

HOW TO PAY FOR ASSISTED LIVING



RESOURCE GUIDE FOR ASSISTED LIVING



TABLE OF CONTENTS

Introduction	page 3
Learning the Lingo	page 4
Medicare and Medicaid	page 8
Private Pay Sources	page 9
Information for Veterans	page 10
Resources	page 11

INTRODUCTION

For many, whether an older adult, an adult child or caring family member - the topic of senior living is typically approached for a solution to a need, but often brings seemingly unending questions. In this guide, we will focus on one important question: How do I pay for it?

Many caregivers and older adults are concerned about the cost of long-term care and how to cover those costs. The answers depend on the type of care and services required, as well as individual financial situations.

In most cases, people who require assisted living or memory care rely on personal funds, private financing options, and in some cases, certain federal and state government programs.

In our vast experience in senior living, we have assisted countless families in preparing for this new and exciting next chapter in their lives - a joyous journey that all began with questions like these.

We hope to be of assistance to you and your family in gaining the same answers they have. . . and to provide the peace of mind that can only come by making informed decisions.

Remember, too, that we are always available for personal guidance. Reach out to us at <https://watercrestseniorliving.com/>

Perhaps we may someday have the privilege of welcoming you to our family!



LEARNING THE LINGO

Sometimes understanding payment sources may require knowledge of terms associated with assisted living. We've included common acronyms.

ACTIVITY OF DAILY LIVING (ADL) - physical functions such as bathing, dressing, eating, toileting, walking or ambulating, transferring in and out of bed

ADVANCE DIRECTIVES - statements of individual directions regarding health care, protecting one's rights in the event of physical or mental inability to communicate wishes; these include Living Will, Medical and Durable Power of Attorney

ALZHEIMER'S DISEASE - a progressive disease beginning with mild memory loss and possibly leading to loss of the ability to carry on conversation and respond to environment; involves parts of the brain that control thought, memory and language

ASSISTED LIVING (ALF) - typically licensed and regulated, communities provide support for activities of daily living and more, such as meal preparation, transportation, and housekeeping; not all provide the same services as they may be subject to licensing restrictions and staffing capabilities; usually, a one-time admission or community fee applies, with monthly fees thereafter; in the event of desire to move out, a reasonable move-out notice is required.

CONTINUING CARE RETIREMENT COMMUNITY (CCRC) - an option that provides wide range of care in one place; typically one enters as an independent resident and can move to higher levels of care such as assisted living or skilled nursing on the same campus as health needs change; there is usually a significant entry fee in addition to monthly fees; there are several types of contracts available, each with unique range of services provided and refundability options

DEMENTIA - not a specific disease but an umbrella term for a set of symptoms characterized by progressive or persistent loss of intellectual functioning, especially with impairment of memory or abstract thinking; sometimes with personality change, and resulting from organic disease of the brain; Alzheimer's Disease is the most common type of dementia

LEARNING THE LINGO (CONTINUED)

DURABLE POWER OF ATTORNEY (DPOA) - a legal document giving another person the power to act on your behalf regarding financial and personal matters; it remains in effect if you become incapacitated

HEALTH CARE POWER OF ATTORNEY - a legal document appointing someone to make medical decision on your behalf if you cannot; it becomes effective only if you become incapacitated and unable to decide for yourself

HOSPICE - a program providing supportive services to terminally ill patients and their families; includes physical, social and spiritual care

INDEPENDENT LIVING (IL) - an option for individuals who can still live independently but enjoy having a safe living environment, social opportunities, housekeeping, meals, and laundry services available; personal care services, if needed, are secured by the resident via third party providers

IN-HOME (HOME HEALTH) CARE - provision of medical, nursing, and/or caregiving services in one's personal home; Medicare may cover this care if it meets certain guidelines regarding recent hospital stay

LIFE PLAN COMMUNITY - a newer term for CCRC

LIVING WILL - a written document stating in advance one's wishes concerning the use of life-saving measures in the event of terminal illness or injury, should the individual no longer be competent

LONG TERM CARE INSURANCE (LTC POLICY)- a policy that reimburses the policyholder a daily amount (typically up to a pre-selected limit) for services received to assist with activities of daily living; costs are based on age when purchased; maximum daily payout limit; lifetime maximum benefit and other options apply

MEDICAID - often confused with MEDICARE, Medicaid is a "means-tested program" available to those who meet their state's general, medical, and financial eligibility requirements; designed to assist low income and certain other individuals who fall below federal poverty level; professional advice recommended to determine

LEARNING THE LINGO (CONTINUED)

whether Medicaid can assist in paying for long-term care such as assisted living or nursing home care

MEDICARE - the health insurance program administered by the federal government for people 65 years and older, certain younger people with disabilities, people with end-stage renal disease (ESRD) and people with Lou Gehrig's Disease; Medicare does not pay for long term care such as assisted living

MEMORY CARE (MC)- a specialized type of assisted living that focuses on those living with Alzheimer's Disease or other forms of dementia; these may be stand-alone or a separate, secured environment within an assisted living community

OMBUDSMAN - often a volunteer representative who handles complaints of residents and families, and works to resolve problems or differences with the community

PALLIATIVE CARE - a form of medical care or treatment that concentrates on reducing severity of disease symptoms, rather than striving to halt, delay or reverse disease progression or provide a cure

POWER OF ATTORNEY (POA) - a legal document that designates someone to act on your behalf; it ends if the person it represents becomes incapacitated

REHABILITATION - care that can help one get back, keep, or improve abilities needed for daily life; can be inpatient or outpatient, and sometimes covered by Medicare

RESIDENT ASSESSMENT - a standardized tool used by long term care facilities that determines a person's abilities and what assistance they need

RESIDENT CARE PLAN - a written plan of care developed by an interdisciplinary team with specified objectives to meet a resident's needs

RESPIRE CARE - scheduled, short-term care provided by a facility to provide relief to caregivers

LEARNING THE LINGO (CONTINUED)

SENIOR APARTMENTS (55+) - similar to regular apartments, but restricted for ages 55 and up; designed to meet the needs of seniors, they may utilize minimal stairs, low pile carpet, grab bars and other features; typically include maintenance services and may offer social opportunities, but do not include options for personal care

SENIOR HOUSING - a term that encompasses a variety of housing options for seniors

SKILLED NURSING FACILITY (SNF) - a clinical provider of 24-hour licensed nursing; primarily engaged in providing services for those who require medical or nursing care and/or therapy services for rehabilitation of injured disabled, or sick persons

THERAPY - defined as treatment of disease or disorders, as by some remedial, rehabilitating, or curative process; physical, speech, and occupational therapies are commonly offered in assisted living communities



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MEDICARE AND MEDICAID

Medicare and Other Health Insurance

Medicare and most health or disability insurance policies do not cover long-term care, or they may include limited benefits.

Typically, if they do cover long-term care services, it is usually only for skilled, short-term, medically necessary care.

Each person should seek guidance from their agent or insurance provider for details.

For more information on Medicare, please refer to:

<https://www.medicare.gov>

1-800-MEDICARE (1-800-633-4227)

Medicaid

In some states, Medicaid may cover some costs for people who are eligible.

Details are generally available from state informational resources such as websites.

Assisted living community representatives may also provide information on their state program, as well as whether they participate.

For more information on Medicaid, please refer to:

<https://www.medicaid.gov>

877-267-2323

The above website includes a page directing to individual state guidelines:

<https://www.medicaid.gov/state-overviews/state-profiles>

PRIVATE PAY SOURCES

Personal Funds

Most older adults pay for assisted living care from personal funds, savings, pension, investment and retirement income, or proceeds from selling a home.

Long Term Care Insurance

Long-term care (LTC) insurance helps to pay for a wide range of long term care services at home, in an assisted living facility, or in a nursing home. Generally, a person who is in need of long term care may not qualify for a new policy.

If your loved one is need of long term care, contact their insurance agent or other financial professionals to determine if coverage is in place, either as a stand-alone policy or a rider to a life insurance policy. Policy terms, options, benefits and costs vary, so if considering a new policy, it is important to speak with professionals.

The National Association of Insurance Commissioners' shopper's guide to long term care insurance includes in-depth information including state resource contacts:

<https://content.naic.org/sites/default/files/publication-ltc-lp-shoppers-guide-long-term.pdf>

Private Financing Options

Other private payment options depend on factors applicable to each person's unique situation as well as the particular product or policy they own.

It is recommended to seek guidance from trusted professionals who are familiar with these options, and with your individual financial position. They include:

- Reverse mortgages
- Life insurance policies
- Annuities
- Trusts

INFORMATION FOR VETERANS

VA Aid And Attendance Benefit and Housebound Allowance

VA Aid and Attendance or Housebound benefits provide monthly payments added to the amount of a monthly VA pension for qualified veterans and survivors.

Broadly described, eligibility is determined with consideration to current pension recipient status, clinical, financial and active duty service.

It is important to contact your local Veterans Administration office to see if you or your spouse qualifies for this valuable benefit. Each case is ultimately decided by the VA and the first step is to seek qualification status and next steps for application.

For more information:

<https://www.va.gov/pension/aid-attendance-housebound/>



RESOURCES

Helpful resources vary by locality. Below are a few nationally recognized sites that may be helpful to our senior population and their families; be sure to check your own state and local options.

LongTermCare.gov

provides information about long-term care needs and available benefits

Costs & Who Pays page included

<https://acl.gov/ltc>

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

PACE provides comprehensive medical and social services to certain frail, elderly people (participants) still living in the community. Most of the participants who are in PACE are dually eligible for both Medicare and Medicaid.

<https://www.cms.gov/medicare/medicaid-coordination/about/pace>

State Health Insurance Assistance Program (SHIP)

The State Health Insurance Assistance Programs (SHIPs) provide local, in-depth, and objective insurance counseling and assistance to Medicare-eligible individuals, their families, and caregivers.

<https://www.shiphelp.org>

877-839-2675

U.S. Department of Veteran Affairs

www.va.gov



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