

Financing Assisted Living

“I don’t know if mom can afford assisted living, and I don’t want her to have to go to a nursing home.”



Know your options

- Savings
- Sale of Home
- Tax Deductions
- Veteran’s Aid & Attendance Benefit
- Life Settlement
- Long-Term Care Insurance
- Medicaid
- Reverse Mortgage
- Bridge Loans

The information provided herein is not intended to be used as legal, health, or financial advice. This document is for informational purposes only. For expert advice, consult an Elder Law Attorney, Tax Advisor, or other expert professional.

DID YOU KNOW?

A Living Will is a directive to physicians regarding life-sustaining treatment, but it doesn’t appoint someone to review medical records and communicate your wishes about end-of-life care to medical staff.

A Durable Power of Attorney (POA) for Health Care expires after 7 years

CURRENT FORMS

An Advance Directive for Health Care and a POLST (Physician’s Orders for Life-Sustaining Treatment) are the most current forms used in healthcare today.

Advance Directives combine the information provided in both Living Wills and Durable POAs as well as allow you to appoint a representative for your health care decisions should you ever be incapacitated.

In 2007, about 52 million Americans provided care to a family member at some time during the year. According to a recent study published by the AARP, the average direct out-of-pocket expense for family caregivers to persons age 50 or over reported was \$5,531 in 2007. Long-distance caregivers spent about \$8,728 during the year. But, that’s not all.

The estimated cost of family caregiving in 2007 reached \$375 billion based on 34 million (based on caregivers providing care at any given time during the year) caregivers age 18 or older providing an average of 21 hours of care per week. The average value of each hour is \$10.10. This accounts for more than what the entire Medicaid system paid for caregiving at \$350 billion in 2006.

Not only are there time and out-of-pocket expenses, there are also expenses in lost wages due to reducing hours or quitting work to care for a loved one; reduction in retirement savings; consequences in Social Security benefits for caregivers; and the fact that 37% of family caregivers reported quitting or reducing work hours to care for a relative. (Source: AARP, Valuing the Invaluable: The Economic Value of Family Caregiving, 2008 Update).



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Where do I start?

- **Selling Your Home:** Although selling your home may seem impossible in a down housing market, you might consider services to help you sell faster (such as home-stagers and handyman services) to get your home looking its best. Consult your realtor to get advice on what impact these services may have in getting your home sold quicker and for the price you want.
- **Tax Deductions:** Taxpayers paying for medical expenses for themselves, a spouse, or dependent may deduct expenses exceeding 7.5% of their adjusted gross income. Qualifying medical expenses may include a nursing home; home for the aged; and long-term care services, including meals and lodging, when the services are for medical care. Consult your tax advisor for details.
- **Reverse Mortgages:** A reverse mortgage is a loan against your home that you do not pay back for as long as you live there. You would be best advised to consult a financial advisor on a reverse mortgage because they can be costly if you plan on moving or selling your home within a couple years of starting a reverse mortgage. Visit www.aarp.org for more information.
- **Long-Term Care Insurance:** If you have long-term care insurance, ask your insurance agent the specifics of assisted living coverage. Typically, long-term care insurance covers the cost of the following:
 - Hired help to care for you in your own home with daily tasks such as bathing, dressing, eating, cooking, and cleaning
 - Community programs such as adult day care
 - Assisted living services provided in a residential setting outside of your home.

- Visiting nurses such as Home Health
- Care in a nursing home

For more information on long-term care insurance, visit www.aarp.org or contact your insurance agent.

- **Medicaid:** Medicaid benefits as they pertain to assisted living are specific to the state in which you live. States that include assistive services in their benefits have requirements that must be met in order to qualify such as level of disability; level of income; and level of current assets. For more information on your specific state requirements, go to www.cms.hhs.gov/home/medicaid.asp (The Center for Medicare and Medicaid Services).
- **Veteran's Aid and Attendance Benefit:** "Aid and Attendance" is a "pension benefit" for veterans and/or their surviving spouses who require the regular attendance of another person to assist with activities of daily living to receive additional monetary benefits. Benefits also cover assisted living communities; those who are blind; and those in nursing homes because of mental or physical incapacity. If you do not qualify for Aid and Attendance, you may want to check to see if you qualify for either the Basic or Housebound tiers of the VA benefits. For more information visit: www.VeteranAid.org or www.VetAssist.org. VetAssist.org is sponsored by the American Veterans Institute and will assist you in filing for the A&A Pension Benefit free of charge.
- **Life Settlements with Life Care Funding Group:** A Life Settlement is the liquidation of an in-force life insurance policy, while the policyholder is still alive, for an amount greater than the cash value. The process takes between 30-60 days to complete. It is the sale of an asset through a competitive bidding process, providing the policy owner with a lump sum payment that is greater than the cash value of the policy. If your policy is active or has lapsed within the last 24 months, this may be an option for you.

Ridgeline Management Offers Special Financing Partnerships!

We, at Ridgeline Management communities, understand the need for options in these difficult economic times. That is why we have partnered with Life Care Funding Group to be able to offer you more!

Only communities that have partnered with this financial institution may offer you these services.

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For more information, speak to your Ridgeline community representative.



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