

"Planning for Eldercare" Articles

Care Planning

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Will the Government Pay for My Long Term Care?

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A study by the U.S. Department of Health and Human Services says that "people who reach age 65 will likely have a 40 percent chance of entering a nursing home. About 10 percent of the people who enter a nursing home will stay there five years or more. This year, about nine million men and women over the age of 65 will need eldercare. By 2020, 12 million older Americans will need eldercare. Most will be cared for at home; with family and friends as the sole caregivers for 70 percent of the elderly". [Medicare.gov](http://www.Medicare.gov)

A new population of seniors and those nearing the senior status are looking for some type of financial means to pay for long term care (eldercare) in case of failing health. Many have taken care of family members who had no means to pay for their care or have seen their parents entire retirement savings wiped out because of medical and nursing home costs.

Does the government Medicare program pay for eldercare costs?

A statement on the [Medicare.gov](http://www.Medicare.gov) website clarifies what Medicare will pay for.

"Generally, Medicare doesn't pay for long-term care. Medicare pays only for medically necessary skilled nursing facility or home health care. However, you must meet certain conditions for Medicare to pay for these types of care. Most long-term care is to assist people with support services such as activities of daily living like dressing, bathing, and using the bathroom. Medicare doesn't pay for this type of care called "custodial care". Custodial care (non-skilled care) is care that helps you with activities of daily living. It may also include care that most people do for themselves, for example, diabetes monitoring. Some Medicare Advantage Plans (formerly Medicare + Choice) may offer limited skilled nursing facility and home care (skilled care) coverage if the care is medically necessary."

How does Medicaid cover long term care costs?

Fortunately, there is a government program that will help pay for long term care costs – Medicaid. Unfortunately, this program is unfairly discriminatory and will only pay for care for individuals who have less than \$1,500 to \$2,000 in assets (and in about 22 states, the program will only cover individuals who fall below a certain income threshold). All other individuals wanting help from Medicaid must impoverish themselves paying for their own eldercare services first, before Medicaid will help them.

Planning for the final years of life and dovetailing government programs, care provider systems and funding sources can be invaluable yet complicated. This area of planning can be one of the most challenging endeavors undertaken by anyone attempting to help seniors in this final phase of life.

The [National Care Planning Council](#) has introduced a new long term care planning tool called "[Care Resource Planning](#)". It is impossible to predict what your future eldercare needs will be. You cannot determine in advance if you will need home care, assisted living or even nursing home care, but you can have a plan in place that will provide the financial, legal and family support as well as protecting your assets, no matter what happens.

The goal of Care Resource Planning is to provide strategies and solutions pertaining to any or all of the items outlined below that may be unique to the client's situation.

1. Understand and Use Eldercare Support Systems

- Objective 1 -- Understand the Nature of Eldercare
- Objective 2 -- Understand Living Arrangements for Eldercare
- Objective 3 -- Understand How to Use the Life Resource Planning Team

2. Identify Sources of Final Years Funding and Services

- Objective 4 -- Identify Programs to Increase Income
- Objective 5 -- Identify Government Programs to Pay Costs
- Objective 6 -- Understand and Use Community Aging Support Services

3. Protect the Estate from Depletion

- Objective 7 -- Understand Strategies to Protect Assets
- Objective 8 -- Review and Update Legal Arrangements and Insurance
- Objective 9 -- Identify Tax Saving Strategies

With the help of a trained professionals who understand all of the issues pertaining to eldercare, a plan can be prepared to protect assets, locate appropriate funding and provide the necessary support to ease the burden for the final years of life.

For more information on Care Resource Planning for yourself or loved one please visit www.longtermcarelink.net/care_resource_plan.htm

Many professionals use our [Care Resource Planning System](#) to help their senior clients create a plan for their long term care. If you advise seniors and would like to include Care Resource Planning (a fee based planning system) as part of your services, [click here to learn more](#).