

Your Top 5 Questions About Long-Term Care Costs Answered

Western Kentucky Elder Law, PLC



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Life expectancy in the United States has continued on an upward trend over the last several decades. The average life expectancy for men is 76.4 years, and the average for women is a healthy 81.2 years of age. What has not trended upward, however, is the number of people engaging in long-term care planning. The fact is, 63% of Americans age 65 or older will need either in-home nursing care or long-term care at a residential facility, such as a nursing home. Planning for long-term care is important even though difficult to think about a time when we may not be able to perform daily functions on our own.

- Community Care Facility
- Nursing Home Facility
- Adult Day Care
- Hospice Care
- Respite Care
- Assisted Living Facility

2. Who Needs Long-Term Care?

Long-term care is necessary for a variety of unique situations. Many factors increase the risk of needing long-term care. Some factors including:

- **Age.** The risk generally increases as people get older.
- **Gender.** Women are at higher risk than men, primarily because they often live longer.
- **Marital status.** Single people are more likely than married people to need care from a paid provider.
- **Lifestyle.** Poor diet and exercise habits can increase a person's risk.
- **Health and family history.** These factors also affect risk.



1. What is Long-Term Care?

Long-term care is designed to meet health needs for an extended time. These services help aging Americans live as independently and safely as possible when they can no longer perform everyday tasks and activities on their own.

Types of Long-Term Care Services Include:

- Home Health Care
- Homemaker and Personal Care Services
- Friendly Visitor and Senior Companion Services
- Senior Transportation Services
- Emergency Medical Alert Systems

3. What is the Cost of Long-Term Care?

The cost of long-term care often shocks retirees and can place an extreme burden on themselves or their families. Long-term care expenses are uncertain and can fluctuate from very little to over \$1 million. Attempting to plan for this yourself without a professional's help is dangerous, and even the most carefully throughout retirement plans would not be able to handle this spending shock.

KENTUCKY ANNUAL MEDIAN COST OF CARE (2019)

IN-HOME CARE	COMMUNITY/ASSISTED LIVING	NURSING HOME FACILITY
Homemaker Services \$45,760	Adult Day Health Care \$18,720	Semi-Private Room \$82,855
Home Health Aide \$45,760	Assisted Living Facility \$41,958	Private Room \$91,250

Resource: <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

4. Risks of Long-Term Care Costs: Will I Lose My Farm?

The protection of the family home or farm is at risk due to the high cost of long-term care. Sometimes, a family farm can be spent down on the cost of care. Also, your farm can put your Medicaid eligibility at risk. The value of the farm can be counted against a Medicaid applicant, and benefits denied or curtailed when:

- * A farm-owner has no living spouse or dependents, and
- * The owner moves into a facility permanently, with no intent to return to the farm, or
- * The owner dies.

Once the owner passes, however, the state may place a lien on the home to secure reimbursement of the value of the owner's Medicaid services. This lien makes it impossible to sell the home or refinance a mortgage without paying the state.

As Kentucky elder law attorneys, we know several ways to protect your assets, including your farmland, from this kind of attachment. We can preserve your farm or its value such that Medicaid will not count it, or lien against it, at all.



5. How to Pay for Long-Term Care?

Understanding how to pay for long-term care can be overwhelming. Depending on an individual's need for care, there are some options to consider for paying for long-term care services. Some of these options include:

- Medicaid Coverage
- Medicare Coverage
- Long-term Care Insurance
- Veteran's Benefit

Each option holds its eligibility requirements and drawbacks depending on what type of services an individual needs.

What is Medicaid Coverage?

Medicaid is a Federal and State program, and the rules vary from state to state. If you reside in Kentucky and need Medicaid, then Kentucky's Medicaid rules apply. If you or a loved one are concerned with the high cost of long-term care and qualifying for Medicaid, an elder law attorney can help. An elder law attorney who understands Kentucky's specific Medicaid rules can legally navigate you in the application and approval process.

How to Qualify for Medicaid Coverage

Kentucky Medicaid gives individuals and families access to health care resources that they may not have otherwise. If you or a loved one need Medicaid benefits, specific eligibility requirements need to be met in the state of Kentucky.

To qualify for benefits, you must:

- Be over the age of 64; or
- Be pregnant or have a child 18 or under; or
- Be blind or disabled; or
- Have a child, parent, or spouse in your household who is blind or disabled
- Include an annual household income below a determined amount.

The Medicaid application process can be complicated, and some families worry that they do not meet the household income level to qualify for care. Without the aid of Medicaid, the cost of a Kentucky nursing home can wipe out your family's savings, lose your home or farm, retirement funds, and an inheritance for your loved ones.

What is Medicare Coverage?

Medicare will pay for medically necessary acute care services and some long-term care services that meet specific

criteria. Most long-term care non-medical services are not covered by Medicare, such as nursing home expenses or the services provided in the home for custodial-type care.

There are four specific types of long-term care services, listed below that Medicare will pay for, though certain conditions apply for most services to be covered:

- Care in a skilled nursing facility for up to 100 days per benefit period
- Services to treat medical conditions
- Services to prevent further decline due to medical conditions
- Hospice care

What is Long-term Care Insurance?

Long-term care insurance can help avoid the depletion of your estate to pay for nursing home care in Kentucky.

Long-term care insurance can be a quick fix for paying for long-term care. This insurance will help cover the risk that you may at some point in your life be placed into a nursing home by paying for some or all the expenses associated with nursing home care. It also frequently covers assisted living care or care in your home. But you will have to pay for the insurance policy for many years. There may be other options to reallocate your assets that help avoid that expense.

What are Veteran Benefits?

If you are a veteran or have a loved one who is, it is important to understand all the VA resources and aid that are available. Beyond education programs, home loans, and

job search and training resources, the VA also provides a host of other resources to assist you as you transition to your retirement years.

Some VA benefits include:

- Veteran Supplemental Income Program
- Survivors Pension Program
- Aid and Attendance Benefits
- Veterans Life Insurance
- Disability Compensation
- Geriatrics and Extended Care Services
- Veterans Burial Benefits

What are the Qualifications for VA Benefits?

VA health care benefits are available if you served in the active military, naval, or air force services and did not receive a dishonorable discharge.

The following dates may qualify to receive benefits:

World War II: 12/7/1941-12/31/1946

Korean War: 6/27/1950-1/31/1955

Vietnam War: 08/05/64 – 5/7/75 (Also included, are the prior dates of 02/28/1961 – 08/05/64 if you were “in country”)

Persian Gulf: 8/2/90- Date to be announced later

- **If you enlisted after September 7, 1980, or entered active duty after October 16, 1981,** you must have served 24 continuous months or the full period for which you were called to active duty, unless any of the described situations below are true.

The minimum duty requirement may not apply if any of these are true. You:

- Were discharged for a disability that was caused—or made worse—by your active-duty service, or
- Were discharged for a hardship or “early out,” or
- Served prior to September 7, 1980
- If you’re a current or former member of the Reserve of National Guard, you must have been called to active duty by a federal order and completed the full period for which you were called or ordered to active duty.



Understanding VA Pension Aid and Attendance

In addition to VA pension, wartime Veterans may also qualify for an additional allowance called Aid and Attendance. To qualify medically for VA Aid and Attendance, **one** of the following must be true:

- Another person is required for you to perform daily activities such as bathing, dressing, and feeding, or
- You spend a large portion, or all of your day in bed due to illness, or
- Due to a loss of mental or physical abilities related to a disability you are a patient in a nursing home, or
- Your eyesight is severely limited (wearing glasses or contacts your eyesight is 5/200 or less in both eyes or your concentric contraction visual field is 5 degrees or less)

How Can Western Kentucky Elder Law Help You Plan for Long-Term Care Costs?

Western Kentucky Elder Law Firm is here to help you. Our experienced elder law attorneys can help you and your aging loved ones plan for the cost of long-term care. Our

Kentucky law firm can offer you and your family legal guidance through a wide range of services. Our legal services help you:

- Prepare for the financial costs of long-term care
- Protect your money from being spent on nursing home care
- Protect your home or farm from being spent down on long-term care
- Submit a Medicaid application
- Navigate the nursing home admissions process
- Deal with Medicaid liens
- Engage in Medicaid and Long-Term Care planning
- Create Powers of Attorney
- Create Health care directives
- Conduct the probate process
- Ensure your loved ones are protected in their golden years of life
- Assist with Veterans Aid and Attendance Package
- Navigate the VA benefits application process

If you or a loved one need help navigating how to pay for long-term care, we can help. Contact our office today by calling (270) 684-4811 and schedule an appointment to get started with your legal matters.



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