



What are some resources for financial contributions toward care?

Long Term Care Insurance

This is the best source for helping to reduce the cost of senior living. These policies have been around for decades and there are many, many different types providing different types of benefits. In order to qualify, most require that you need assistance with at least two Activities of Daily Living (ADLs). ADLs include bathing/showering, dressing, hygiene/grooming, transferring (i.e. from a bed to a chair), toileting/incontinency, assistance with feeding. Interestingly enough, and often assumed in error, medication management and cooking are NOT considered ADLs.

There is also an elimination period until benefits begin. Some policies have no elimination period, some have one or three months, and most have a 90 day. Elimination periods may sometimes be used with in-home care. Some policies will pay for in-home care; others stipulate that you must be in an assisted living community, and others stipulate only long-term skilled nursing.

Some policies have a pre-determined amount of time that it will pay and/or a pre-determined financial amount they will pay. Some older policies will pay for a lifetime with no maximum! It's important to read the deck page that summarizes what your limits and terms are.

In most cases, if you do not use your policy and should die, you have lost your entire investment! I urge people to USE THEIR POLICIES! This is why you bought it! There are many cases where people pay absolutely nothing to live in an assisted living community because of the type of policy they have. My mother was a perfect example of this. My parents bought long term care insurance years prior and when she moved to an assisted living, her total out of pocket cost to live in her apartment, all her food, her laundry, her transportation, her utilities, and 24 hour care was three dollars a month! This was just three years ago. My father, on the other hand, never used his policy. He may as well have taken the thousands of dollars they spent on premiums and set the money on fire in the back yard and watched it go up in smoke. I have witnessed too many people who desperately needed it, put off receiving the benefits because they insisted on staying in their own home.

There is an alternative called a Hybrid Long Term Care Insurance. Rather than pay a monthly premium, it is purchased with one lump sum to be used for long term care. If the policy is never used, your heirs will receive a tax-free life insurance benefit.

Life Insurance Policies

A benefit rider can be added to life insurance policies and is called a Living Benefit Rider or Accelerated Benefit Rider. This allows the policy holder to pay for medical costs while they are still alive. The costs that are used from this benefit are then deducted from the death benefit.

Veteran's Aid and Attendance

This is a wonderful benefit that is made possible for eligible Veteran's and/or their surviving spouse. The following

A Veteran or his/her survivor must meet ONE of the conditions below:

- Be at least 65 years old and served at least 90 days of active service including at least one day of active service during a period defined as "war time" (see below). It does not matter where you were serving, except for the dates shown for the Vietnam Era.
- Need assistance with Activities of Daily Living (ADLs). As mentioned above, ADLs include bathing/showering, dressing, hygiene/grooming, transferring (i.e. from a bed to a chair), toileting/incontinency, assistance with feeding.
- Be bedridden
- Be a resident of a long-term care community

War Time Periods

The Veteran must have served during the following dates and have been honorably discharged:

- May 9, 1916 through April 5, 1917 – Mexican Border Period
- April 6, 1917 through November 11, 1918 – World War I
- December 7, 1941 through December 31, 1946 – World War II
- June 27, 1950 through January 31, 1955 – Korean Conflict
- February 28, 1961 through May 7, 1975 – Vietnam Era, if the Veteran served in country
- August 5, 1964 through May 7, 1975 – Vietnam Era if the Veteran did NOT serve in Vietnam
- August 2, 1990 through a date to be determined by Presidential proclamation or law – Gulf War

Benefit amounts

- A Veteran who does not have a spouse or dependent child may receive up to \$2,050 a month
- A Married veteran may receive up to \$2,431 a month
- A Surviving spouse without any dependents may receive up to \$1,317 a month
- A Veteran who is married to another Veteran may receive up to \$3,253 a month

In 2022 the net worth limit to receive benefits has been increased to \$138,489. Net worth includes savings and checking accounts, mutual funds, stocks, and vacation homes. The primary home does not count towards the limit.

There is a 3-year look-back period for assets that have been gifted as a way to not exceed the net worth limit of \$138,489. This rule became effective October 18, 2018 and does not include transfers made before this date. If a veteran (or surviving spouse) gives away assets or sells them under fair market value during the 3-year look-back before applying for the benefit, a 5 years penalty may result.

Filing for the benefit is very specific and if not done correctly will be rejected. It is very important that you get help from a professional VA planner, an attorney, or a company who specializes in the application process.

You will need to have a copy of the Veteran's DD214 to apply. If you have lost it, the VA can assist in getting a new one, but it will delay the process.

It can take months to be approved. However, the benefits are retroactive to the date of the application.

In some circumstances, Aid and Attendance may be used along with Medicaid, but the benefit amount may be reduced.

Final Thoughts

There are many factors that go into qualifying for benefits from any of these sources mentioned. There are also other alternatives that may be available. It is important to talk with an elder law attorney or financial advisor to fully understand what is required and to make sure you receive your benefits when you need them most.