A guide to help you and your loved ones plan for long-term health care.
MYTH: “Long-term care is only for old people”
Since debilitating illness and accidents know no age restrictions, the need for skilled nursing can happen at any age. Everyone should be ready for long-term care.

MYTH: “Medicare pays for care”
Medicare may pay for up to 100 days in a skilled nursing facility for rehabilitation only. Beyond 100 days, Medicare pays nothing. Even the 100 day coverage comes with the following restrictions:
1. You must have been hospitalized for at least three days for the same diagnosis that necessitates rehab.
2. You must continue to make the progress predetermined by Medicare.

MYTH: “You can wait to buy insurance until you need it”
By the time you or someone in your family needs it, it is probably too late. Long-term care insurance is medically underwritten. This means you must meet the insurance company’s health standards in order to be issued a policy. Guidelines will vary from company to company.
INDEPENDENT LIVING

Independent Living is appropriate for people who are independent but no longer desire to maintain their own home. You may arrange for health care services in your own home. Or, consider the following:

Senior Housing
Apartments for seniors and adults with disabilities; often include safety features and handicap accessibility. Financial help to pay rent may be available for people of low income. Waiting lists vary from months to years. Some offer Enriched Housing which is a comprehensive package of services for people of limited independence.

Apartments Affiliated with Long-Term Care Facilities
Some facilities have independent apartments on their campuses. Often, residents of these apartments are able to move to higher levels of care on the same campus if needed. Some apartments offer Home Health Care and/or other service options, most of which are paid for privately.
Types of Adult Care include:

**Family Homes for the Elderly**
A program of Family & Children’s Society that matches clients with trained home care providers. One or two clients live in the care provider’s home as part of the family.

**Adult Care Homes**
Family type homes licensed by the county Department of Social Services to care for up to four residents and an additional two boarders in a family home setting.

**Adult Care Facilities**
Facilities that accommodate approximately 20 to over 100 residents. They are licensed by the New York State Department of Health.

---

**HOME HEALTH CARE**

**Home Health Care Services** are designed for people who wish to stay in their own home, but would require or benefit from professional assistance.

Home Health Care Services range from personal care assistance for those who simply need an extra hand to assist with daily tasks. More involved help such as nursing services and physical therapy can also be provided in the home by qualified home health care agencies.

Some long-term care facilities offer home health care services to their residents and some also make these services available to community residents.

---

**ADULT CARE**

**Adult Care** is intended for people who need 24-hour supervision. Assistance with minimal personal care is provided such as bathing and grooming, as well as supervision of medications, meals, housekeeping and social activities. There are different types of adult care settings available with size being the primary distinction. Adult Care may be paid for privately or in some cases by Social Security Income (SSI). Costs vary.

---

**ASSISTED LIVING**

**Assisted Living Programs** (ALPs) provide the same services as an Adult Care Facility combined with the services of a licensed home health care agency. All Assisted Living is licensed by the New York State Department of Health.
How much does long-term care cost?
The cost of care will vary according to the area of service. According to the New York State Insurance Department, nursing home care in a semi-private room in 2006 averaged approximately $257 per day upstate ($93,000/year) and $333 per day downstate ($121,000/year). It is estimated that persons in nursing homes stay for 2½ years on average.

Home health care can range from $20 per hour for a home health aide to $100 per hour for a nursing visit.

How to pay for long-term care

Self pay includes using a combination of income, savings, investments, life insurance (accelerated death benefit riders), IRAs, trusts and any other assets.

Skilled Nursing Facilities, commonly referred to as “nursing homes”, provide 24-hour medical care. A variety of professional and licensed staff assure that each person’s needs are met. Care is planned using input from the resident, family, physician and facility staff. Some have amenities such as exercise rooms, gardens, and/or pets. These facilities may be paid for privately, by long-term care insurance, by Medicaid and in special, short-term circumstances by Medicare.

Some facilities have Special Needs Units that are tailored to the needs of residents with specific needs, including:

Dementia Units are tailored to residents with memory related problems including Alzheimer’s disease. These units offer patients specialized programming, staffing patterns and safety features.

Rehabilitation Units are tailored to residents with short-term rehabilitation needs. The goal is to help a person regain his level of functioning prior to an illness, injury or surgery. The type of care and length of stay are tailored to the person’s individual needs. Medicare may pay for this type of care for up to 100 days.
Reverse mortgages offer another self pay option. This is a special type of mortgage that lets a home owner convert a portion of the equity in his or her home into cash. Unlike a traditional home equity loan, or second mortgage, no repayment is required until the borrower no longer uses the home as their principal residence. Reverse mortgages come in many forms, so it is important to understand your obligations.

**LONG-TERM CARE INSURANCE**

Long-term care (LTC) insurance pays for care in many settings. Unlike Medicaid, LTC insurance allows for the protection of assets. These policies are medically underwritten, meaning you must qualify by age and health. There are a variety of considerations to keep in mind when looking at plans:

**Elimination Period:** The length of time between when an injury or illness occurs and when you receive benefit payments from your insurance company. Think of this time as a waiting period.

**Daily Benefit Amount:** A predetermined amount of money the insurance company will pay each day for your care.

**Inflation Protection:** This protection increases your daily benefit by a fixed amount annually to keep pace with inflation.

**Tax Qualified:** Tax qualified plans offer potential tax advantages to the buyer. Depending on your policy and tax circumstances, you may be able to deduct part, or all, of your insurance premium.

**Look Back Period (or Recovery Period):** The length of time prior to enrolling in a health plan that any transfer of assets and resources will be looked at. This look back period ensures that an individual does not try to dispose of assets to become eligible for any program.

**MEDICAID**

Although Medicaid is the biggest payer of long-term care, it is also the payer of last resort. There are two types of Medicaid coverage: community and chronic care. **Chronic Care Medicaid** pays for skilled nursing care in a facility (nursing home). **Community Medicaid** pays for medical care and a wide range of related health care services in the community, including the home care portion of Assisted Living Programs and Hospice.

Medicaid requires recipients to “spend down” to a certain level of assets and income. This means you may need to forfeit savings and income before you become eligible to receive Medicaid. You may need to exhaust a significant amount of your resources before Medicaid will help pay for your care.
There are two primary types of long-term care insurance: Traditional and New York State Partnership policies. Length of coverage will vary depending on the specific plan.

TRADITIONAL POLICIES
These policies offer a wide variety of the components that are essential to “customizing” a long-term care policy. Choices may vary by state of sale. The majority of these policies will pay benefits in any state in the country.

When the coverage period expires or its maximum benefit amount is used up, the client becomes responsible for the cost of his or her nursing home care.

NEW YORK STATE PARTNERSHIP POLICIES
New York State Partnership is between Medicaid and private long-term care insurance providers approved by the New York State Insurance Department. NYS offers two types of partnership policies: Total Asset and Dollar for Dollar.

Individuals who purchase New York State Partnership plans may apply for Medicaid Extended Coverage when the policy coverage duration is met.

Community-Based Services
For people living on fixed and limited incomes, expenses may become a challenge. Community-based residents who are having difficulty paying their bills should explore whether they are eligible for financial assistance to cover transportation, rent, utilities, and/or food costs.

To obtain more comprehensive information on these services and/or other cost-saving ideas, refer to the Broome County Elder Services Guide.

This guide is available at Action for Older Persons’ offices at 30. W. State St, Binghamton and online at: www.BroomeElderServices.org
Navigating the long-term care system can be a daunting task. We hope this booklet has helped you better understand your choices.

However, don’t forget that for residents of Broome County, NY, Action for Older Persons offers free, confidential, one-on-one counseling services personalized to your individual needs.

Whether you or someone you’re caring for needs help with Medicare, Long-Term Care Insurance plans, employer policies or other insurance topics, Action for Older Persons is here to help!

Action for Older Persons, Inc.
30 W. State St.
Binghamton, NY 13901
Phone: 722-1251
Web: www.ActionforOlderPersons.org
For more information about this and other topics of concern to mid-life and older adults, visit:

www.ActionforOlderPersons.org

Funding for this booklet is provided by the State of New York through grants administered by the New York State Office for Aging.