



# Paying for Assisted Living

EVERYTHING YOU NEED TO KNOW ABOUT HOW THE INDUSTRY WORKS



**SENIOR LIVING  
RESIDENCES**

The Right Values



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# About this publication

*This e-book was created to help the average consumer better understand the structure and terminology of the assisted living industry. We understand that families researching senior living options are often under pressure and time constraints, and it can be difficult to weigh the value of one program or community over another under those conditions. It is our goal to arm our readers with clear and useful information that can aid in making an appropriate, educated decision that will ultimately improve quality of life for themselves or their loved ones.*

*This book was created by Senior Living Residences as part of a commitment to educating seniors and their families on all things related to senior care. For over 25 years, Senior Living Residences has been at the forefront of providing seniors across Massachusetts with state-of-the-art assisted living options, including research-based Alzheimer's treatment programming. Senior Living Residences believes that with expertise comes a responsibility to share knowledge and useful resources. For more on senior-related issues and information, visit their award-winning website, [SeniorLivingResidences.com](http://SeniorLivingResidences.com) or their blog, [AgeRight.org](http://AgeRight.org).*



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# A Brief Introduction to Assisted Living

**One of the most commonly asked questions in the senior care industry is “What is assisted living, and how does it differ from a nursing home?”**

In general, assisted living refers to a residential community where seniors have their own apartment with access to programs and amenities aimed at keeping seniors social and independent for as long as possible. Residents decorate their new home however they want. This is very different from the hospital-like setting found at a nursing home.

Assisted living communities are for seniors who can no longer thrive living alone but do not require the skilled nursing services provided in a nursing home. Seniors who move to assisted living may need assistance with managing their medications, getting in and out of bed or getting showered and dressed. They may also be looking for nutritious meals or social activities and neighbors to combat the isolation they were experiencing prior to a move.

Assisted living allows seniors to age in place, offering a range of care and programming options often including Memory Care. Seniors always have the choice of bringing in skilled nursing services should they need it.

Depending on which state you are living in, the community may offer some medical services (see page 10).

Families considering assisted living are often also considering home care services as well. When completing a cost analysis, it's easy to forget about the social benefits an assisted living community can offer, such as clubs, entertainment and group activities, transportation to medical appointments, local events and shopping areas, and therapeutic programming aimed at slowing cognitive decline. See page 17 for an easy-to-use worksheet that helps you more accurately compare services.



# Understanding the Costs of Assisted Living

## **The cost of assisted living can vary widely...**

but is, at the core, based upon the type and features of the apartment and the amount of services needed by a specific resident.

Monthly fees cover rent, utilities, dining service, housekeeping, personal care and various other services and amenities. There may be additional charges for guest meals, room service, special recreational events, transportation, personal laundry, and advanced personal care.

It can be hard to compare apples to apples because assisted living communities charge differently for personal care and ancillary services. For example, some residences charge a basic monthly fee that includes some personal care services, while others charge separately for all services on an “à la carte” basis.

These next few pages will answer commonly asked questions about paying for assisted living. Hopefully, it will leave you armed and ready to make an informed decision that’s best for you and your loved one.



## **ASK THE RIGHT QUESTIONS ON YOUR ASSISTED LIVING TOUR**

### **WHAT IS INCLUDED?**

Ask about service plans and pricing structures to find out what exactly would be included in the monthly rental fee.

### **ARE THERE UPFRONT FEES?**

Ask about whether there would be a buy-in cost or an entrance, administrative, health assessment or community fee required upon signing on.

### **WHAT’S NOT INCLUDED?**

Ask for a full disclosure of ancillary costs, including how and when costs may be increased.



# What is Typically Included in the Monthly Fee?

YOU MIGHT BE SURPRISED HOW MUCH IS COVERED

In most assisted living communities the basic monthly fee covers most of what is necessary to live comfortably, including an apartment, two to three meals per day, utilities (heat, air-conditioning, electricity), maintenance, weekly housekeeping and laundry of bed linens. Also included would be 24-hour staffing and all of the community's organized programs for social, fitness, cultural and educational pursuits.

Help with personal care needs such as bathing, dressing and grooming, as well as medication

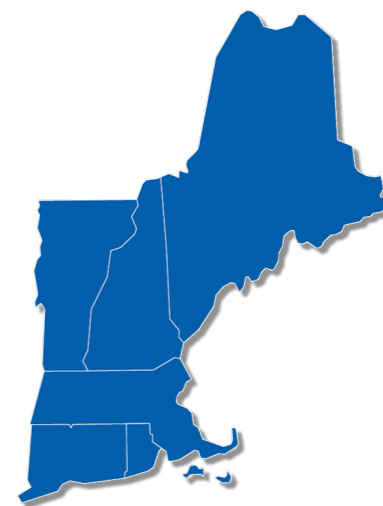
assistance, will be available but may or may not be included in the basic fee. If it is not, it will be available as an extra fee, either in a package or on an hourly basis.

Transportation to medical appointments and recreational trips, personal laundry service, beauty salon services, and escorts and reminders for meals and activities may also be available at the community. These services may be covered in the monthly fee or they may incur extra charges.

## HOW MUCH DOES ASSISTED LIVING COST?

In New England, consumers can generally expect to pay \$4,000 to \$7,500 per month for “traditional” assisted living.

Alzheimer's and dementia care is more expensive, with a typical range of \$6,000 to \$9,500 per month.



# What services would incur an extra

WHEN IT COMES TO YOUR MONTHLY BILL, NO ONE LIKES SURPRISES...

Residents usually pay direct for cable, internet and phone service for their apartment, although free Wi-Fi throughout the building is becoming more common. Residents pay for personal toiletries, health and beauty products, hairdressing, clothing, incontinence care supplies, and dry cleaning. They may pay an extra fee for the assisted living community to do their personal laundry.

In Massachusetts, assisted living is a social model and not a medical model of senior living, all medical care and medication costs are handled separately by the resident. And while medication management and incontinence care are available, they are often not included in the basic fee.

In New Hampshire, however, some medical services are allowed and are often built into care packages. In contrast to Massachusetts or Vermont, assisted living residences in New Hampshire can be either a social model or a medical model of senior living. In Residential Care Homes, most medical costs are handled separately by the resident, but in *Supported* Residential Care Homes, skilled nursing and rehabilitative services are offered. Each state has its own rules and regulations. If you are unsure if a specific service is available, always ask.



## Is the monthly fee a set rate?

WHAT CHANGES SHOULD I EXPECT IN MY BILL MONTH TO MONTH?

Most assisted living communities have a year-long lease that residents sign, just like renting an apartment. The base monthly fee will be a set amount outlined in the lease, but the total monthly cost **depends on the fee system** used to calculate personal care. Be sure to ask how a community structures their pricing and exactly what services are included in each level of care. Also, ask when you can expect the cost of care to increase.

Keep in mind that most assisted living communities will increase their fees every year on average by 4 to 5%. Ask what their increases have been for the last few years to get a good indication what to expect when your one-year lease is up for renewal.



# Will there be any upfront fees?

## HOW MUCH DO YOU NEED IN ORDER TO MOVE IN?

Residents are often charged a *community fee* or *assessment fee* prior to moving into an assisted living community. This fee, roughly equal to one half to two month's rent, covers the cost of a healthcare or wellness assessment, the development of a service plan, staff help with settling in, and preparation of the apartment (*painting or other upgrades may be included or an extra charge, be sure to ask*). You may also be asked to pay first and last month's rent

and sometimes a security deposit.

Large upfront fees of \$100,000 or more, sometimes called *endowments* or *buy-ins*, are not common in New England, unless the community is located within a *Continuing Care Retirement Community (CCRC)*. Large property purchases would also be more typical of independent living settings, such as retirement homes featuring condos or townhouses with shared amenities.

helpful  
hints

## WHAT IS A "CCRC"?

A Continuing Care Retirement Community (CCRC), offers Independent Living homes, assisted living apartments, a Nursing Home and/or skilled nursing services, and a variety of amenities such as a gym, pool and/or outdoor recreation all on one campus. Seniors will move into an independent senior apartment or townhouse when they are healthy and are able to age-in-place, knowing as their needs increase they will receive additional support.

CCRCs can be quite costly. Residents pay a monthly fee for care and/or services on top of a large entrance or endowment fee or real estate "buy-in" purchase. Families run the risk of losing this investment if the community goes bankrupt. Also, when a component of the CCRC is at capacity, such as their assisted living or nursing home being full, you may have to go somewhere else or bring in your own outside service.

Most traditional assisted living communities in New England are monthly rentals and do not involve large upfront fees or a real estate purchase.

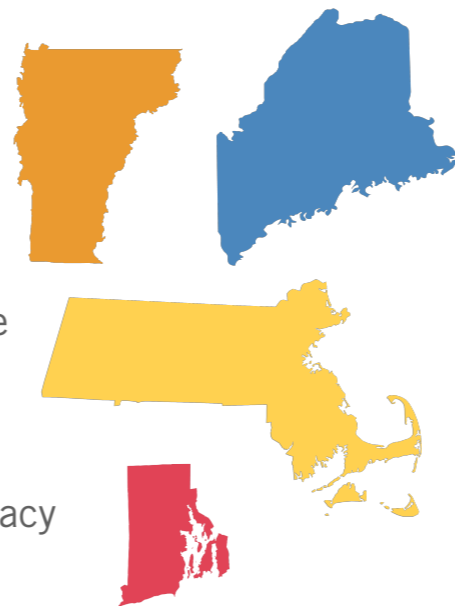
# Are Medical Services Included?

THAT DEPENDS ON STATE REGULATIONS

For most of New England, assisted living is organized as a social model, not a medical one. This means that if a senior requires skilled nursing services, they must bring them in through a home health agency and pay for the additional care costs, or move to a skilled nursing facility.

In most of New England, assisted living communities cannot directly provide any medical or 24-hour skilled nursing services. However, a resident may bring in any services privately just as they could in their own home, such as hospice or a visiting nurse to provide assistance with skilled care. Assisted living communities can recommend local medical professionals and licensed home health care agencies who can provide care conveniently onsite, including VNAs, OT, PT and speech therapists, podiatrists, geriatricians, dentists and audiologists.

Payment for any of these medical services and any prescription medications will continue to be covered by your loved one's health insurance. Also, residents continue to pay for their own doctor visits, other medical appointments and hospital visits through their health insurance. The community may recommend a local pharmacy as part of a medication management program.



## New Hampshire



New Hampshire offers two distinct types of assisted living residences:

- **Residential Care**

**Homes** are similar to other state's assisted living model and have similar services, fees and cost structures;

- **Supported Residential Care Homes**, by contrast, can offer skilled nursing and/or rehabilitative care and are consequently more expensive.

## Connecticut

Though uncommon, the DPH allows Assisted Living Service Agencies (ALSAs) to provide some skilled nursing (i.e. insulin injections).





# Why do costs vary between communities and companies?

## YOUR CHOICE OF LOCATION, AMENITIES & SERVICES

Costs may vary by the amount and kind of personal care assistance included in the service package. You may be quoted a price based on your loved one needing no care, a small amount of daily care or a large amount of care. Some pricing structures are calculated based either on accumulated **‘points’ per care task** or on the actual **number of minutes** that care was provided, making it so that initial quotes do not reflect the true costs that your Mom or Dad will actually incur.

In these structures, if your loved one needs more care than the allotted time you are paying for, your cost for care will increase. When care options are based on defined services instead of time spent, such as in a **personalized care package**, or an **all-inclusive care package**, the costs are generally consistent month to month.

The size, location and special features of the apartment can also affect the monthly costs.

Accommodations can range from a shared bedroom to a two-bedroom apartment. Some communities charge more for apartments that are considered “prime” for characteristics such as proximity to an elevator, great views, extra closets or oversized windows.

Geography impacts price as well. Land, real estate taxes, insurance, construction costs and labor all vary geographically and they affect the cost of developing and running an assisted living community. For example, Massachusetts is more expensive than Florida. Even within the same state assisted living communities in wealthier towns will cost more than in other towns and cities.

The company that owns or manages the community can also affect pricing. Some companies charge more than others, perhaps because they need to maximize profits for stockholders or they have a large corporate headquarters with more overhead.

# Understanding Pricing Structure

## ALL-INCLUSIVE CARE PRICING

**All-Inclusive Care Pricing** means that there is one monthly cost that covers most care services and amenities, with minor (but possible) ancillary charges.

There is one total monthly fee for housing, meals, activities, housekeeping, laundry, transportation and personal care assistance with dressing, bathing and other activities of daily living. With all-inclusive fees, charges for additional care should be rare and limited.

Even with all-inclusive care pricing, very often medication management and incontinence help are not included. Some other services that may incur an extra fee are transportation to medical appointments as well as personal laundry service.

Although all-inclusive is a simple fee structure, under this system a resident who is very independent but enjoys the community's

social and dining services will pay the same monthly fee as a resident who requires daily assistance with bathing, dressing and reminders and escorts to programs and activities.

Most families would prefer a community that structures their care packages and fees based on the individual needs of each resident. Be prepared to ask exactly what services and amenities are actually included.

## PERSONALIZED CARE PACKAGE

**The monthly cost for Personalized Care Packages is based on the specific personal care and other services required by each individual resident.**

With Personalized Care Package pricing, typically one basic fixed fee covers housing, meals, laundry, housekeeping and activities, but personal care services are defined by the individual needs of each resident. The care package is determined prior to move-in, through a wellness assessment, and will take into consideration the personal needs of the resident such as whether they require regular assistance with bathing and dressing, help with managing their medications or specialized programming for various stages of cognitive decline. Residents can access higher levels of care packages as their needs evolve over time.

Having personalized care options is the clearest way for families to know their loved one is receiving care that best fits their needs and lifestyle. Families are consulted regularly, and therefore surprises over monthly bills are minimal should a loved one require additional care.

It is important to note that some communities provide residents with all of the daily services outlined in their Personalized Care Package without tracking scheduled or unscheduled services or assistance to the minute. This offers an advantage over those communities that charge residents based upon actual minutes or hours needed to provide services.

## MINUTE-BY-MINUTE TIERED PRICING

**A minute-by-minute tiered pricing structure means that families are paying for how much care their loved one receives, measured by amount of time and number of caregivers.**

The tiered pricing system is similar to the Personal Care Packages model in the sense that costs depend on the needs of each resident. However, these tiered models include a time or “points” component that defines the price of the package by the specific time spent (minutes or hours per day) as well as the number of caregivers helping the resident. Residents move through the tiers according to the policies and staff of the specific community, and therefore the price can fluctuate greatly month to month.

If you are considering a move to an assisted living community with a tiered pricing structure, be sure to ask a lot of questions about what exactly is covered within the tiers and try to make a realistic assumption about which tier your loved one should be placed in immediately upon move-in. Ask what the staff thinks may happen over the course of the first year, so that your budgeting isn’t off kilter. Also, ask what happens to your loved one when they max out the time allotted within their tier.

## À LA CARTE CARE PRICING

**À la carte pricing allows families to select which services are necessary for their loved one and then pay a fee based on that selection.**

À la carte charges may be tracked by the specific service, such as a shower assist, or by time. Time is usually measured in quarter hours. Therefore, a two-minute cue can cost one-quarter hour. As you can imagine, it takes a lot of time and effort for an assisted living residence to operate a complex à la carte fee system. À la carte pricing in assisted living doesn’t allow for predictable budgeting. Each month brings a bill that can be surprising and potentially lead to disputes between residents and their families with the assisted living community. What do you do when your Mom, whose memory is not great, says that she didn’t have a shower on Tuesday? Since each community is unique, if you are looking into one that operates à la carte, be sure to ask how they structure their fees.

# Choosing Between Assisted Living & Home Care

Living in an assisted living community, with overnight awake staff and services available 24 hours a day, is much less expensive than comparable 24-hour home health care live-in services. In fact, the average monthly cost of an assisted living community in Massachusetts is similar to what a home health care agency charges monthly, on average, for just six hours of daily personal care assistance, shopping, meal preparation and other services by a home health aide.

To accurately calculate a comparison of costs between home care and assisted living, you would have to add all monthly living expenses (housing, property taxes, utilities, maintenance, meals, etc.) to the cost of bringing in home care and then compare this total to the monthly fee at an assisted living community. While home



health care does not cover any living expenses, these costs are included at an assisted living community where the personal care you would be bringing in with a home care agency would be available 24 hours a day, along with restaurant-style dining, 24-hour security, housekeeping, laundry services, social, fitness, cultural and educational programs, transportation, and more.

It is also important to carefully weigh the “intangibles” - all the other factors that impact a senior’s lifestyle and well-being.

- ☐ **Will there be enough companionship and social outlets at home?**
- ☐ **Is there an opportunity to enjoy the outdoors?**

- ☐ **Is there ample access to transportation to get out and about?**
- ☐ **What about social groups, exercise classes and entertainment?**

These are some extra benefits available with assisted living that may not be available at home, even with home care. If a senior needs only minimal assistance with some daily activities and some help can be provided by family and friends (maybe meals, laundry, housecleaning and home maintenance), perhaps a couple of hours per day of home health care would be the less expensive option for you. But, again, be sure to consider all of the intangibles to help make the right decision for your loved one.

## HOW MUCH DOES HOME CARE COST IN NEW ENGLAND?

- Home Health Care agencies average \$23-\$28/hour in New England
- Non-certified home care “live-in” caregivers would cost around \$9,000/month plus living expenses
- Certified Home Health Aides (2 or 3 for 24-hour coverage) who are awake at night would cost \$17,000/month (living expenses are extra)
- 6 hours a day of home health care at an average hourly rate of \$25/hour would cost \$4,500/month



# How Do Most People Pay for Assisted Living?

Most people pay for assisted living with current income from social security and pensions coupled with the use of savings, including the proceeds from selling a home. *Long-term care insurance* is more and more widely used to offset the cost of assisted living. Some consumers convert life insurance policies to a loan (*life settlement*), and others have family members who help pay a share of the monthly cost.

*Medicare* and other health insurance plans and health management organizations (HMOs) will not pay for assisted living services. There is, however, a program for veterans that will contribute over \$1,800 a month (and over \$2,100 for couples) called the *Veterans Aid and Attendance Benefit* (see page 22).

Financial assistance programs, including *Medicaid*, may be available for those with limited resources, although not every assisted living community participates in these programs. There are sometimes state programs that can help. For example, in Massachusetts, there are

## Financial Assistance for Seniors

### AID & ATTENDANCE BENEFIT

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The *Veterans Aid and Attendance Benefit* provides assistance to eligible wartime veterans and their surviving spouses to offset some of the monthly expense.

### TAX DEDUCTIONS

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*Tax deductions* may be available to help off-set out-of-pocket costs.

### LIFE SETTLEMENT

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A *life settlement* provides seniors with cash for their life insurance policy. Available for term, universal or whole life policies, life settlements, on average, provide three-to-four times the cash surrender value of a policy.

### LONG-TERM CARE (LTC) INSURANCE

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*LTC Insurance* is accepted at most assisted living communities and can help you avoid the potential depletion of life savings.

## CALCULATING THE VALUE OF ASSISTED LIVING

If you want to compare your senior living options and get at the value of assisted living, find an online expense calculator or use this list to work out the cost of staying at home.

helpful  
hints

- ☐ Mortgage + Property Tax / Rent
- ☐ Utilities (Electric, Gas, Water, Sewer, A/C)
- ☐ Maintenance (Lawn, Trash, Plow, Paint)
- ☐ Interior Maintenance & Home Repairs
- ☐ Housekeeping & Laundry
- ☐ Transportation (Gas, Insurance, Repairs)
- ☐ Groceries & Meal Preparation
- ☐ Caregiving / Personal Care Services
- ☐ Exercise & Wellness Programs
- ☐ Entertainment, Social & Cultural Programs
- ☐ 24-Hour Emergency Call Service
- ☐ 24-Hour Security with Someone Awake
- ☐ Peace of Mind

several programs for low-income seniors, including *Group Adult Foster Care (GAFC)*, *Senior Care Option (SCO)*, and the *Program for All Inclusive Care of the Elderly (PACE)*, as well as Section 8 housing. Recent statistics from the Massachusetts Executive Office of Elder Affairs show that approximately 12% of assisted living residents in Massachusetts are enrolled in these financial assistance programs.

Because the vast majority of residents pay privately and every assisted living community is different, you are encouraged to speak with someone at each community to learn more about the payment options the specific residence accepts.

## 4 Important Facts About Tax Breaks & Assisted Living

SOME OR ALL OF YOUR COSTS MAY BE TAX DEDUCTIBLE

Questions often arise about the cost of assisted living and whether any of those costs are tax deductible. While you should speak with a tax professional for advice specific to your situation, these four basic principles concerning tax deductibility of assisted living expenses can help you navigate through your filing questions:

## #1: Personal Care Services May Be Deductible

According to the 1996 Health Insurance Portability and Accountability Act (HIPAA), “long-term care services” may be tax deductible as an unreimbursed medical expense on Schedule A. Qualified long-term care services have been defined as including the type of daily “personal care services” provided to assisted living residents, such as help with bathing, dressing, continence care, eating and transferring, as well as “maintenance services”, such as meal preparation and household cleaning.

## #2: Assisted Living Services Must Be Medically Necessary

Residents seeking tax deductions for their services must qualify as “chronically ill”. This refers to seniors who need assistance with two or more *activities of daily living* or who need constant supervision because of a cognitive impairment such as Alzheimer’s disease or related dementias.



## #3: You Need A Personal Care Plan

In order to qualify for a deduction, personal care services must be provided pursuant to a plan of care prescribed by a licensed health care practitioner. In assisted living communities, the *service plan* can meet this criteria.

## #4: Deductions Must Be Itemized

In order to take advantage of deductions, a taxpayer must be entitled to itemize his or her deductions. Additionally, long-term care services and other unreimbursed medical expenses must exceed 7.5% of the taxpayer’s adjusted gross income. (Generally, a taxpayer can deduct the medical care expenses of his or her parent if the taxpayer provides more than 50% of the parent’s support costs.)

For some assisted living residents the entire monthly fee might be deductible. For others, just the specific personal care services would qualify for a deduction. Speak with an income tax advisor to get clarification about your personal situation.

**Residents and their adult children should consult a tax advisor with questions concerning your own personal circumstances. Details are available in IRS Publication 502: Medical and Dental Expenses has a complete list of allowable expenses.**

## TAX BENEFITS FOR FAMILIES CARING FOR A LOVED ONE WITH ALZHEIMER'S DISEASE

The tax benefits available from the Internal Revenue Service (IRS) also apply to out-of-pocket medical expenses for families who are caring for a loved one with Alzheimer's disease at home. The person with dementia may be considered your dependent for tax purposes and you may be allowed to itemize his or her medical costs, which are not reimbursed by insurance. If the person with dementia is your dependent under the tax rules, you might also be able to use your own workplace flexible spending account (FSA) to pay for out-of-pocket medical expenses and dependent care expenses with pretax dollars, for a potential savings of about 20 to 30 percent.

### Allowable Itemized Expenses

- Medical fees from doctors, laboratories, home health care and hospitals ("medical fees" may also include assisted living expenses)
- Cost of prescription drugs
- Cost of transportation to receive medical care
- Home modifications costs such as grab bars and handrails
- Personal care items, such as disposable briefs and food

Additionally, if you paid someone to care for the person with dementia so you could work or look for work, you may be able to

claim the "Child and Dependent Care Credit" on your federal income tax return. If eligible, you would be allowed a credit of up to 35 percent of your qualifying expenses, depending upon your adjusted gross income.

There are restrictions and thresholds in place so be sure to consult with a tax advisor and review the two IRS publications mentioned previously.

**Consult IRS Publication 501: Exemptions, Standard Deductions and Filing Information to learn more about claiming the person with dementia as a dependent. Visit [www.irs.gov](http://www.irs.gov) for more information.**



# Understanding the Veterans Aid & Attendance Benefit

GET STARTED RIGHT AWAY...OBTAINING THIS BENEFIT CAN TAKE MONTHS

The Department of Veterans Affairs provides an *Aid and Attendance Pension* to eligible wartime veterans and their surviving spouses which can help offset the expense of a senior living community, home health care or a nursing home. If the veteran qualifies, Aid and Attendance funds are provided in addition to monthly pension and Social Security benefits.

## The VA recognizes the following wartime periods to determine eligibility for benefits:

5/9/1916 - 4/5/1917	Mexican Border Period
4/6/1917 - 11/11/1918	World War I
12/7/1941 - 12/31/1946	World War II
12/27/1950 - 12/31/1955	Korean conflict
12/28/1961 - 5/7/1975	Vietnam era (Republic of Vietnam)
8/5/1964 - 5/7/1975	Vietnam era (all others)
8/2/1990 - current	Gulf War

## Service Requirement

The Aid and Attendance Pension is available to veterans with honorable military service of at least 90 days, with one day during a period of war. Veterans do not have to have seen combat, been injured, or left the United States to be eligible for this valuable benefit.

## Medical Requirement

The veteran or spouse must need the "aid and attendance" of another person to help him or her with some routine daily living activities, such as managing medications or showering. These *activities of daily living* are what assisted living communities provide assistance with.

## Financial Requirement

The VA looks at income from all sources as well as total assets to determine financial eligibility. Veterans are able to deduct

## 2018 Benefits / Month

\$2,169	Married Veteran
\$1,830	Single Veteran
\$1,176	Surviving Spouse

unreimbursed monthly medical expenses from their total income and assets. At least 75% of the cost of an assisted living community and 100% of a nursing home monthly payment is considered a medical expense. In some cases, even if you don't meet the financial criteria for a maximum pension, you may be entitled to a partial award. The average time for an application to be approved is 4 months, so plan ahead. Visit the VA website or contact VA Benefits at 800- 827-1000 for the Veteran Service Office (VSO) in your area.

# Senior Resources

## **AARP in your state**

<http://states.aarp.org/>

## **American Association for Long-Term Care Insurance**

[www.aaltci.org](http://www.aaltci.org)

## **Centers for Medicare & Medicaid Services**

[www.cms.gov](http://www.cms.gov)

## **Connecticut State Department on Aging**

<http://www.ct.gov/agingservices/site/default.asp> | 860-424-5274

## **Maine Council on Aging**

<http://mainecouncilonaging.org/>

## **Massachusetts Executive Office of Elder Affairs**

[www.mass.gov/elders](http://www.mass.gov/elders) | EOEAsponsored Hotline: 1-800-AGE-INFO

## **MA Attorney General's Office Elder Hotline**

1-888-AG-Elder for financial topics from insurance to senior scams

## **New Hampshire Bureau of Elderly and Adult Services**

<https://www.dhhs.nh.gov/dcbcs/beas/>

## **Rhode Island Division of Elderly Affairs**

<http://www.dea.ri.gov/> | 401-462-3000

## **US Dept. of Veteran's Affairs**

<http://benefits.va.gov/pension>

## **Vermont Council on Aging**

<https://www.cvcoa.org/contact-us.html> | 802-479-0531

## **IMPORTANT PHONE NUMBERS**

**1-800-272-3900**

Alzheimer's Assn. MA/NH Chapter 24-hour Helpline

**1-855-500-ELDR**

National Center on Elder Abuse

**1-888-234-SAGE**

SAGE LGBT Elder Hotline

**1-800-827-1000**

Find a VA Service Office in Your Area

**1-800-829-1040**

IRS Tax Hotline for Individuals

# The Senior Care Continuum

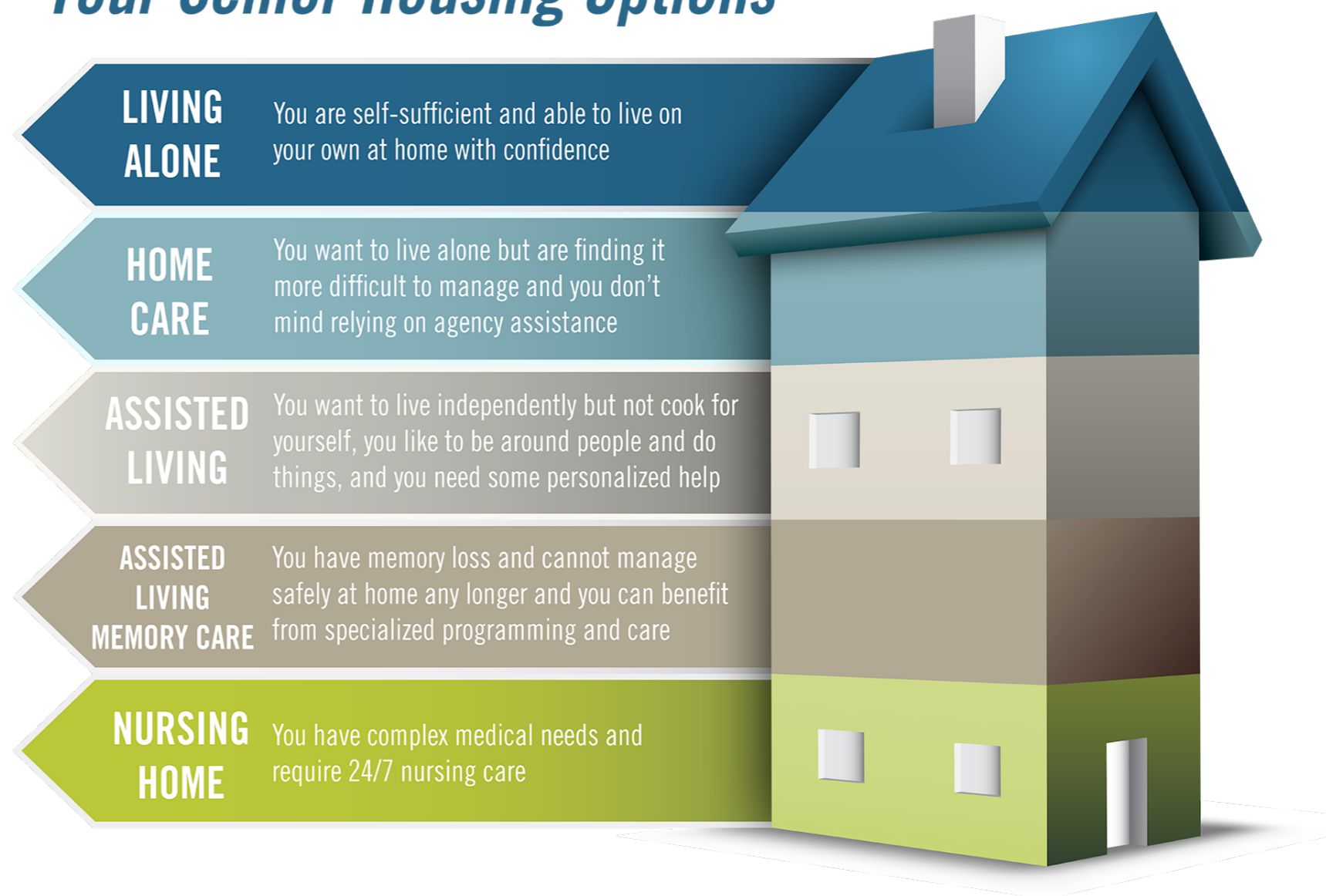
**Choosing the right senior care option depends on your needs and personal preferences.**

Once upon a time nursing homes were the primary senior housing choice when home was no longer an option. My, how we've evolved since then!

Seniors now have many levels of care from which to choose and it is important to understand exactly what kinds of services are offered with each option. It is important to make a choice based on one's personal wishes that will also be compatible with the level of assistance that is needed.

Use this chart to help determine where you or your loved one may be best suited.

## *Your Senior Housing Options*



# Glossary

## Activities of Daily Living (ADLs)

ADLs are basic self-care tasks that people perform every day, such as eating, drinking, bathing, toileting, dressing, and grooming.

## Aging in Place

This term refers to seniors remaining on one campus, utilizing more and more services and amenities as their needs evolve. This is in contrast to moving from one residence or facility to another as the senior requires more advanced care.

## À la Carte Care Pricing

In an *à la carte* fee system, there is a basic monthly fixed fee to cover housing, meals, housekeeping, some laundry and activities, but all personal care would be extra. Additional charges may be tracked by the specific service, such as assisting with a shower or helping with dressing, or by the time spent on a task. Time is generally measured in quarter hours rounded up, therefore a two-minute cue may cost a quarter of the hourly rate.



## All-Inclusive Care Pricing

In an *all-inclusive* fee system, there is one total monthly fee for housing, meals, activities, housekeeping, laundry, transportation, and personal care assistance. The amount of personal care per day that is included within the fee is usually outlined in the residency agreement. Charges for additional care should be rare and limited, but they are possible.

## Buy-in

Some communities ask that you "buy in" to their property with an upfront annuity purchase. Monthly rent payments follow the initial buy-in and residents also often pay for services and healthcare on top of that. Terms for the buy-in fee vary greatly between communities. There is always some risk involved.

## Community Fee

Also called a health assessment, entrance or administrative fee this is a one-time payment often equal to one month's rent that covers the administrative cost of moving into a community, including conducting a health assessment and developing a service plan. It can also cover the cost of refurbishing an apartment.

## Companion or Shared Suite

*Companion Suite* is a term used for a private apartment that would be occupied by two roommates. The option presents a cost savings and can be a great choice for individuals who face a shortfall in the amount they require to afford the senior community of their choice. It would also be an option for those who may want to share an apartment because they like the companionship.

## Continuing Care Retirement Community (CCRC)

Continuing Care Retirement Communities or CCRCs are senior communities that offer accommodations for independent living, assisted living, and nursing home care, giving those who buy-in a continuum of care on one campus.

## Dementia

Dementia is an overall term that describes a wide range of symptoms associated with a decline in memory or other thinking skills severe enough to reduce a person's ability to live independently. Dementia can refer to loss of memory, intellect, rationality, social skills and what would be considered normal emotional reactions.

## Group Adult Foster Care (GAFC)

GAFC is a government program in the state of Massachusetts that assists elderly, low income residents. The program covers assisted living care, personal care services and medication management but not room and board, provided the community they choose participates in the GAFC program.

## Hospice

Hospice refers to care provided to patients who are terminally ill or in chronic pain. This end-of-life care focuses on the patients' and their family

members emotional and spiritual needs. Despite misconception, hospice is not limited to home care but can come to the senior, even to an assisted living community.

## Independent Living

Independent living is for seniors who are able to perform most or all ADLs without assistance but want to live in a community setting with access to programs and amenities that fit their lifestyle.

## Instrumental Activities of Daily Living (IADLs)

IADLs comprise the complex skills needed to successfully live independently such as managing finances, transportation and driving, shopping, preparing meals, using a telephone, computer or other communication device,

managing medications, laundry, housework and basic home maintenance.

## Life Settlement

A *life settlement* provides seniors with cash for their life insurance policy. Available for term, universal or whole life policies, life settlements, on average, provide three-to-four times the cash surrender value of your insurance policy.

## Long Term Care (LTC)

*Long term care* pertains to the assistance that people with chronic health conditions, illnesses or disabilities would require daily over an extended period of time. This support can include help with general *activities of daily living* such as dressing, bathing, grooming and meals to skilled health care.



## Long Term Care Insurance

*Long Term Care Insurance* is a policy you can purchase that will cover your *long term care* needs. The policy would cover living at an assisted living residence with aides available to help with personal care, managing medications, meals, housekeeping, and laundry. LTC Insurance would also cover medical care provided in the home or nursing home by visiting nurses, and/or assistance provided by a home health aide helping with daily tasks such as shopping, driving, preparing meals, dressing and bathing

## Low Income Housing Tax Credit (LIHTC)

*LIHTC*, for the senior housing industry, is a federal program that provides tax credits that can be used to support the creation, acquisition and/or preservation of a rental property. Taking advantage of the tax credit imposes income limits on a percentage of the units in the building, effectively guaranteeing the accessibility of affordable housing for those who make less than the area's median income.

## Medicaid

*Medicaid* is a social health care program that helps people of any age who have low income and limited resources to pay for medical costs.

## Medicare

*Medicare* is a health insurance program for individuals over 65 (and younger if they have certain disabilities) provided by the federal government.

## Medication Management

Seniors may eventually need assistance with remembering to take their medications and taking the correct ones. Formalized rules are often implemented at an assisted living community, whether included in a care package or as an ancillary charge.

## Memory Care/Memory Support (Alzheimer's Care)

Memory Care is a special segment of assisted living that caters to seniors with more advanced cognitive impairment, usually Alzheimer's or related dementias.

## Minute-by-Minute Tiered Pricing

In this fee system, personal care is an additional charge to the monthly rate determined by the amount of time spent helping the resident (usually measured in quarter-hour increments) and the number of caregivers required to assist. Residents move through the tiers according to policies and staff of the community.

## PACE (Program of All-inclusive Care for the Elderly)

*PACE*, a national insurance program funded jointly by Medicare and Medicaid, provides all necessary medical and supportive services to qualified older adults in order to keep them out of a nursing home and in their own home or assisted living community for as long as possible. (For seniors aged 55+, certified by the state as needing nursing home care yet able to remain safely in their PACE covered community.)

## Palliative Care

Palliative care is similar to hospice in the sense that the goal is to relieve chronic pain instead of curing a condition. However, palliative care can start at any time point in time, not only when a patient is nearing end-of-life.

## Personalized Care Package

Personalized Care Package is a fee structure that allows a senior living community to tailor their care options to each individual resident and only charge them for necessary or desired services. All available care packages are usually lined out in a residency agreement.

## Nursing Home

A nursing home is for seniors who require 24/7 skilled nursing attention. As opposed to residing

in a private apartment, residents live in a hospital-like setting, usually sharing a room with another patient.

## Rehabilitation or Rehab

Rehabilitation is therapeutic care with the goal of restoring someone to health or normal life. There are several reasons why a senior would need rehabilitation, including a serious injury or medication issue. Rehab can take place in a skilled nursing facility or be a service brought into a senior's home or assisted living community.

## Respite/Short-Term Trial Stay

A respite, short-term, or trial stay is an option at most assisted living residences where seniors can “try out” assisted living to make sure it is right for them. Respite is also used to help seniors recover after rehab prior to going home. Sometimes communities will have a minimum length-of-stay for respite--be sure to ask about this.

## Reverse Mortgage or Home Equity Conversion Mortgage (HECM)

A *reverse mortgage* or *HECM* is a type of home loan for people age 62 or older that converts part of the equity you have already built up in your home into cash on hand. While you have this type of loan you would not be making mortgage payments but you would be responsible for property taxes and insurance. Upon the last borrower's death, the selling of the home, or the home is no longer being used as a primary residence, the loan will have to be repaid. There are also origination fees to consider when setting up the loan, and interest on the loan is added to your outstanding balance every month, so overtime, you will owe more than what you have received. This is a complicated program that is not the right choice for everyone, as reverse mortgages can also use up the equity in a home, which can mean fewer assets for you and your heirs.

## Service Plan, Care Assessment, or Wellness Plan

Developed in consultation with family and the resident's physician, the *service plan* covers in detail the specific personal care services the resident needs. This can be revisited throughout the resident's stay at a community as the senior's needs may evolve.

## Supplemental Security Income (SSI)

*Supplemental Security Income (SSI)* is a federal program that pays stipends to blind or disabled adults and children who have limited income and resources. SSI benefits can also be applied to adults 65+ without disabilities who have low income and few resources.

## Veteran's Aid & Attendance Benefit

The Department of Veterans Affairs provides an *Aid and Attendance* Pension to eligible wartime veterans and their surviving spouses which can help offset the expense of a senior living community, home health care or a nursing home. If the veteran qualifies, Aid and Attendance funds are provided in addition to monthly pension and Social Security benefits.



# NOTES

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## 16 Communities Serving New England Seniors

**Armbrook Village**, Westfield MA • **Cape Cod Senior Residences**, Bourne MA • **Compass on the Bay**, Boston MA  
**Cornerstone at Canton**, Canton MA • **Cornerstone at Hampton**, Hampton NH • **Cornerstone at Milford**, Milford MA  
**Concord Park**, Concord MA • **Forestdale Park**, Malden MA • **Goddard House**, Brookline MA  
**Heights Crossing**, Brockton MA • **JFK Apartments**, Cambridge MA • **Methuen Village**, Methuen MA  
**Nashoba Park**, Ayer MA • **Neville Place**, Cambridge MA • **Standish Village**, Boston MA  
**The Cambridge Homes**, Cambridge MA