



# Understanding Long-Term Care

## I. Long-Term Care

One of the greatest concerns of seniors and their families is the cost of long-term care, especially the cost of nursing home care. Long-term care refers to a range of services necessary to meet your personal needs. Most long-term care is not medical care, but assistance with the basic personal tasks of everyday life or activities of daily living (ADL's). This type of assistance is generally referred to as Custodial Care. Activities of Daily Living include:

- bathing
- dressing
- grooming
- eating
- mobility
- toileting

Long-Term care can include:

- in home health care
- residence in an assisted-living facility
- nursing home care.

### Costs of Long-Term-Care

All forms of long-term care are expensive. In-home care organizations generally charge from \$25 to \$35 per hour depending on the extent of services needed. Care for 6 hours per day at \$25 per hour will result in a monthly cost of \$4,500. The average cost of a one-bedroom apartment in an assisted living facility in the Cleveland area is \$4,940 per month, and the average cost of a nursing home is \$8,395 per month.\* One year in a nursing home can easily consume over \$95,000. About half of all elderly will spend some time in a nursing home before death. The median length of stay in a nursing home is 2 and ½ years.

\*2022 Genworth Financial cost of care survey

### Medicare

Medicare does not cover most long-term care services. Medicare will cover only 100 days of a nursing home rehabilitation stay. The first 20 days are paid completely by Medicare. Days 21 through 100 require a co-pay of \$204.00 per day. In order to qualify for Medicare coverage, a person must be hospitalized 3 full days prior to entering the nursing home. Medicare coverage will only apply if you require skilled nursing care. Custodial care does not qualify.

## Medicaid

Medicaid is a joint program of the federal and state governments that will cover the long-term care costs of those who have little or no money. Medicaid currently covers more than 60% of all nursing home residents. However, most seniors are forced to spend all of their money paying for their care before they can qualify for Medicaid. Medicaid's financial standards are very strict:

- A single person may own assets worth no more than \$2,000.
- The spouse of a Medicaid applicant may keep only one-half of the couple's assets, up to a maximum of \$154,140.

Many seniors attempt to qualify for Medicaid by gifting their assets to their children. However, any gifts given within the five years prior to submitting a Medicaid application will cause a penalty, disqualifying the applicant for long-term care.

With proper legal planning, however, it is possible for a person to preserve a significant amount of assets for their family and still qualify for Medicaid.

## VA Pension Benefits

Veterans 65 and older or their surviving spouses may qualify for an Aid and Attendance Pension that can help pay long-term care expenses. A qualifying married veteran may receive up to \$2,431 per month. This monthly benefit can provide significant assistance to veterans who are in need of long-term care.

In order to qualify for an Aid and Attendance Pension, a veteran must meet the following qualifications:

- Be 65 or older
- Need the aid of another person in performing two or more activities of daily living;
- Served 90 days\* of active service with at least one day during a time of war:

Periods of War:

World War II: Dec. 7, 1941 - Dec. 31, 1946

Korea: Jun. 27, 1950- Jan. 31, 1955

Vietnam: Aug. 5, 1964 - May 7, 1975

Gulf War: Aug 2, 1990 - To be announced

\*24 months after September 7, 1980

- Received a discharge other than dishonorable;
- Have assets of less than \$155,356 excluding the veteran's residence, car, and personal belongings; and
- Have unreimbursed medical expenses equal to or exceeding monthly income.

## Be Prepared

Timing is essential when planning for long-term care. The sooner you begin the planning process, the more you will be able to preserve for your family. Although planning ahead results in the greatest amount of asset protection, knowledgeable legal assistance can even help save a significant amount of assets for someone who has not planned and is in immediate need of long-term care.

Don't lose your home and hard-earned savings to the costs of long-term care. Call Joseph Motta at 440-930-2826 and schedule a free personal consultation to determine what planning options may be available for you.

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*Leave a legacy, not a predicament*



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Joseph L. Motta Co., LPA is devoted to protecting families from life's most challenging situations. Our goal is to provide you with the peace of mind that comes from knowing that you have planned your affairs so as to avoid the financial disruptions that often accompany death or incapacity. Each client receives our personal attention because we want you to feel comfortable discussing issues that can be emotionally difficult to address. We strive to use our knowledge and expertise to provide you with the best advice on how to protect the ones you love.

Our office is located at 32730 Walker Road, Suite J-1, Avon Lake, Ohio 44012. Please call us at (440) 930-2826 to schedule a free, no obligation, personal consultation.