

# Elder Care Money Management



The baby boom generation is approaching the golden years that follow the toil and hard work they've done to provide a good life for themselves and their families. But with the golden years also come increased costs of care and a more limited income than when they were working. Adult children are increasingly involved in not only making sure mom and dad are happy, but also finding ways to pay for them to remain cared for and healthy. The services and how to pay for services can be as confusing as they are helpful. So here is an overview of care options and some mainstream financial resources that help to cover the bill.

## Receiving Care

**Skilled In Home Care:** Medically prescribed home health care provided by a nurse, including administering medication, physical therapy, and occupational therapy.

**Custodial (Intermediate) In Home Care:** Care that includes assisting the individual with activities of daily living (ADL), such as bathing, eating, reminding about (but not administering) medication. In Home Care is typically paid for privately, but Medicaid may assist with some medical services.

**Adult Day Care:** Program provides a group setting for seniors to participate in structured activities, partake in meals, and receive necessary supervision based on the individual's physical and mental needs. Special smaller groups are usually available for individuals with Alzheimer's. Adult Day Care is typically paid for privately.

**Senior Community/ Independent Living:** The option for seniors who are still predominantly independent and only need someone to check-in intermittently throughout the week. Independent Living is typically paid for privately, but Medicaid may assist with some medical services.

**Assisted Living:** Apartment style living that provides assistance with ADL. Degrees of service vary based on individual's needs, but can include preparing meals, administering medication, laundry, and regular check-ins. Assisted Living is typically paid for privately, but Medicaid assists with some medical services.

**Nursing Home:** Provides twenty-hour medical nursing services in addition to ADL care. Nursing homes are available for short term rehab and for long term live-in care. Special services are available for various serious illnesses including Alzheimer's. Nursing homes can be paid for privately or through Medicare or Medicaid when requirements are met.

**Geriatric Care Manager (GCM):** A certified professional with specialties in both health and human services. This type of professional can assist in determining and finding the best living situation for an elder and act as a liaison for long distance family. They can monitor care of your loved one in their new home in addition to other services the GCM provides. More information is available from the National Association of Professional Geriatric Care Managers ([www.caremanager.org](http://www.caremanager.org)).

**Elder Care Attorney:** Understanding how past and current assets affect public benefits can be very complex, so discussing financial planning with an elder care attorney before services are needed is important. Many, but not all, public benefits consider the past 3 years of income and assets. Also, discuss questions such as power of attorney and other necessary legal documents.

## **How to Pay for Elder Care Services**

**Long term personal budgeting:** We all hope that our parents will live long lives, so when creating long term savings goals decide how much you can save for the long-term needs of your parents. If possible sit down with your parents and discuss potential costs above and beyond what their expected income and public assistance will be. Some may need assistance with not only making meals, but purchasing food for meals. Other daily needs that your loved one may need financial assistance with are their phone, cable, heating, etc. Having a plan and some savings before a crisis arises not only will prevent financial stress, but also help control emotional stress.

**Employee Assistance/Work Life Companies:** Many companies have third party benefits companies called Employee Assistance Programs (EAP). They offer counseling and referrals for work life situations. This confidential service is typically offered free through your Human Resources Department. An EAP can help guide you through the emotional and financial confusion of understanding Elder Care and the associated finances.

**Community Resources:** When the basics of living become difficult to afford, remember that communities have resources for those in need. Research food pantries in the community and find out if there is door-to-door public transportation to assist your elder in getting to appointments. Call the local Council on Aging for a list of community resources available, both to help with finances and personal safety.

**Medicare:** Publicly funded health insurance available to U.S. citizens or legal residents of 5 years or more. Medicare consists of Hospital Insurance, Medical Insurance, the Medicare Advantage Plan, and the Prescription Drug plan. Of note is that Medicare only pays for nursing homes in medically specific circumstances. The elder must be in the hospital for three consecutive days (not including the day of discharge) and the full cost is covered for up to 20 days. A daily nursing home co-pay of \$128 (as of 2011) is required for stays between 21-100 days, but this amount of time is not automatically guaranteed. For more details about Medicare visit [www.cms.gov](http://www.cms.gov) (Centers for Medicare & Medicaid Services).

**Medigap:** Private supplemental health insurance that covers medical expenses not covered by Medicare. To guarantee eligibility without medical screening a person must enroll within 6 months of turning 65 or enrolling in Medicare Part B. Otherwise an individual will complete a medical screening as part of the insurance application. Not all individuals will need Medigap insurance, but explore the option before making a decision.

**Medicaid:** Provides health insurance to people with low income (means and asset tests are applicable in most states). Medicaid policies not only pay for medical services and prescriptions, but pay nursing home costs at nursing homes registered with the Medicaid program. Potential future eligibility for Medicaid should be part of the conversation you have with your loved ones about long-term care and financial concerns.

**Long-term care insurance (LTCI):** LTCI provides a daily or monthly monetary care benefit when the individual becomes eligible based on that company's benefit indicator. Depending on the policy, funds can be used for various services, from in home custodial care to therapies not covered by Medicare and beyond. Premiums are lower the earlier a person signs up for LTCI, and premiums usually are paid for up to 20 years to fully fund the policy. Before purchasing LTCI be sure to compare the long-term cost of the premiums versus the expected benefits your loved one will receive from the policy. For more information visit [www.longtermcare.gov](http://www.longtermcare.gov).