

# How to Pay for Senior Care



If someone you love is getting older and in need of increased medical support, socialization and fun, you may be considering housing options for the future. But how do you know what environment and type of care will be the best fit? There's home care, skilled nursing (also called nursing homes), assisted living, independent living and more—so many choices.

Perhaps even more importantly, how will you pay for it? With the national cost of assisted living at more than \$4,000 a month, it's a good question to ask. In this e-book, we'll explore the difference between many senior living options and provide information on how to pay for each type of care.

First, let's look at some of the most common types of senior care available. Although this list is not all-encompassing, and other types of care exist, the information provided on the following pages should help you understand more about the most typical options available and who they are most appropriate for.

Prices listed on the following pages are national averages, and were compiled from several sources including the *AARP*, *AssistedLiving.org* and *Genworth*.



## 55+ COMMUNITIES

### Who is this care most appropriate for?

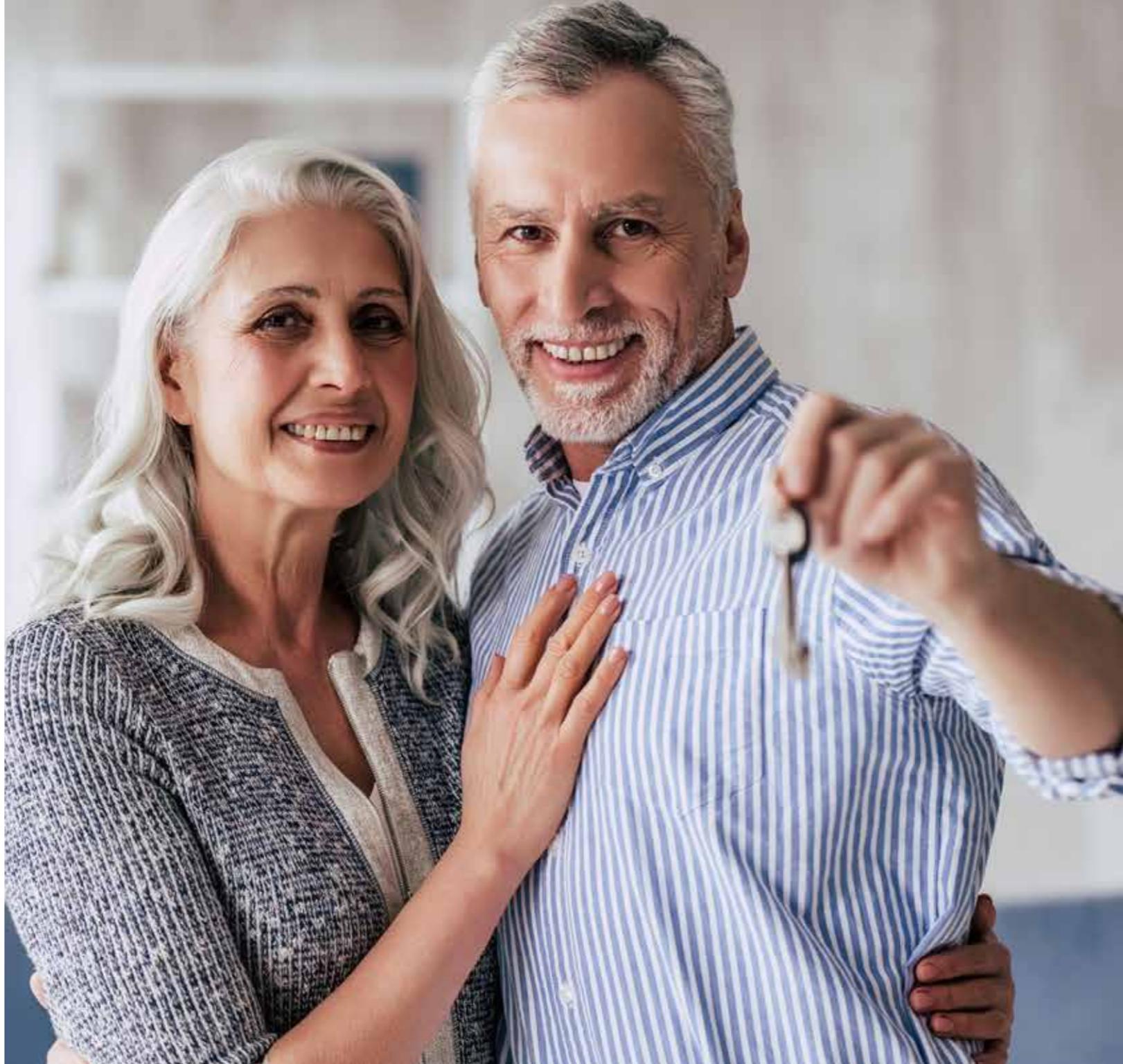
Adults 55 and older. This option could be a housing complex, condo development or an apartment complex. Various amenities and resources may be available—including a community pool, included repairs and maintenance, underground parking and more.

### Who chooses this service and when?

Active adults who wish to live in a nice, quiet community with those in their same age group often choose this option. They don't need any kind of medical care. Most 55+ communities make exceptions for spouses, partners or roommates that are under 55. However, they typically require that at least one occupant of the home (or even a percentage of occupants, such as 80%) are 55 or older.

### Monthly average cost.

The national average is \$2,500 monthly, but can vary widely since it may include the cost of a home, condo or apartment. Additionally, HOA fees and more could be added.



## INDEPENDENT LIVING

### Who is this care most appropriate for?

Best for aging adults with no health care needs and who are very independent, but wish to benefit from a safe community, plentiful social opportunities, delicious meals and more. Some amenities, such as housekeeping, laundry and meals may be included or available as a la carte or packaged options.

### Who chooses this service and when?

Reasons vary but may include no longer wanting the burden of home upkeep or lawn care, a wish to downsize or benefit from a variety of amenities provided. The age of an independent living resident can vary greatly, from 50 to 100 and beyond!

### Monthly average cost.

Like 55+ communities, the national average of independent living is \$2,500 monthly. It can vary, and sometimes a "buy in" may be involved if you're purchasing a home rather than renting. Typically, the cost will range 30-50% lower than assisted living.



## ASSISTED LIVING

### Who is this care most appropriate for?

Someone who does not require constant care, but needs help with activities of daily living, including, but not limited to: medication management, transferring, bathing, or dressing. Housekeeping, laundry and other convenience services are typically included.

### Who chooses this service and when?

The resident and their support system (spouses, adult children, etc.) typically choose this care when individual care needs cannot be met by family or friends.

### Monthly average cost.

The national average is \$4,300 a month for a 1-bedroom apartment. Cost ultimately depends on the amount of care and the size of apartment or room chosen. Outlets also report that assisted living is often half the cost of skilled nursing.



## MEMORY CARE

### Who is this care most appropriate for?

Most appropriate for those with memory loss due to a diagnosis of dementia, including Alzheimer's Disease. More than 100 types of dementia exist, but the most common (other than Alzheimer's) include Lewy Body, Vascular, Frontotemporal, and Mixed Dementia. Memory Care residences are typically licensed assisted living communities with special safety and security features like locked doors or delayed egress locking systems.

### Who chooses this service and when?

If a move could improve a person's quality of life, they are no longer safe in their current environment or their medical needs are beyond what family and friends can provide at home, memory care could be the right move.

### Monthly average cost.

National average is \$6,935 monthly. In general, this type of living costs 25% more per month than assisted living.



## SKILLED NURSING

### Who is this care most appropriate for?

Those who need medical care and services such as catheter care, medications via IV, respiratory therapy and more. Care is provided by trained staff with a registered nurse on-site 24/7. Of all the senior living choices, this is most like a hospital.

### Who chooses this service and when?

When an individual's medical-related needs become greater than what can be provided at home or in another type of care community, skilled nursing should be considered.

### Monthly average cost.

The national average is \$8,000-\$9,000 monthly. Cost could also vary based on room type—private vs. shared.



## HOME HEALTH CARE

### Who is this care most appropriate for?

Appropriate for someone who needs skilled medical care from trained professionals but doesn't want to leave their home. These nurses, therapists and aides can offer assistance with adaptive equipment such as braces or artificial limbs and help with medical equipment such as a ventilator. They can perform tasks such as vital sign checks, infusion therapy, medical management and more. Some "home care" tasks may also be included depending on the provider. The provider could be an agency/business or an independent person who works on their own.

### Who chooses this service and when?

This type of care is common after an injury or illness when extra support is needed for a set time frame.

### Monthly average cost.

Costs \$5,000 a month on average. Rates could be offered daily or hourly. If overnight care is needed, the rate could be higher.



## HOME CARE

### Who is this care most appropriate for?

This service is best for someone who needs no medical care but could benefit from some help around the home. Home care providers complete tasks such as laundry, cooking, cleaning, paying bills, transportation to appointments or they simply offer companionship. Services may be provided by an agency/business or an independent person.

### Who chooses this service and when?

Someone has non-medically based needs that may not allow them complete the tasks required to live completely on their own. This service is chosen so they can remain in their home.

### Monthly average cost.

Cost varies greatly based on the time and tasks required. Outlets report that the cost is typically a bit less expensive than home health care, particularly if you choose an independent provider rather than an agency.



As you can see, senior housing can be costly and there are marked differences in the types of care available. Knowing that you may be spending upwards of \$4,000 per month for these services, it's important to know how people typically pay for these services. The reality is that payment for senior care could come from a variety of different sources. The following pages describe some of the most common methods of payment.



## MEDICARE AND MEDICAID

Often confused with each other, [Medicare and Medicaid](#) are both federal programs that are administered by individual states. According to the [Elder Care Alliance](#), "Medicare does not pay for residential services or personal care in an assisted living community. Medicaid, however, may be available to those who have exhausted their own personal resources or have an income low enough to qualify for government aid." Exhausting your own resources is typically called "[spending down](#)." If you've spent down, you could qualify for benefits to help you pay for senior care.

States have their own waiver that can be applied for and can be used for long-term care. There is a catch though—not all providers choose to participate in state-funded programs because of low reimbursement rates and high regulations involved in accepting this type of payment source. Many families are surprised and disappointed by this news. If you're expecting to use a Medicaid Waiver to pay for senior care, make sure to ask the communities and/or services you're considering if they accept this form of payment.



## LONG-TERM CARE INSURANCE

Long-term care insurance can help supplement, or in some cases, pay for care entirely. Most policies cover short-term care, in-home care, adult day care, assisted living, memory care communities and skilled nursing care. Policies vary in what services they'll cover, at what amount and at what age the individual holding the policy must be before benefits can be used.

If you or your loved one had the foresight to purchase LTC Insurance – congrats! Today, LTC policies are fading in popularity, primarily due to a lack of providers and affordability. In 2018, only 60,000 new LTC policies were sold, [down 13% from the year before](#).

Hybrid policies also exist, which generally combine LTC benefits with another benefit, such as life insurance. Around since the late 1970's, LTC insurance caught on in the late 80's and early 90's, when its popularity peaked.

It's not unusual for people to forget they have these policies. If you're looking for care for someone you love, ask if they hold a policy that could contribute to the cost of their care. It's also common for companies to provide retroactive coverage to include assisted living costs, even if the policy was purchased before assisted living and home care services existed! If an old policy references a "nursing home," check with the provider anyway! Especially because assisted living is cheaper than skilled nursing, they may be inclined to cover these services—it's worth an ask!



## VETERAN'S BENEFITS

[Veterans Aid & Attendance Pension Benefit](#) provides tax-free, monthly payments to veterans who served during times of war. In addition to the veteran, their spouses or children could be eligible for benefits as well. The payment amounts can vary. In 2020, payments ranged from \$768-\$2,266 monthly. Eligibility may depend on needs, age and more. If you or your loved one is eligible, contact [VA.gov](#) for more information. Then inquire with the service or community you are interested in to see if they [accept these benefits](#) for payment.



## PRIVATE PAY

Private pay really means “paying out of your pocket.” To meet the cost of care, people may use a variety of options as payment, including:

- Selling or renting a home to create income.
- Selling other assets such as vehicles, antiques, etc.
- Savings
- Social security benefits
- Pension payments
- Retirement accounts and other investments
- Life insurance policies
- Financial assistance from family members
- Home equity loans, reverse mortgages or bridge loans

More often than not, more than one payment source is needed to provide for care, but it ultimately depends on the cost of care and the length of time the care is needed.



Fortunately, there are individuals and services who are ready to help walk you through this confusing process. In addition to the services shown below, the community you are interested in will often be able to help point you in the right direction. Other resources include an elder law attorney, your local social security office or Veterans Affairs office and more.





For more information and advice, please contact a Senior Living Consultant at [CountryHouse](#).

Cedar Rapids, IA  
(319) 826-1094

Council Bluffs, IA  
(712) 322-4100

Cumberland, MD  
(301) 777-8717

Dickinson, ND  
(701) 483-2266

Elkhorn, NE  
(531) 999-2747

Folsom, CA  
(916) 836-8022  
RCFE #342700902

Grand Island, NE  
(308) 381-1988

Granite Bay, CA  
(916) 899-6565  
RCFE #312700033

Kearney, NE  
(308) 455-8000

Lincoln, NE  
25th & Old Cheney  
(402) 421-1160

Lincoln, NE  
84th & Pine Lake  
(402) 421-1300

Lincoln, NE  
70th & O  
(402) 421-2200

Omaha, NE  
(402) 964-2060