to provide these kinds of services as they are usually donation based or private pay services. Some Home Care services may be covered by Medicaid if a patient qualifies.

Friendly Visitor and Senior Companion Services

Friendly visitor/companion services are usually staffed by volunteers who regularly pay short visits (less than 2 hours) to someone who is frail or living alone. You can also purchase these services from home care agencies. In some counties, the commission on aging offers respite services. This can be in home or day care at the commission on aging. It is dependent on which county you reside and the services offered within that county.

Senior Transportation Services

Transportation services help people get to and from medical appointments, shopping centers, and other places in the community. Some senior housing complexes and community groups offer transportation services. Many public transit agencies have services for people with disabilities. Some services are free while others charge a fee. You can also call the number on the back of your medical insurance card to see if this is a covered benefit through your insurance.

Emergency Medical Alert Systems

Emergency response systems automatically respond to medical and other emergencies via electronic monitors. The user wears a necklace or bracelet with a button to push in an emergency. Pushing the button summons emergency help to the home. This type of service is especially useful for people who live alone or are at risk of falling. A monthly fee is charged. Most insurance companies do not pay for this.

Long-Term Care (LTC) Planning

You can never know for sure if you will need LTC. You may never need it, but an unexpected accident, illness, or injury can change your needs, sometimes suddenly. **The best time to think about long-term care is before you need it.**

Planning for the possibility of LTC gives you time to learn about services in your community and what they cost. It also allows you to make important decisions while you are still able.

People with Alzheimer's disease or other cognitive impairment should begin planning for LTC as soon as possible.

Making Decisions About Long-Term Care

Begin by thinking about what would happen if you became seriously ill or disabled. Talk with your family, friends, and lawyer about who would provide care if you needed help for a long time. It Read about how to prepare healthcare advance directives.

Healthy eating, regular physical activity, not smoking, and limited drinking of alcohol can help you stay healthy. So can an active social life, a safe home and regular health care.

Making Housing Decisions: Aging in Place

In thinking about long-term care, it is important to consider where you will live as you age and how your place of residence can best support your needs if you can no longer fully care for yourself. Most people prefer to stay in their own home as long as possible.

Making Financial Decisions for Long-Term Care

Long-term care can be expensive. How people pay for LTC depends on their financial situation and the kinds of services they use. Please refer to the "Paying for Long Term Care" addendum for more information

What Is Assisted Living?

Assisted living is for people who need help with daily care, but not as much help as a nursing home provides. Assisted living facilities range in size from as few as 25 residents to 120 or more. Typically, a few "levels of care" are offered, with residents paying more for higher levels of care.

Assisted living residents usually live in their own apartments or rooms and share common areas. They have access to many services, including up to three meals a day; assistance with personal care; help with medications, housekeeping, and laundry; 24-hour supervision, security, and on-site staff; and social and recreational activities. Exact arrangements vary from facility to facility. Medicare does not cover assisted living, but sometimes veterans can qualify for reduced fees at certain assisted living facilities.

What Are Nursing Homes

Nursing homes, also called "extended care facilities", provide a wide range of health and personal care services. Their services focus on medical care more than most assisted living facilities. These services typically include nursing care, 24-hour supervision, three meals a day, and assistance with everyday activities. Rehabilitation services, such as physical, occupational, and speech therapy, are also available.

Some people stay at a nursing home for a short time after being in the hospital. After they recover, they go home. These types of services are called “skilled nursing/rehab services”. However, most nursing home residents live there permanently because they have ongoing physical or mental conditions that require constant care and supervision.

Many nursing homes in our area offer both skilled nursing/rehab and long-term care out of the same facility. Often, we see people confuse the two different services offered. Only certain qualify events/situations will allow for skilled services and be billed to your insurance. This is typically after a hospital stay and requires a skilled service such as antibiotic infusions, focused sub-acute rehabilitation after illness/procedure to get you back to your baseline function prior to the illness/procedure. There is typically only a limited amount of time that you qualify for those services under insurance.

To look for and compare nursing homes in your area, go to <http://www.medicare.gov/nursinghomecompare/search.html> and enter the area you are looking for. This will give you a list of area nursing homes for you to call or visit.

What are Continuing Care Retirement Communities?

Continuing care retirement communities (CCRCs), also called “Life Care Communities”, or “Assisted Living Communities” offer different levels of service in one location. Many of them offer independent housing (houses or apartments), assisted living, and skilled nursing care all on one campus. Healthcare services and recreation programs are also provided.

In a CCRC, where you live depends on the level of service you need. People who can no longer live independently move to the assisted living facility or sometimes receive home care in their independent living unit. If necessary, they can enter the CCRC’s nursing home.

How to Choose a Nursing Home

If you need to go to a nursing home after a hospital stay, the hospital staff can help you find one that will provide the kind of care that’s best for you. Your doctor’s office can also provide recommendations. Once you know what choices you have, it’s a good idea to:

- **Consider what you want.** Nursing care, meals, physical therapy, a religious connection, hospice care, or special care units for dementia patients? Do you want a place close to family and friends so they can easily visit?
- **Talk to friends and family.** To find out what places they suggest. Check with your primary healthcare provider about which nursing homes they feel provide good care.
- **Call different nursing homes.** Ask questions about how many people live there and what it costs. Find out about waiting lists, if they are Medicare and Medicaid certification, handicap access, etc.

- **Visit the facility.** Make plans to meet with the director and the nursing director. Notice how the residents look (well cared for?) and how the staff interact with the residents. Are there strong orders (bad or good?) Don't be afraid to ask questions!
- **Visit the facility again.** Make a second visit without calling ahead. Try another day of the week or time of day so you will meet other staff members and see different activities. Stop by at mealtime. Is the dining room attractive and clean? Does the food look tempting?

Once you select a nursing home

- **Carefully read your contract.** Question the director or assistant director about anything you don't understand. Ask a good friend or family member to read over the contract before you sign it.
- **Ask to see the current inspection report and certification:** The Centers for Medicare and Medicaid Services requires each state to inspect any nursing home that gets money from the government. Homes that don't pass inspection are not certified.

Paying for Long Term Care A guide for Caregivers

Many older adults and caregivers worry about the cost of medical care. These expenses can use up a significant part of monthly income, even for families who thought they had saved enough, and often rely on a variety of payment sources.

Personal Funds- Out of Pocket Expenses:

At first, many older adults pay for care in part with their own money. They may use personal savings, a pension or other retirement fund, income from stocks and bonds, or proceeds from the sale of a home.

Much home-based care is paid for using personal funds ("out of pocket"). Initially, family and friends often provide personal care and other services, such as transportation, for free. But as a person's needs increase, paid services may be needed.

Many older adults also pay out-of-pocket to participate in adult day service programs, meals, and other community-based services provided by local governments and nonprofit groups. These services help them remain in their homes.

Professional care given in assisted living facilities and continuing care retirement communities is almost always paid for out of pocket, though, in some states, Medicaid (see below) may pay some costs for people who meet financial and health requirements.

Government Programs

Older adults may be eligible for some government healthcare benefits. Caregivers can help by learning more about possible sources of financial help and assisting older adults in applying for aid as appropriate. The Internet can be a helpful tool in this search.

Several federal and state programs provide help with healthcare-related costs.

Centers for Medicare and Medicaid Services

The Centers for Medicare & Medicaid Services (CMS) offers several programs. Over time, the benefits and eligibility requirements of these programs can change, and some benefits differ from State to State. Check with CMS or the individual programs directly for the most recent information.

Medicare

Medicare is a Federal Government health insurance program that pays some medical costs for people age 65 and older, and for all people with late-stage kidney failure. It also pays some medical costs for those who have gotten Social Security Disability Income (discussed later) for 24 months. It does *not* cover ongoing personal care at

home, assisted living, or long-term care. Here are brief descriptions of what Medicare will pay for:

Medicare Part A:

- Hospital costs after you pay a certain amount, called the "deductible"
- Short stays in a nursing home to get care for a hospital-related medical condition
- Hospice care in the last 6 months of life

Medicare Part B:

- Part of the costs for doctor's services, outpatient care, and other medical services that Part A does not cover
- Some preventive services, such as [flu](#) shots and [diabetes](#) screening

Medicare Part D:

- Some [medication costs](#)

Medicaid

Some people may qualify for Medicaid, a combined Federal and State program for low-income people and families. This program covers the costs of medical care and some types of long-term care for people who have limited income and meet other eligibility requirements. Who is eligible and what services are covered vary from State to State. Many times people have to spend down their assets, like selling second homes, cars, and cashing in annuities, to qualify for Medicaid in order to have long-term placement covered by insurance.

Program of All-Inclusive Care for the Elderly (PACE)

Some States have PACE, Program of All-Inclusive Care for the Elderly, a Medicare program that provides care and services to people who otherwise would need care in a nursing home. PACE covers medical, social service, and long-term care costs for frail people. It may pay for some or all of the long-term care needs of a person with [Alzheimer's disease](#). PACE permits most people who qualify to continue living at home instead of moving to a long-term care facility. You will need to find out if the person who needs care qualifies for PACE. There may be a monthly charge. PACE is available only in certain States and locations within those States.

State Health Insurance Assistance Program (SHIP)

SHIP, the State Health Insurance Assistance Program is a national program offered in each State that provides counseling and assistance to people and their families on Medicare, Medicaid, and Medicare supplemental insurance (Medigap) matters.

To contact a SHIP counselor in Michigan, visit <http://www.mmapinc.org/>

Department of Veterans Affairs

The U.S. Department of Veterans Affairs (VA) may provide long-term care or at-home care for some veterans. If your family member or relative is eligible for veterans' benefits, check with the VA or get in touch with the VA medical center nearest you. There could be a waiting list for VA nursing homes.

To learn more about VA healthcare benefits, call **1-877-222-8387**, or visit the [Veterans Health Administration](#) or the [Veterans Affairs Caregiver Support page](#). You can also find more information at [Geriatrics and Extended Care: Paying for Long-Term Care](#).

Social Security Administration Programs

[Social Security Disability Insurance \(SSDI\)](#) and [Supplemental Security Income \(SSI\)](#) programs provide financial assistance to people with disabilities.

SSDI is for people younger than age 65 who are disabled according to the Social Security Administration's definition. **To qualify, you must be able to show that:**

- You are unable to work because of your medical condition
- Your medical condition will last at least a year or is expected to result in death

Processing an SSDI application can take three to five months. However, Social Security has "compassionate allowances" to help people with Alzheimer's disease, other forms of dementia, and certain other serious medical conditions get disability benefits more quickly.

SSI is another program that provides monthly payments to adults age 65 and older who have a disability. To qualify, your income and resources must be under certain limits.

Private Financing Options for Long-Term Care

In addition to personal and government funds, there are several private payment options, including long-term care insurance, reverse mortgages, certain life insurance policies, annuities, and trusts. Which option is best for a person depends on many factors, including the person's age, health status, personal finances, and risk of needing care.

Long-Term Care Insurance

Long-term care insurance covers many types of long-term care and benefits, including palliative and hospice care. The exact coverage depends on the type of policy you buy and what services are covered. You can purchase nursing home-only coverage or a comprehensive policy that includes both home care and facility care.

Many companies sell long-term care insurance. It is a good idea to shop around and compare policies. The cost of a policy is based on the type and amount of services, how old you are when you buy the policy, and any optional benefits you choose.

Buying long-term care insurance can be a good choice for younger, relatively healthy people at low risk of needing long-term care. Costs go up for people who are older, have health problems, or want more benefits. Someone who is in poor health or already receiving end-of-life care services may not qualify for long-term care insurance.

Reverse Mortgages for Seniors

A reverse mortgage is a special type of home loan that lets a homeowner convert part of the ownership value in his or her home into cash. Unlike a traditional home loan, no repayment is required until the borrower sells the home, no longer uses it as a main residence, or dies.

There are no income or medical requirements to get a reverse mortgage, but you must be age 62 or older. The loan amount is tax-free and can be used for any expense, including long-term care. However, if you have an existing mortgage or other debt against your home, you must use the funds to pay off those debts first.

Life Insurance Policies for Long-Term Care

Some life insurance policies can help pay for long-term care. Some policies offer a combination product of both life insurance and long-term care insurance.

Policies with an "accelerated death benefit" provide tax-free cash advances while you are still alive. The advance is subtracted from the amount your beneficiaries will receive when you die.

You can get an accelerated death benefit if you live permanently in a nursing home, need long-term care for an extended time, are terminally ill, or have a life-threatening diagnosis such as AIDS. Check your life insurance policy to see exactly what it covers.

You may be able to raise cash by selling your life insurance policy for its current value. This option, known as a "life settlement," is usually available only to people age 70 and older.

A similar arrangement, called a "viatical settlement," allows a terminally ill person to sell his or her life insurance policy to an insurance company for a percentage of the death benefit on the policy. This option is typically used by people who are expected to live 2 years or less. A viatical settlement provides immediate cash, but it can be hard to get.

Using Annuities to Pay for Long-Term Care

You may choose to enter into an annuity contract with an insurance company to help pay for long-term care services. In exchange for a single payment or a series of payments, the insurance company will send you an annuity, which is a series of regular payments over a specified period of time. There are two types of annuities: immediate annuities and deferred long-term care annuities.

Trusts

A trust is a legal entity that allows a person to transfer assets to another person, called the trustee. Once the trust is established, the trustee manages and controls the assets for the person or another beneficiary. You may choose to use a trust to provide flexible control of assets for an older adult or a person with a disability, which could include yourself or your spouse. Two types of trusts can help pay for long-term care services: charitable remainder trusts and Medicaid disability trusts.

For More Information About Financing Options

LongTermCare.gov
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<https://longtermcare.acl.gov/>