



# How to Afford Private Pay Homecare

## When It Seems Out of Reach

Homecare is the fastest growing segment of the health care industry. Since Medicaid and Medicare typically don't pay for long term care, the burden of payment becomes that of the individual or their extended family. How do the elderly afford quality homecare for themselves? There are several possible ways to afford private pay homecare, even when the costs seem out of reach.

1. **Consider utilizing a caregiver registry.** With this type of service, the consumer gets the benefits of hiring a caregiver privately, thus saving them a considerable amount of money and giving them more control over the work that is done. They also get the benefit of an agency who does the recruiting, screening and is there for continuous follow-up support if there is a problem or a replacement is necessary. The agency takes a very small percentage of the total fee, allowing the caregiver to earn the bulk of the money. Because the caregivers are able to earn more this way than through a traditional agency, registries tend to attract a higher caliber of worker while allowing the families to pay less. It is a win-win situation for everyone.
2. **Check disease specific Services.** Most major diseases such as Alzheimer's, MS, and Cancer offer programs to assist individuals with that particular illness. Check with your local agency supporting your illness for local community resources. Additionally, many religious organizations have some funds available for its members.
3. **Look for insurance policies.** Statistics show that the majority of people are going to need some type of long term care in their lifetime. For those who don't have the savings available to pay for private pay home care, Long Term Care (LTC) Insurance is an option. Many insurance companies have brokers that specialize in this type of insurance. Make sure your LTC policy allows for substantial home care benefits since that is where most people prefer to remain. It is typically cost prohibitive to purchase insurance one a senior is at the stage that they need it, however, many times a senior has already purchased the insurance without their family being aware of it. Be sure to check for all insurance policies, pensions and any other program that the senior may have signed up for, either through their work or privately.

4. **The Veterans Administration** has established a pension program whereby the purchase of personal care and attendant home services are paid for through a Veteran's acquired pension title VA Aid and Attendance Pension Benefit. This plan helps senior veterans afford private pay home care. Individuals must have a qualifying medical condition that requires them to need the daily assistance of others for activities of daily living (ADL's). In addition, to qualify, the veteran must:

- Have received an honorable or general discharge
- Have doctor's orders stating they need the aide and assistance of others daily
- Meet financial requirements
- Have served 1 day during an active war and had no less than 90 days of service

The surviving spouse of a veteran may also qualify providing they were still married to the veteran when they passed. This veteran benefit process can take 4-6 months to process but all benefits are retro-dated back to the originally filing date. Since this process can be lengthy and confusing, the free assistance of an Elder Law Attorney is recommended.

5. **Your local county Office on Aging** is an excellent resource that can assist you with finding information on available funds through your county and state programs. The information they provide is available to the public and free of charge.
6. **Consider a Live-In.** If you need more than 8-10 hours of care each day, consider using a live-in. This is an extremely affordable way to have someone in your home 24 hours per day and is often a much preferred alternative to nursing homes and assisted living facilities.
7. **Home Equity Conversion Mortgage (HECM)**, formerly known as reverse mortgage is a loan you take on the equity you have accrued in your house. This option allows you the funds needed for homecare in order to remain in the comfort of your own home environment. It is not an equity loan that has to be paid back. This is beneficial in that you don't cause further financial difficulties by acquiring an additional mortgage payment. The lender recovers repayment on the loan from the proceeds of the sale of the property. Your heirs are not responsible for repayment of the loan. You can continue to own your own home and afford the care you require. This can be an excellent program of last resort, but the costs can be high, so make sure to check that out the costs prior to closing.

Institutionalized care such as nursing homes and hospitals has risen in cost to the point that has led many people to seek alternative care. Resources are available to offset the cost of private pay homecare. Asking your local agencies and seeking all options is the first step to making homecare affordable when it seems out of reach.

For more information about any of the topics discussed in this report or you wish to order services, please contact us and one of our friendly advisors will be happy to assist