

How to Pay for Long-Term Care

When considering a move to long-term care, people naturally feel the stress that comes with such a life-changing transition. On top of that comes the added stress of what such a move will mean financially.

How do people afford long-term care? What support is available? How can families help prepare? What happens if I or my loved ones run out of money?

These are common concerns and it's natural to have questions about the process. While every situation is different, there are steps everyone can take to help prepare.

Know What You Own

First and foremost you'll want to take stock of your assets, says Rita Harsch, a financial counselor at Meadowlark, a not-for-profit organization dedicated to enhancing senior lifestyles.

In addition to banking accounts and investments, this means understanding the coverage of insurance policies, such as Medicare and Medicaid, supplemental health insurance, and long-term care insurance.

It's also important for family members to know where assets are physically. What banks and investment firms are the different accounts under? Is there a lockbox? Where are the insurance policies stored? Are there copies of wills and durable powers of attorney? If so, where are those kept?

"Know what you own and make sure you explore all the opportunities available to you."

Rita Harsch, Financial Counselor, Meadowlark

Meet with a Financial Advisor

Not only can financial advisors help you take stock of your assets, they can also help point you to other resources. Often people aren't aware of outside programs and support available to them.

By meeting with an advisor who specializes in senior finances, you will be better positioned to understand your next steps.

A financial advisor can also assist with other resources.



They can help you break down:

- **Medicare / Medicaid:** What you are paying for and what it covers
- **Long-term care insurance:** Understanding what is covered under existing policies and determining if purchasing a new policy makes sense and what it should cover
- **Supplemental health insurance:** Making sure you have the coverage you need and potentially adjusting that coverage accordingly, which can reduce premiums
- **Veterans Affairs:** Former active duty military personnel may be eligible for benefits
- **Individual assets:** How those come into play when considering the varying levels of care in a retirement community—from independent living facilities to skilled nursing facilities
- **Personal finance:** How budgets shift over the years and adjustments that can be made to help balance saving, spending, and quality of life
- **Outside resources:** Benefits and support from foundations and non-profit organizations that support seniors

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It's helpful to meet as a family to get everyone on the same page. The conversation can be difficult, notes Chris Nelson, the Finance Director at Meadowlark, because it involves topics like having a durable power of attorney. But it's easier to have that conversation early, when family members can plan ahead and be more rational, rather than in the middle of an emotional transition.

In addition to working with your trusted financial advisor, you may find some retirement communities have specialized staff who can provide guidance to prospective residents. If you're researching senior living options, ask if you can speak with their financial team.

Understand the Nursing Home's Financial Position

On top of your personal situation, take some time to familiarize yourself with the nursing home's financial situation. Review their annual report or ongoing financial statements.

Understand the difference between for-profit and not-for-profit communities. Not-for-profit communities often reinvest greater percentages of their operating income to help ensure residents receive quality care in the future.

Next Steps

Whether you are planning ahead or scrambling to get organized now, reach out to your financial advisor or a retirement community for help. Specialists can provide a road map to help you navigate your next steps.

