

# Paying for Care

Paying for the care we receive in our senior years—whether home care, a retirement community, an assisted living facility or a nursing home—can be a daunting prospect. And since people are living longer, the money that we will spend on care is increasing exponentially. If you have an elderly relative who is beginning to need some level of care, you are probably wondering “How is all of this going to be paid for? Where is the money going to come from?”



## Getting Advice

When deciding how to pay for the care that your elder needs, you might want to consider meeting as a family with a financial planner who specializes in geriatric and long-term care needs. A financial planner will be able to examine the available assets and make a plan for how much money will be needed based on the care needs, where the money will come from and how to plan for the future. The services of a financial planner can more than make up for their cost in the amount of time, money and effort they will save you, your elder and other family members. Some nursing homes have counselors who can assist with planning as well.



## Know Your Options

Whether or not you use a financial planner, you'll want to have a clear picture of what assets your elder has to pay for care—including insurance policies—and what other programs are available to help cover the costs of elder care. Most likely, the care needs of your elder relative will be paid for by a variety of sources, since no one source will be enough. Here are some of these sources, and an explanation of each:

- MEDICARE:** A federal aid program covering health care for people sixty-five years and older.
- MEDICAID:** A federal and state assistance program that helps pay for medical care for lower-income people.
- SOCIAL SECURITY:** Social Security income is distributed by the federal government and is based on the number of years a person works. Currently, people are eligible to start getting Social Security at 65 years; by 2005 the eligibility age will be 66.
- SUPPLEMENTAL SECURITY INCOME (SSI):** Monthly benefits to low income, elderly and disabled people.
- INSURANCE:** This can include Medigap insurance coverage, long-term care insurance and viatical settlements on life insurance policies. Viatical settlements, which cash in on the value of a life insurance policy before someone dies, can be particularly useful for people who have significant life insurance coverage and are diagnosed with a terminal disease.
- REVERSE MORTGAGE:** Reverse mortgages involve the homeowner borrowing money against the value of a paid-up home, and no repayment is required until the home is sold or the owner moves out.
- PERSONAL SAVINGS AND INVESTMENTS:** These can include savings accounts, CDs, mutual funds, stocks, bonds and real estate holdings.