

HOME CARE

FUNDING SOLUTIONS

A Guide to Uncover the Various Funding Options
Available to Fit Your Home Care Needs



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What is Home Care?

Home care generally consists of two types of care:

1. Home health care provided by licensed medical professionals for which the individual has received an order or prescription from a healthcare provider.
2. In-home care such as personal care, homemaker or companionship services provided by professional caregivers.

Home care for aging adults often revolves around two types of activities.

Activities of Daily Living (ADLs)

Basic activities and functions performed daily:

- Eating
- Dressing
- Bathing
- Toileting
- Transferring/Continence
- Grooming

Instrumental Activities of Daily Living (IADLs)

Activities instrumental to our daily routines:

- Driving
- Preparing Meals
- Housekeeping
- Shopping
- Managing Finances
- Administering Medication
- Using the Telephone

Why Home Care?

86% of seniors want to live at home for as long as possible according to a study commissioned by Home Instead, Inc. for the Home Instead® network. As individuals age, some form of care is usually necessary to remain at home. In some cases that means a family member or a friend. More than 76% of the 8,000 family caregivers who took an online caregiver stress test reported that their aging loved one's needs are overwhelming. For many family caregivers, caring for a loved one can be demanding and stressful. When families are in this situation, they often look to assisted living facilities, nursing homes and home care. Keeping a loved one at home with the help of home care is often a popular choice because it allows older adults to age at a place they feel comfortable and safe. More than half of all seniors living alone are four times more likely to use professional care compared to those living with their adult children. The study also revealed that 42% of seniors over the age of 80 use in-home care.

Home care services, both home health and in-home care, are often only required for a few hours a week. A Home Instead, Inc. study indicates that 22% of the Home Instead network's clients employ Care Professionals for four hours or less per week, and another 20% of clients employ Care Pros between four and eight hours each week. Depending on the level of care needed, home care has the potential to save thousands of dollars a month compared to nursing homes and assisted living facilities.

Cost of Home Care

Genworth's 2020 Cost of Care Survey concludes that other senior care options are significantly more expensive than in-home care:

Over the years, Genworth recognized and identified trends across the long-term care services landscape. As the American population ages and requires these services, it is imperative to be aware of the associated costs to build a better long-term care plan. Consumers have more choices than ever before, and long-term care can be provided in a variety of settings. A licensed health care practitioner such as a physician, registered nurse or social worker can determine a plan of care that could include the following:

Companionship Services

This service helps make it possible for people to live in their own homes. Companionship services help complete household tasks that the senior cannot manage alone. Homemaker services provide "hands-off" care such as cooking, cleaning or running errands.



\$23.50

National Median
Hourly Rate



4.44%

Increase from
2019 to 2020



3.80%

5 Year
Annual Growth

**Genworth Study*

Home Health Aide and Personal Care Services

Personal and home health aides help people living at home. These aides offer services to people who need more extensive care than their family or friends are able to or have the time or resources to provide. It is typically “hands-on” personal care, but not medical care. The rates below reflect what is generally charged by a non-Medicare certified, licensed aide.



\$24.00

National Median
Hourly Rate



4.35%

Increase from
2019 to 2020



3.71%

5 Year
Annual Growth

**Genworth Study*

Adult Day Care Services (ADS)

This service provides social and related support services in a community-based, protective setting. This care occurs during any part of the day, but is not 24-hour. ADS centers can offer a much needed break to caregivers. A variety of programs usually offer socialization, supervision and structured activities designed for individual needs. Some programs also provide personal care, transportation, medication management, social services, meals, personal assistance and therapeutic activities.



\$74

National Median
Hourly Rate



-1.33%

Decrease from
2019 to 2020



1.45%

5 Year
Annual Growth

**Genworth Study*

Assisted Living Facility (ALF)

These facilities provide personal care and health services for people who may need assistance with ADLs. This level of care is typically as extensive as the care provided by a nursing home. Assisted living is not an alternative to a nursing home, but an intermediate level of long-term care.



\$4,300

National Median
Monthly Rate
Private One Bedroom



6.15%

Increase from
2019 to 2020



3.62%

5 Year
Annual Growth

**Genworth Study*

Skilled Nursing Facility

A skilled nursing facility can provide a higher level of supervision and care than assisted living facilities. They offer residents personal care assistance, room and board, supervision, medication, therapies and rehabilitation and skilled nursing care 24 hours a day.



\$290

National Median
Daily Rate
Private Room



3.57%

Increase from
2019 to 2020



3.90%

5 Year
Annual Growth

**Genworth Study*

Medicare covers some of these services, however it typically does not cover home care services. Even with Medicare's coverage, the senior is generally still responsible for a significant portion of these expenses. Assisted living and skilled nursing facilities are full-time expenses that require a senior to move out of the comfortable surroundings of home.

Questions to ask when planning for home care

1. How is the caregiver employed?

By an organization:

Care Professionals in the Home Instead network are carefully screened and selected by the local franchise office where they are employed. The franchise network looks for people with a passion for working with seniors. Each Care Pro must complete a thorough reference check, drug screening, and criminal background check.

Each Care Pro is bonded and insured.

An independent contractor with a registry:

Make sure you understand the implications of using a registry to refer an independent contractor. Depending on the registry's business model, the older adult may become the employer and may be responsible for employment responsibilities such as hiring, scheduling, handling performance issues, and paying/reporting applicable taxes.

Working on their own/independently:

Conducting significant research of an independent caregiver situation is important before you make a commitment.

2. Is the caregiver trained?

- By whom?
- Extent of training?
- Does the training include special dementia or Alzheimer's training?
- Does the agency train all of their caregivers?

3. Is every caregiver required to complete a criminal background check and drug screening?

4. Have personal references been secured on all caregivers?

5. Are the caregivers bonded and insured?

This insurance can provide coverage if an incident occurs while the caregiver is on the job.

6. Does the caregiver have workers' compensation coverage?

7. Are there service restrictions?

- Hours of services?
- Lifting restrictions?

8. Is there flexibility in setting a schedule for services?

9. How much notice is needed to begin or cancel services?

10. What does the cost of service include?

- Minimum hours of service per visit/week/month?
- Special overnight rates?

Long-Term Care Insurance

Long-term care insurance is becoming an increasingly popular way to pay for elder care. It may help pay for your care and protect your assets by paying for covered expenses up to the amounts set forth in your policy. Depending on your policy and plan of care, this insurance may pay for a wide variety of home, community-based and facility care services. It can also offer care options that may not be covered through government programs. Many states participate in the Long-Term Care Insurance Partnership Program. Designed to encourage planning for long-term care, the Partnership Program allows individuals to retain more assets than would otherwise be allowed under state Medicaid eligibility requirements. As a result, policyholders are able to retain assets they would otherwise have to spend down prior to qualifying for Medicaid benefits. Generally, individuals can participate in their state's Partnership Program by owning a long-term care insurance policy that meets the requirements for the Partnership Program. Policies qualifying under the Partnership Program generally do not cost more than non-qualified policies with similar benefits.

Long-term care policies can be written in a variety of ways to provide a wide range of benefits. Depending on your preference, these policies can be deluxe or frugal, covering all caregiver expenses for an unlimited amount of time or any partial expenses for a limited period. Consult a trusted insurance broker prior to investing in a long-term care policy. It is imperative to understand all aspects of a policy to best ensure it will be beneficial for you.

Veteran's Assistance for Home Care

One in three seniors in this country is a veteran or a surviving spouse of a veteran.

Veterans and their surviving spouses may be eligible for a VA benefit called "Pension with Aid and Attendance." This benefit may provide reimbursement funding of up to \$25,020 a year to help cover medical expenses, including home care services.

Millions of qualifying veterans and families go without this benefit simply because they are not aware of it.

VA Long Term Care Services

Services at home and in the community are part of the VA Medical Benefits Package. All enrolled veterans are eligible for these services. However, to get the service you must have a clinical need for it.

Veterans must be enrolled in VA health care before applying for VA long term care services. Enrolled in VA health care means you have applied for VA health care benefits and receive care through a VA facility on a regular basis. Receiving financial compensation for a VA disability does not automatically enroll you in VA health care. You may be eligible for VA health care services (known as the Standard Medical Benefits Package) if you served in the military and were discharged for any reason other than dishonorable.

Visit your local VA medical center's new patient registration office to complete and submit the VA application for Health benefits or enroll online at:

<https://www.va.gov/health-care/how-to-apply>

There are three levels of VA pensions:

- 1. Basic Pension:** For healthy veterans over the age of 65 with low incomes.
- 2. Aid & Attendance:** For veterans over the age of 65 that require assistance with their activities of daily living. This pension provides additional monthly income over and above the basic monthly pension.
- 3. Housebound:** An increased monthly pension amount paid to a veteran or surviving spouse who is substantially confined to home because of a permanent disability.

More information about VA Pension Benefits visit:

benefits.va.gov/pension

VA Survivors Pension offers a monthly payment to qualifying surviving spouses, and unmarried dependent children of wartime veterans, who meet certain income and net worth limits set by congress.

More information about VA Survivors Pension visit:

va.gov/pension/survivors-pension.

Who is eligible?

Financial Requirements

Veterans must have a net worth at, or less than \$130,772. A primary residence and auto are not counted as part of net worth. On-going, non-reimbursable medical and long-term care expenses may reduce their countable income.

More information about financial requirements for the VA Pension visit: **va.gov/pension/veterans-pension-rates**.

Period of Military Service

Veterans must be considered “wartime veterans” meaning, they served at least 90 days and served at least 1 day during the wartime dates below, but not necessarily in combat:

- World War II: Dec 7, 1941 – Dec 31, 1946
- Korean War: Jun 27, 1950 – Jan 31, 1955
- Vietnam War: Aug 5, 1964 – May 7, 1975
(or Feb 28, 1961 – May 7, 1975 for Veterans who served in Vietnam)
- Gulf War: Aug 2, 1990 – Undetermined

Veterans must have at least 90 days of active duty, including one day during a war if the active duty occurred after September 7, 1980. You must have served at least 24 months or the full period that you were called up (with some exceptions).

Medical

If you get a VA pension and you meet at least one of the requirements listed below, you may be eligible for the A&A benefit.

- You need another person to help you perform daily activities, like bathing, feeding, and dressing; or
- You have to stay in bed, or spend a large portion of the day in bed, because of illness; or
- Your eyesight is limited (even with glasses or contact lenses you have only 5/200 or less in both eyes; or concentric contraction of the visual field to 5 degrees or less).

NOTE

Veterans cannot get Aid and Attendance benefits and Housebound benefits at the same time.

Applying for VA Pension Benefits

Veterans may apply for this benefit online, by mail or in person. If assistance is needed, an accredited representative, like a Veterans Service Officer (VCO) may help.

How to apply for Veterans Pension benefits

Home Instead also has preferred vendors that successfully supported clients with the VA Aid and Attendance Benefit. Each vendor offers unique services that support with the application for the Aid & Attendance pension benefit. For information on these vendors, see the “additional VA resources” section below.

Support for Military Family Caregivers

VA's Family Caregivers Program provides support and assistance to caregivers of post 9/11 veterans and medically discharged service members. Eligible primary family caregivers can receive a stipend, training, mental health services, travel and lodging reimbursement and access to health insurance if they are not already covered under a health care plan. For more information, contact your local VA medical facility and speak with a caregiver support coordinator, visit [caregiver.va.gov](https://www.caregiver.va.gov) or dial toll-free **1.877.222.VETS (8387)**.

Additional VA Resources

Veterans Care Coordination™

Veterans Care Coordination is a resource available to assist Veterans and surviving spouses in obtaining the Pension with Aid and Attendance benefit, and to help pay for home care when they require regular assistance with activities of daily living. VCC simplifies the process and can often help with getting care started immediately. For more information visit: www.vcchc.com.

Aid and Attendance

AidandAttendance.com is an e-tool offered through Veterans Financial, Inc. which was developed to provide easy-to-understand and accurate veterans' benefit information.

AidandAttendance.com has an application software that allows a family to complete the 30+ pages of VA paperwork online in 1 hour. The website ensures applicants have included all the necessary forms so they can benefit from the VA's Fully Developed Claim expedited application process. This can avoid months of back and forth with the VA prior to approval.

For more information visit:

www.aidandattendance.com.

www.veteranshomecare.com.

Vet Assist

Veterans Home Care® is a family-owned company offering the exclusive VetAssist® Program which helps wartime veterans or their surviving spouses access a VA benefit and home care. Our clients are served by our nationwide network of home care providers and our unparalleled expertise with the Department for Veterans Affairs Aid and Attendance benefit. We change lives. Our typical clients start from little to no awareness of the VA's Aid and Attendance benefit to having assistance with bathing, dressing, meal preparation, light housekeeping and companionship in their own home paid by their military service.

For more information visit:

<https://veteranshomecare.com/vet-assist/>

Reverse Mortgages

Another source of income that individuals over 62 years of age increasingly rely on is the reverse mortgage. If you or your loved one has equity in their home, you can potentially qualify for a reverse mortgage. A reverse mortgage is essentially a loan against your home that you typically do not have to pay back for as long as you live in your home. With a reverse mortgage, you can turn the value of your home into cash without having to move or to repay a loan each month. These funds can then be used to pay for home care. For more information about a reverse mortgage, please visit the Federal Trade Commission website at [ftc.gov](https://www.ftc.gov).

Mutual of Omaha Funding Options to Help Individuals Age in Place

Mutual of Omaha offers a Care Funding Solutions program that provides information for seniors that would like to age in place and explore the funding options available to pay for the in-home care they need.

The Care Funding Solutions Guide offers resource and various options available:

- Veteran's Benefits
- Home Equity
- Long-Term Care Insurance
- Life Insurance
- Grants & Assistance

For more information, go to [Funds4Care.com](https://www.funds4care.com) or contact a local Mutual of Omaha Advisor at **(888) 409-5555**.

Life Settlements

If you or your loved one has a life insurance policy, there are companies that offer insurance owners the option to sell their policies in exchange for a lump sum payment that is greater than the cash surrender value. In the event your loved one looking for care has a life insurance policy, life settlements may be an alternate option to fund their care. The policy is treated as an asset in the same way that a home, mutual fund or personal assets are treated. The life insurance policy is sold to an investor while the policy holder is still alive. The selling price is typically considerably more than the cash surrender value of the policy, but far less than the policy's face value. Depending on age, health and other factors at the time of sale, your loved one may receive a lump sum payment for the policy at half or less of the face value.

Life settlements provide quick access to assets for a senior, however be mindful that the investors buying the insurance policy stand to profit considerably on the policy's proceeds. Due to the many complexities of life insurance settlements, consulting with a financial planner is imperative before making any decisions.

For more information on Life Settlements as a funding solution visit lifecarefunding.com.

Medicaid's Benefits for Home Care

States generally provide some kind of long-term care for certain people, including seniors living at home, requiring home care. While these programs aren't technically part of Medicaid, they are funded by Medicaid through waivers of normal Medicaid rules. This is how they get their designation as Home and Community-Based Services (HCBS) "waiver" programs.

Unlike Medicare coverage of home care or regular Medicaid home care coverage, these waiver programs generally aren't limited to medical care and their coverage doesn't run out when a person's medical condition stabilizes.

Home and Community-Based Services programs may provide:

- In-home healthcare, including nursing care and physical therapy.
- Personal care services to help with the normal activities of daily living (ADLs), such as eating, bathing and dressing.
- Homemaker services such as simple cooking, cleaning and laundry.
- Meal delivery.
- Adult day services participation (care, companionship and activities at an adult day services center).
- Transportation assistance to and from medical care or other services.
- Assistive devices, medical equipment and supplies.
- Minor home modifications like widening a doorway to accommodate a wheelchair or installing a safety railing in a bathtub.

Eligibility for an HCBS waiver program typically has two parts. The first involves the need for care. The program generally evaluates the applicant's need for medical care and/or assistance with activities of daily living. Usually, the applicant's need for care must be extensive enough that without in-home services, he or she would have to move into a nursing home. The second part of eligibility is financial. An applicant generally must have a low income and few assets. However, the asset and income eligibility levels are usually significantly higher than for regular Medicaid coverage. In most states, an individual can have countable income (for a discussion of countable income, see How Medicaid Works at [medicaid.gov](https://www.medicaid.gov)) two or three times higher than for regular Medicaid eligibility. Similarly, an individual usually can have considerably more in assets – the value of the person's home doesn't count at all – than for regular Medicaid coverage. In some states income and assets resting solely in a spouse's name aren't counted. It is important to know that the exact income and asset eligibility rules and amounts vary from state to state.

If someone qualifies for HCBS coverage of in-home care, in some states there are programs that can pay a family member to provide some of this home care.

To find out exactly what Home and Community-Based Services are available in your state, and the eligibility guidelines, contact your local Medicaid office. To find a local Medicaid office, go to the federal government's benefit's website [Benefits.gov](https://www.benefits.gov) and choose your state.

The Medicare Advantage Solution

What is Medicare Advantage?

Medicare Part C is Medicare Advantage (MA). This is a private health plan that offers Medicare benefits to eligible Medicare beneficiaries. Benefits for MA plans are delivered through CMS approved companies, which are paid for each individual who joins their plan regardless of services used. MA plans must offer the same benefits as traditional Medicare however, they are allowed to add additional CMS approved services.

In 2018, CMS determined that Medicare Advantage plans could add in-home supports to their plans. This benefit allows some coverage for individuals with disabilities and/or medical conditions that need assistance performing personal care and homemaker services. Traditional Medicare does not provide this benefit.

What are “In-Home Supports”?

2018 **CMS Memo** explains: Services to assist individuals with disabilities and/or medical conditions in performing ADLs and IADLs within the home. Services must be provided by individuals licensed by the state to provide personal care services, or in a manner that is otherwise consistent with state requirements.

Since not all plans have added this benefit to their policies, it is important to review all policy language regarding individual benefits and coverage.

Assistance from a Financial Advisor

If you're looking to make an investment, buy a financial product or plan for the long-term, whether or not you need financial advice will depend on a number of factors. It is important to determine what product you are looking for, how complicated your finances and personal circumstances are and your short-term and long-term goals. When making decisions on funding for a loved one's care it is imperative to do your due diligence and make a sound investment. Contacting a financial advisor before deciding on your source of funding will help ensure you and your loved one are making the best decision possible.

What Services Do Financial Advisors Offer?

Professional financial advisers generally carry out a 'fact find' where they ask you detailed questions about your circumstances, your goals and how you feel about taking risks with your money. Then they can recommend financial products that are suitable and affordable for you.

How to Choose the Right Financial Advisor for Yourself or Your Aging Loved One

Choosing a financial advisor for your family member can be every bit as important as choosing a doctor or lawyer for them. Financial advice, like medical or legal advice, can be critical – and potentially damaging – if given poorly. It is important to take the time and effort to choose a financial advisor that is right for your family member.

Personal finance is a broad, complex and ever-changing field, yet just about anyone can call themselves a financial advisor. The advisor you choose must be competent, well-informed and experienced in the areas of investment management and financial counseling. A financial advisor does not have to be an expert in every area, but should know when they are in an area where more expertise is needed, and have the ability to work with experts to get you the most accurate information.

The advisor you and your senior choose should have integrity, a commitment to ethical behavior and high professional standards. You want an advisor who puts your needs and interests first.

It's Personal

Working with a financial advisor is a very personal relationship. Communication, rapport and trust are keys to success for your family member, and for you if you will also be interacting with the advisor. Choose someone with whom you and your relative feel comfortable. Your advisor can serve you better if you and your loved one are honest about your financial situation and goals. If the relationship is uncomfortable, you may not give your advisor enough information to properly advise the both of you.

Your comfort level with an advisor and the communication between your relative and the advisor, may be two different things. Communication is always a two-way street, but it's the advisor's job to facilitate the communication. A good financial advisor should:

- Ask the right questions. For every important answer, there is a correct question to be asked. A good advisor knows how and when to ask the important questions to get the comprehensive information needed.
- Pay attention and act on what your family member says. A financial advisor should always listen, respect the level of comfort with risks and tailor their recommendations to suit you and your family.
- Treat you and your loved one with courtesy and respect. If you feel as though you and your family are not being treated with courtesy and respect, find someone else.
- Explain things until you and your family understands them. A good financial advisor will provide you with all of the information needed to make an informed decision.

When interviewing potential financial advisors, here is some information to ask for:

Disclosure - The heart of any working relationship with a financial advisor is trust. Trust is built on two factors: the advisor acting in your relative's best interests and full disclosure of his or her background, business practices and other issues. Full disclosure means the advisor is forthright in providing answers about their work experience, compensation, methods of planning and also any disciplinary actions that may have been taken against him. Request a written disclosure document from the advisor. This will either be a Form ADV or an equivalent brochure. This should answer many of your questions. You may want to follow up with a personal interview, which many advisors offer for free.

Basic Questions to Ask When Choosing a Financial Advisor

- Financial designations and/or licenses the advisor holds. The Certified Financial Planner (CFP) designation is a widely accepted mark of education and ethical standards.
- Educational background and work experience.
- Services the advisor provides, areas of specialization, types of clients the advisor serves and any minimum net worth or income requirements.
- The advisor's approach to financial planning, and how your relative's particular needs will be addressed.
- Whether the advisor or others will implement recommendations from the plan.
- Business relationships the advisor has that might present a conflict of interest.
- How the advisor is paid for services and the typical charges.

A face-to-face interview also should give you a personal sense about the advisor. Does the person seem forthright in their answers? Do you have a sense of trust and rapport? Is the person focused on your needs, or does he/she seem to be mostly concerned with selling products?

Questions to Ask Before You Choose a Funding Source

1. Does this funding source fit my needs, within my means?
2. Was this provider able to answer my questions fully and competently?
3. Have I addressed any and all of my concerns with an outside third party?
4. Do I have an advocate within this organization to contact as questions arise?
5. Have I done my due diligence with this organization?

Resources

Other Resources for Aging Adults and Their Loved Ones:

Home Instead

HomeInstead.com

AARP

aarp.org

Alzheimer's Support

HelpforAlzheimersFamilies.com

ConfidencetoCare.com

Caregiverlist

caregiverlist.com

Federal Trade Commission

ftc.gov

Help Guide

helpguide.org

U.S Department of Housing and Urban Development

hud.gov

Medicare Website

medicare.gov

National Academy of Elder Law Attorneys

naela.org

National Senior Citizens Law Center

nsclc.org

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