



SENIOR LIVING COMMUNITIES:
what you need to know about levels
of care and payment options

Senior Living Communities:

What you need to know about levels of care and payment options.

The Decision

Considering a move for yourself or a loved one into a senior living community can come with a lot of conflicting emotions - uncertainty, confusion, excitement, relief, sadness and/or stress. There is a lot to learn and understand about the differences in care levels and payment options. Many questions that should be asked before any decisions are made.

Levels of Care

Understanding what level of care you or a loved one needs can be confusing if you haven't explored it before. Levels of care available in many senior communities include:

- Independent Living
- Assisted Living
- Memory Care
- Skilled Nursing Care
- Nursing Care/Long-Term Care



Older adults who report the highest levels of well-being and happiness are those who socialize, work or volunteer and exercise¹.

Each level provides different care services (from very few to 24/7 assistance) and costs. Which level you choose or is recommended to you depends on individual assistance needs. Additionally, payment options and resources vary between levels, depending on income, physical/mental well-being, veteran status and the availability of government assistance.

Independent Living

Independent living accommodations are similar to living in your own home (house, apartment, condominium or townhouse) but may also include some maintenance and in-home services/assistance, as needed. Independent living is suitable for adults over the age of 65 who are still active and mostly self-sufficient but may need minor assistance from a program or periodic visits from an outside health care provider. Typically, independent living communities provide social activities for residents to enjoy together and/or transportation to activities outside of the senior community. Each community is different, so it's important to ask questions when touring and research what amenities are available at different locations.

Assisted Living

Adults who live in assisted living communities typically require some level of daily assistance for things such as:

- Medication management
- Personal care, such as bathing or dressing
- Housekeeping services
- Food preparation and/or grocery shopping
- Transportation to medical appointments
- Memory support services

Assisted living provides residents with a level of independence with the added security of assistance available as needed. Residents do not require 24-hour nursing care for long periods of time.

Memory Care/Memory Support

If a resident has a diagnosis of Alzheimer's disease, dementia or other cognitive impairment, it is important to seek a senior living facility that provides special services for memory support. Continuum of care providers often offer these services for assisted living and nursing care levels.

Memory care programs provide special accommodations for individuals with cognitive challenges, including specifically designated memory care floors or wings with security to keep residents from wandering and getting lost, programs and activities to keep individuals active and engaged, and caregivers with expertise in memory care.

Skilled Nursing

Skilled nursing care is typically either short-term (rehabilitation) or long-term (nursing home) for individuals who need 24/7 nurse care and assistance with many activities of daily living. Skilled nursing is provided by licensed nursing personnel and is available in hospitals and licensed facilities. Short-term skilled nursing residents require specific rehabilitation for certain treatments or following hospitalization in order to return to their prior lifestyle or move to a more appropriate level of care. Long-term skilled nursing residents require daily, on-going assistance for optimal living.

Services provided in skilled nursing may include:

- Physical therapy
- Occupational therapy
- Speech therapy

Nursing/Long-Term Care

Nursing care, also known as long-term care and "nursing homes", is a licensed facility for senior adults who require 24/7 nursing or health care. Individuals living in a nursing care facility need significant assistance with many daily living activities that family members or other care givers aren't able to provide. Nursing care offers medical staff around-the-clock and close supervision of residents' health. Many nursing care facilities also provide memory care at this level.

Age-In-Place Retirement Communities

Continuum of care communities can be beneficial for individuals who want to plan for the entirety of their future to ensure they are choosing a community they can age within. Continuum of care, or age-in-place, communities include several care levels, including independent living, assisted living, skilled nursing and long-term living, all at one location. This can provide a sense of stability for individuals. Couples may benefit from continuums of care to ensure they can stay on the same property regardless of different care needs as they age.

When researching communities that provide age-in-place options, it is important to discuss what types of contracts they offer or require. The contracts may determine payment structures, including enrollment fees, services included and any additional fees.



Having healthy social relationships is a significantly higher predictor of longevity and is associated with reduced rates of depression and better cognitive health¹.

Things to Consider When Choosing a Senior Community*

LOCATION

- Will friends and family be nearby?
- Is a hospital nearby?
- How far is the community from your/your loved one's doctors?
- Does it have local amenities such as convenient public transit, grocery stores and other shopping and services, like a dry cleaner?

STAFF

- What are the staff's credentials?
- Do they act in a professional manner and seem eager to help?
- What is the staff-to-resident ratio?

HOUSING

- What floor plans and options are available?
- Are independent living residences equipped with dishwashers and/or other appliances?
- Do they have safety features such as non-slip floors and grip bars?
- Is outdoor space available for you/your loved one to enjoy?
- Are the facility's common areas well maintained?
- Are private rooms with baths available in the assisted living and nursing facilities?
- Where are emergency exits, sprinklers and other security and safety measures?

RESIDENTS

- Talk to people who live in the community – do they like where they live, the services and care?
- Does staff seem attentive to their needs without being too intrusive?
- Is the community worth the cost?

MEALS

- What meal options are offered?
- How many entrée choices are available?
- Are special diets accommodated?
- What meals have residents been offered in the past month? Ask for menus to make sure of some variety.

HEALTH CARE

- What is available with each level of care, and what is included in the entrance and/or monthly fees?
- Is specialized care for dementia and/or other health conditions available?
- Is a pharmacy on-site, and does qualified staff monitor medication?

PERSONAL SERVICES

- If visiting a continuum of care, can residents in independent living get help with everyday activities, or are those services available only to assisted living and nursing home residents?
- Is housekeeping, laundry or linen services offered? Do they require extra fees to be paid?
- Is a hair/beauty salon on site?
- What transportation services are available?
- Can residents hire outside help or must they use services provided by the community?

SOCIAL ACTIVITIES/RECREATION

- What kind of social events are planned? Check for weekly or monthly schedules of activities.
- Is a common area for residents available? Does it offer recreational activities such as access to television or movies, cards and games?

- Are off-site trips part of the amenities?
- Do they offer exercise facilities and fitness classes?
- Are there opportunities for worship?
- Is there space available for family gatherings?

Medicare also recommends checking the inspection report for the nursing home component of a continuing care community, which should be posted in the facility.

*Based on information provided by AARP aarp.org

What's Included in Senior Living Costs

The cost of senior living may seem daunting at first, but it's important to consider what you pay for in your own home compared to what is included in the cost for a senior living community. Things like utilities, meals and housekeeping may be included. Additionally, each individual requires different, unique services. Some may need many services, and some may not.

Let's break down the options and ranges of costs. (These are meant to be examples and will vary depending on senior living program.)

INDEPENDENT LIVING – Independent living average costs probably vary the most because there are a wide range of options, and there may be added services available, depending on need. Independent living can be available as stand-alone houses/townhouses or apartment communities. Some communities offer services such as transportation, housekeeping, laundry or other special services. Cost can be as low as you'd find in typical apartment living for your area.

ASSISTED LIVING – Typically, monthly costs for assisted living include the base rental fee and additional services, such as meals, medication assistance, housekeeping, laundry and/or personal care. This definitely varies depending on community, so it is important to ask what services are included or what may incur additional fees.

SKILLED NURSING/LONG-TERM NURSING CARE – It's important to remember that a resident staying in a skilled nursing facility can be there for short-term rehab or long-term nursing.

REHAB is usually a relatively short stay. Whether it's physical therapy after a surgery and hospital stay, or physical and occupational therapy after an illness or injury, patients are usually referred from another living area or facility, such as assisted living, or from a hospital or physician. Stays for rehabilitation are usually covered by Medicare or private insurance.

LONG-TERM NURSING is for resident who live with a chronic or advanced illness that needs 24/7 supervision and assistance. Nursing home costs usually include all services, such as room, meals, transportation, activities, laundry and personal care.



Older adults who are physically active have lower rates of coronary heart disease, high blood pressure, stroke and some cancers, as well as higher levels of functional and cognitive health¹.

Ways to Pay for Senior Living

While there are many things to consider when contemplating a move to a senior living community, one of the biggest is how to pay for it. There are several options to pay for senior living, and what resources may be available for those who qualify, to assist with the cost of assisted living or long-term care.

We've listed some of the most common ways to pay for senior living communities and resources to find

more information about each. This is not a complete list, so you may also consider consulting long-term care experts, your financial planner and/or websites, such as [LongTermCare.gov](https://www.LongTermCare.gov).

Private Pay Options

Private pay means that an individual pays from their own funds, such as personal savings, a pension or other retirement fund, income from investments, long-term insurance, or the proceeds from selling their home(s). Private pay may also include contributions from family members or friends. Long-term or nursing care residents often begin paying from private resources, but may also need to apply for assistance when their own funding sources are depleted.

LONG-TERM CARE INSURANCE

Long-term care insurance is most often purchased by people in their 50s or 60s (you will not qualify by the time you need it.) Long-term care insurance policies vary on the type of coverage provided, including nursing-home only coverage or policies that include home care and facility care. Policies can also help cover the costs associated with chronic medical conditions and/or a disability or disorders such as dementia or Alzheimer's disease. Most policies provide coverage for care in:

- Your home
- A nursing home
- An assisted living facility
- An adult day care center

To learn more about long-term care insurance, contact your insurance agent.

LIFE INSURANCE POLICIES FOR LONG-TERM CARE

Some life insurance policies provide long-term care coverage. "Accelerated death benefits" offer tax-free advances while an individual is still alive. These advances are subtracted from the amounts beneficiaries would receive. Accelerated death benefits are available if an individual permanently lives in a nursing home, needs long-term care for an extended time, is terminally ill or has a terminal diagnosis. Check with your life insurance provider for details and opportunities available for long-term care.

REVERSE MORTGAGES

A reverse mortgage allows homeowners to convert some of the home equity into cash without having to sell the home or pay additional monthly bills. It's important to note that reverse mortgages can use up the equity in a home, which leaves fewer assets for you or your beneficiaries. A reverse mortgage provides a loan which is borrowed against the home's equity. The money received is typically not taxable and won't affect Social Security or Medicare benefits. When the last surviving homeowner sells the home, moves out of the home permanently or dies, the loan has to be repaid. To qualify for a reverse mortgage, you must be 62 years or older and the home must be your primary residence. To learn more about reverse mortgage options, contact a trusted banker.

ANNUITIES

There are two types of annuities that may help with long-term care payment: immediate annuity and deferred long-term care annuity. Annuity contracts are provided through insurance companies and are a series of payments over a specified period of time.

Immediate long-term care annuities are available regardless of health status and converts a single premi-

um payment into a monthly income stream for a certain period of time. Monthly income payments depend on the initial premium payment, age and gender.

Deferred long-term care annuities are available for people up to age 85. It is similar to the immediate long-term care annuity in that you receive monthly income based on an initial premium payment. However, the deferred annuity creates two funds – one for long-term care expenses and the other for personal use as you please. The long-term fund may be accessed immediately, but the cash fund can't be accessed until a certain date.

More information on annuities can be found at LongTermCare.gov.

Government Programs

Federal and state-sponsored health programs may be available people who qualify. Each program is different and offers various coverage.

MEDICARE

Medicare is a federal health insurance program for people age 65 or older, or for some who are younger with special circumstances. Medicare Part A, B and D cover different services. Medicare Part B can cover short-term stays in Skilled Nursing facilities for things like rehabilitation after surgeries or hospital stays. Medicare will pay for a maximum of 100 days, but the average stay is around 22 days. To learn more about Medicare, visit medicare.gov or call 1-800-633-4227.

MEDICAID

Medicaid is a combination federal and state program that provides healthcare coverage and some types of long-term care for those who qualify, including low-income families and individuals. Coverage varies from state to state. Other federal programs like the Older American Act and Department of Veterans Affairs (see below) will pay for long-term care services, but they are limited to certain populations and circumstances. To learn more about Medicaid, visit Medicaid.gov or call 1-877-267-2323.

VETERANS BENEFITS

Some veterans may be eligible for long-term or at-home care assistance from the U.S. Department of Veterans Affairs (VA). To learn more or check for eligibility, contact the closest VA medical center or visit va.gov/health

SOCIAL SECURITY DISABILITY INCOME (SSDI)

- SSDI may be available for people younger than 65 years who are disabled. The person must be able to prove that:
- They are unable to work.
- Their condition will last at least a year.
- Their condition is expected to result in death.
- Social Security also has “compassionate allowances” for individuals with Alzheimer’s disease or other dementias and other serious medical conditions. To learn more about SSDI, visit ssa.gov or call 1-800-772-1213.

Everyone’s personal and financial circumstances are different, and special payment options may be available depending on specific situations. Research is important, and consulting with experts in long-term care or financial advisors can be very helpful.

SENIOR LIVING COMMUNITIES

PROS	CONS

MY NOTES