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Five Ways to Pay for Long Term Care

Long term care is expensive. Whether it is assisted living, memory care, personal care, or skilled nursing, the care comes with a price tag. The price is often more than the income of the resident, so how are you going to pay for it?

Option 1: Private Pay

The first option is simply to pay your bill out of your income and/or savings. This will deplete your savings over time. If you know you will need specialized care you can certainly start saving and investing in advance to cover the cost of care.

The other avenue of private pay is children or other family members. Family does sometimes foot the bill for care. Sometimes this comes through a monthly loan or paying the difference between a semi-private and private room.

Option 2: Long Term Care Insurance

Long term care (LTC) insurance is a great resource for paying for care. Depending on the policy, the insurance can pay for in-home care as well as many different types of care in a facility.

It is important to read the policy carefully. Look especially for:

- What criteria are used to determine if you meet level of care?
- Are any conditions excluded, such as Alzheimer's disease?
- What is the elimination period? (The elimination period is a set number of days where you must meet level of care before your policy will pay.)
- What are the payment limits? Is there a monthly limit? Is there a lifetime limit?

Long term care insurance prices also can vary based on your age and health history. However, it is almost always cheaper for younger applicants. Your attorney and financial advisor can work together to determine if a policy is right for you.

Option 3: VA Aid and Attendance

For certain military veterans and their spouses, the VA Aid and Attendance Pension will cover the costs of long term care. Not everyone will qualify and Tricare will not pay for long term care.

Option 4: Medicare

Medicare will provide limited nursing home coverage for persons who have been admitted for hospitalization for 3 consecutive nights and then given a rehabilitative discharge to a nursing home. If you have been admitted for “observation” you have NOT been admitted. You need to ASK!

Once admitted to a rehab facility, Medicare will pay for 20 days and up to an additional 80 for a rehabilitation stay in a nursing facility. Medicare may deny the additional coverage or will only pay part of the additional days.

Option 5: Medicaid

Medicaid is the largest payer of skilled nursing home care. For individuals that qualify, Medicaid will pay most or all of the monthly bill. The Medicaid benefit paid is personalized to each individual. Factors include: marriage, income, and asset levels.

With proper planning, many individuals can become qualified for the Medicaid benefit. However, planning should not be done without the oversight of an experienced attorney. Medicaid do-it-yourself planning can often have disastrous effects. Medicaid regulations are intricate and are different in every state.

Learn more: <http://www.bgelderlaw.com/medicaid>

Only your elder law attorney can help you determine what payment source – or combination of sources – work best for you.

These materials are for general informational purposes only. Consult an attorney for legal advice about paying for long term care.

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