

## Making sense of long-term care

### *Costs, types of assistance and payment sources unraveled*

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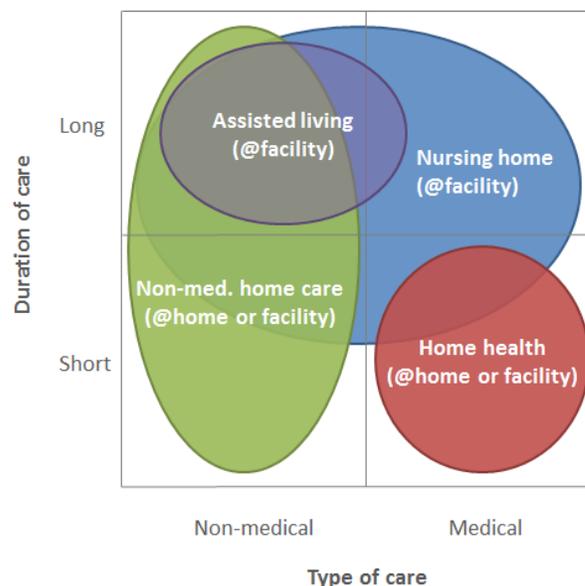
Odds are you will need some sort of long-term care as you grow older. The National Clearinghouse for Long Term Care Information ([www.longtermcare.gov](http://www.longtermcare.gov)) estimates that about 70 percent of people 65 and older will need long-term care. And given this statistic, it's almost certain that at some point in your life you'll come face-to-face with long-term care – whether it's receiving it yourself or providing it for your spouse, parents, another relative or close friend. It's estimated by the Family Caregiver Alliance ([www.caregiver.org](http://www.caregiver.org)) that in any given year nearly 1 in 3 US adults will provide care for someone they know.

Being a caregiver, as well as making sense of long-term care options, can be a daunting task. But having the right information and knowing your options can reduce stress for you and your loved ones.

#### Long-term care unraveled

Before jumping in, let's ground ourselves with the basics: so what is long-term care? Long-term care can be defined as a variety of services which help meet both the medical and non-medical needs of people with a chronic illness or disability who cannot care for themselves for long periods of time. Providers can be divided into two basic categories: friends and family members and professional caregivers (including volunteer and for-profit organizations).

Although many people can provide adequate care for a loved one, being a caregiver isn't an easy task. According to the Family Caregiver Alliance, on average, caregivers spend about 20 hours per week caring for a loved one, and depression rates are through the roof: anywhere from 40 to 70 percent of family caregivers show symptoms of clinical depression. The fact is, many people can't – for



**Figure 1: The four basic types of long-term care** are 1) assisted living, 2) nursing home (which are both provided at a facility), 3) non-medical home care, 4) home health care agency (which both can be provided in the recipient's home or as a supplementary service in a facility).

various reasons – provide the care their loved one needs. The good news is there is professional help.

Professional long-term care can come in many forms, and while we won't review every type here, we'll focus on two basic kinds: medical (also known as "skilled") and non-medical care. Both types can be provided in the recipient's home or in a facility.

Medical, or skilled, care is typically provided by a health care professional such as a doctor, nurse, medical technician or certified nursing assistant. Generally speaking, an underlying acute or chronic health condition must be present to necessitate skilled care, and the goal is to medically treat the symptom or issue.

**Table 1:** Comparison of different care types

Provider	Setting	Care type	Payment type	Average cost*
Home care agency (aka, personal services or private duty agency)	Typically recipient's home, but can provide additional assistance in a facility (e.g., assisted living)	Non-medical	Typically out-of-pocket; LTC insurance, Medicaid or VA benefits may apply	\$19 per hour
Home health agency	Typically recipient's home, but can provide care in a facility (e.g., assisted living)	Medical care for an acute condition (usually short-term); recipients must qualify	Covered by most health insurance plans and Medicare	Varies based on treatment type and duration
Assisted living	Residents living in a facility	Primarily non-medical, but limited nursing services may be available	Typically out-of-pocket; LTC insurance, Medicaid or VA benefits may apply	\$2,799 per month
Nursing home	Residents living in a facility	Medical care for acute and/or chronic conditions as well as non-medical; recipients must qualify	Typically out-of-pocket; LTC insurance, Medicaid or VA benefits may apply	\$217 per day (private room), \$173 per day (semi-private room)

\*Average cost for Indiana; source: [www.longtermcare.gov/ltc/main\\_site/Tools/State\\_Costs.aspx](http://www.longtermcare.gov/ltc/main_site/Tools/State_Costs.aspx)

Non-medical care, on the other hand, provides assistance with activities of daily living (ADL), which are generally defined as the things we normally do to care for ourselves, such as eating, bathing, dressing, grooming, work, homemaking, and leisure. Usually the goal of non-medical care is to help people maintain their independence by providing assistance with activities of daily living.

Both medical and non-medical care can be provided in the recipient's home or in a facility. Figure 1 and table 1 (above) provide an overview of four different care types, payment sources and average cost of each.

Long-term care is often necessary to keep a person who can no longer care for him- or herself safe and comfortable, and it can be expensive. While there are some programs, such as Medicaid or VA benefits, and specialized insurance plans, such as long-term care insurance, that pay for some or all of the costs of long-term care, the majority of individuals

who need this type of care do not qualify for this coverage. As a result, many end up paying for long-term care out of pocket until they no longer need it or their assets fall below the threshold needed to qualify for Medicaid or other government-funded programs. Thus, planning for the expense of long-term care is an important step in the process.

Deciding which type of long-term care is best for you or a loved one should be done carefully. Consideration should be made for the type of care that is required to stay safe and maintain an optimal quality of life, as well as the type of care that can be afforded. Tools, such as the cost of long-term care calculator ([www.fireflyhomecare.com/resources](http://www.fireflyhomecare.com/resources)), can be used to estimate the weekly, monthly and annual cost of different types of long-term care.

Conventional wisdom holds that as a person ages and loses the ability to perform activities of daily living, he or she moves first into an assisted living facility, where non-

medical and some medical help can be provided. As function declines and health issues worsen, he or she then moves into a nursing home, where more intense medical and non-medical care is provided.

However, an alternate model is now available that aims to maximize the time an individual remains at home. Often referred to “aging in place,” in this model, both medical and non-medical home care is provided with the goal of keeping the recipient safe and comfortable at home for as long as possible. With proper utilization of home care it may be possible for a person to remain at home through the end of life, or conditions may continue to deteriorate to the point where nursing home care is eventually required. Nonetheless, appropriate use of home care can prolong the time that a person is able to remain at home. It is important to consult with professionals when determining the best care setting and type for your loved one.

Let’s look at an example of how aging in place using home care might compare to a traditional use of assisted living and nursing home facilities. In this hypothetical example, we’ll use a character named Rose. Rose is 83

years old, lives alone, and is having trouble with activities of daily living like cooking, cleaning, bathing and driving. Her eyesight is poor, and she’s also having trouble reading her bills and mail. She complains about being bored and having low energy to keep up with everything at home.

One option is for Rose to move into an assisted living facility, which would eliminate the need to keep up with household chores and provide easy access to meals and social interaction with others in the facility.

An alternate option is to have a home care agency provide assistance with activities of daily living for four hours per day. A caregiver could come for two hours in the morning to help Rose get around, prepare breakfast and make up a lunch that she could eat later. Rose’s caregiver would come back for two more hours in the evening to prepare dinner, do some light housekeeping and help Rose bathe and get to bed. All the while, the caregiver and Rose would be talking and reminiscing. As needed, the caregiver would provide transportation and help Rose shop, or just get out of the house for a change of pace. See table 2 below for a comparison of these two options.

**Table 2:** Home care vs. assisted living

Type of care	Location	Meals prepared	Residence cleaned	Social interaction	Mobility assistance	Transportation (as needed)	Cost per month*
Home Care, 4h	Home	Yes	Yes	Yes	Yes	Yes	\$2280
Assisted living	Facility	Yes	Yes	Yes	Yes	No	\$2799

\*Source: [www.longtermcare.gov/ltc/main\\_site/Tools/State\\_Costs.aspx](http://www.longtermcare.gov/ltc/main_site/Tools/State_Costs.aspx)

As this example demonstrates, it may be possible to provide adequate home care at a significantly reduced cost when compared to an assisted living facility. Additionally, home care can be more flexible than resident care because the number of days per week or hours per day care is provided can be adjusted to meet the needs of the care recipient.

While there is no single source for

determining which type of long-term care is right for you or a loved one, the questions in table 3 below can help you identify key criteria that can be used in your decision-making process. Be sure to discuss your answers with your family, as well as professionals who can help guide you through the process of deciding which type of care is best for you and your loved one.

**Table 3:** Long-term care questionnaire

1. Has your loved one been diagnosed with an acute health condition that qualifies for skilled nursing care?
2. Does your loved one need help with activities of daily living? (e.g., bathing, walking, medication management, transportation, cooking, housework, etc.)
3. Does your loved one prefer to stay at home or live in a facility with others?
4. Does your loved one qualify for Medicaid, VA benefits, or have long-term care insurance?
5. Does your loved one have Medicare or private health insurance?
6. Does your loved one need 24/7 supervision?
7. Have you discussed your loved one's care needs with a doctor?
8. Have you consulted with an elder-law attorney, who specializes in estate planning and Medicaid law?
9. Have you consulted with a financial advisor who can help you plan for the costs of long-term care?
10. Have you received a home care needs evaluation and visited assisted living or nursing home facilities?

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