

# FINANCIAL LITERACY FOR LONG TERM CARE

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Making decisions about your healthcare and housing needs as you age, or assisting a family member with these decisions, can be complicated and overwhelming. Understanding the differences and choosing your best options among the many types of services available can be difficult. Added to this is the complexity of financing healthcare and housing needs for individuals as they age.

This booklet provides some basic information about long term care services and financing health care for seniors.

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## **UNDERSTANDING AND FINANCING SENIOR HEALTH CARE**

### **What You Need to Know to Prepare for and Finance Long Term Care**

*Are you a senior who has growing healthcare needs and concern about how to meet the cost?*

*Are you attempting to help your elderly parent plan for their future healthcare needs?*

*Do you feel that your ability to obtain healthcare is limited because of the cost?*

If you answered yes to any of the questions above, this pamphlet will assist you with:

- Understanding the types of care that are available and how they can be financed
- Evaluating your current financial state
- Identifying and securing information you will need in order to apply for services
- Identifying the questions you will need to ask

### **What is Long Term Care?**

Long Term Care (LTC) is a continuum of medical and social services designed to support the needs of people living with chronic health problems or disabilities that affect their ability to perform everyday activities. LTC includes traditional medical services, social services, and housing. It helps meet health or personal needs and can be provided at home, in the community, in an assisted living facility or in nursing homes.

## UNDERSTANDING YOUR OPTIONS

There are a number of available healthcare options for long term care depending on your level of need. These services generally fall into one of two categories; care provided in the community or care provided in a residential setting:

### Long Term Care in the Community

#### Community Based Programs

If you are able to continue to live in your own home, but require assistance, there are several different programs that may be combined or used alone to provide you with the assistance you require to remain at home. Below are some possible options.

- **LIFELINE** – A personal response system that allows the user to summon assistance by pressing a button that the user wears as either a bracelet or a necklace.
- **HOME CARE** – A wide range of health related services that are delivered in a person’s home. This can include assistance with medication or wound care, and help with basic needs such as bathing, dressing, mobility, personal shopping and meal preparation.
- **ADULT MEDICAL DAYCARE** – Enables individuals who live in the community to receive care during the day in a group setting. Participants receive services from licensed nurses, social workers, activity therapists, personal care aides. This program also provides full time caregivers with an opportunity to receive respite assistance during the day. Participants attend from 1-7 days per week, based upon a medically approved plan of care.
- **PACE (Program of All-inclusive Care for the Elderly)** – provides comprehensive care and services to individuals who would otherwise qualify for nursing home care. The PACE CNY team is composed of medical and non-medical professionals and can provide home care services in the participant’s home, day health centers, hospitals, or long-term facilities, if needed. On-call health care coverage by doctors and nurses is available 24 hours a day.
- **EISEP- (Expanded In-Home Services for the Elderly)** – helps the elderly and their families delay or prevent a skilled nursing stay. EISEP combines case management services with non medical support services to provide care for elderly people with chronic physical and/or mental impairments who are not eligible for Medicaid.
- **Medical Transportation** – Provides transportation to and from doctor’s appointments.

## **LONG TERM CARE IN A RESIDENTIAL SETTING**

Sometimes it is no longer feasible for an elderly or disabled person to continue living alone in the community. There are a variety of alternate living arrangements available. Options include:

**Adult Homes** – Provides long term residential care, room, board, housekeeping, personal care, and supervision to five or more adults. Additional services provided include coordination of doctor’s appointments, dispensing or monitoring of medication, three meals per day, 24 hour staffing and care with the activities of daily living like dressing, bathing, and personal assistance with toileting.

**Enriched Living Programs** – Enriched Housing is for individuals who require some assistance with daily living activities. Services include meals, housekeeping, care management, personal assistance, social work, and medication monitoring. EL programs are facility based and are licensed and regulated by New York State.

**Assisted Living Programs (Medicaid approved)** – Assisted Living Programs (ALP) are facility based programs for medically stable individuals who qualify for placement in a nursing home facility and are eligible for Medicaid. ALPs provide 24-hour on-site support and assistance, including all of the services in the Enriched Living Program, plus toileting assistance, medication administration, and assistance with oxygen therapy and glucose monitoring.

**Assistive Living Programs (private pay, does not accept Medicaid)** – Assistive living facilities are residential facilities that provide private or semi-private accommodations, three daily meals, and activities for senior citizens who can no longer live alone but do not require 24-hour nursing supervision.

**Skilled Nursing Facility** – A state licensed health care facility staffed with 24 hour nursing and a physician on call, which has approved procedures for administering medical care. Rooms may be either private or semi-private.

## OVERVIEW OF FINANCIAL PROGRAMS

While looking at the different care options, it is also important to understand how these services can be funded. Below you will find basic information about funding options:

**Medicaid** – Medicaid is a federal and state sponsored health insurance program that helps individuals who can't afford medical care pay for some or all of their medical bills. Medicaid is available only to certain low-income individuals and families who fit into an eligibility group that is recognized by federal and state law. Medicaid does not pay money to you; instead, it sends payments directly to your participating health care providers. Depending on your state's rules, you may also be asked to pay a small part of the cost (co-payment) for some medical services.

**Medicare** – Medicare is the national health insurance program for people age 65 or older, some individuals under age 65 with disabilities, and people with End-Stage Renal Disease (ESRD), which is permanent kidney failure requiring dialysis or a kidney transplant.

Generally, Medicare pays for only a very limited part of long term care services. Medicare will pay only for a medically necessary skilled nursing facility or home health care, and only on a part-time or “intermittent” basis. You must meet certain conditions for Medicare to pay for these types of care. Medicare does not pay for “custodial care”, or care that helps you with activities of daily living like dressing, bathing, and toileting. There are three parts to Medicare, Part A, Part B and Part D. Medicare Part A pays for inpatient hospital, skilled nursing facility, and some health care. Part B covers Medicare eligible physician services; outpatient hospital services certain home health services and durable medical equipment and Medicare part D pays for prescription drugs.

**Medicare supplement/Medigap Insurance** – Medicare supplement or Medigap policies typically cover the coinsurance and deductible amounts after Medicare pays their portion. In New York State, if you are enrolled in Medicare, (even if you have Medicare due to a disability and are under age 65), you can purchase a Medigap policy at any time. It is guaranteed that you can buy a policy and can't be turned down or charged higher premiums due to poor health. There are several standard Medigap policies that are offered by several different insurance companies. You can read more about Medigap policies on the Internet at [www.hiicap.state.ny.us](http://www.hiicap.state.ny.us).



**Long Term Care Insurance** – This type of private insurance policy can help pay for many types of long-term care, including both skilled and non-skilled care. Long-term care insurance coverage can vary greatly. Some policies may cover only nursing home care. Others may include coverage for a whole range of services, such as care in an adult medical day center, assisted living, medical equipment, or formal and informal home care.

Long-Term care insurance premiums vary, depending on your age and health status at the time you purchase the long-term care insurance policy and how much coverage you request. Additionally, you must be in general good health when purchasing a policy. For this reason, it would be better to secure long-term insurance at a younger age when premiums are lower. If this is done, a periodic review is advised to make sure your policy covers your current and future long-term needs. Talk about this with a family member, insurance agent, or financial advisor to determine what is best for your situation.

**Private Pay** – You can use your savings or other personal resources to pay for long-term care.

## **PREPARING YOURSELF FINANCIALLY FOR LONG TERM CARE**

Considering the high cost of healthcare today, even those with significant income and/or assets may find themselves worrying about how long they will be able to continue to meet their current medical expenses, and how they will be able to meet their ongoing and possibly growing needs. This is why it is very important to begin developing a financial plan.

Developing a successful plan, no matter where you are in the process, depends upon gathering reliable information from a variety of sources. The next part of this booklet will assist you in securing the financial information that you will need, identifying the questions you may need to ask, understanding what records you should maintain over time, and initiating the financial process.

Before you are able to make sound financial decisions, it is essential that you understand your personal financial picture. We suggest that you begin by compiling a list of monthly income sources and assets.

The next page provides you with a form that will help you begin to develop your financial picture.

## COMMONLY ASKED QUESTIONS ABOUT LTC FINANCIAL PLANNING

### RECORD KEEPING

**Q. What records should I keep and why?**

**A.** Records you should keep include; verification of current year's income and 3-5 years of your income tax returns. Additionally, all financial statements for the past 5 years (even if those accounts are now closed) as well as up to date life insurance information is often required if you wish to apply for a government assistance program. You should also keep copies of your birth certificate, marriage certificate, Social Security card and insurance cards on hand.

**Q. If I have not kept the information, how would I obtain duplicate documents?**

**A.** Generally, a simple phone call to the financial institution that maintained your account requesting that the needed information be forwarded to you is all that is needed. If the information is needed because you are applying for government benefits, be sure to notify the institution's representative. Often financial institutions are willing to waive charges for replacement copies if your budget is limited.

**Q. Is there a charge to obtain these documents?**

**A.** Charges for replacement statements may be assessed. Each bank has a different policy, but in general the cost may exceed \$5.00 per statement to recreate financial documents, or personal identity verification.

Keeping original records in a safe place will save you money in the long run.

**Q. Who is able to get copies of these documents on my behalf?**

**A.** Legally, the account owner is the only individual entitled to access account information. If the owner is unable to obtain the information on their own, an individual with a valid Power of Attorney can secure the needed documentation after verifying their legal standing.



## LEGAL ISSUES

### **Q. What is the purpose of a Power of Attorney and a Health Care Proxy?**

**A.** Power of Attorney gives authority to an individual of your choosing to make financial decisions on your behalf. In order for an individual other than your self to obtain your private information, or to complete banking transactions on your behalf, the individual must have been granted Durable Power of Attorney. This can be done with the assistance of your family attorney. This authorization allows the individual appointed to gain access to your bank accounts and, depending on the scope of authority you grant, even sell your property. For these reasons, it is essential that you choose wisely and appoint an individual who has proven to be trustworthy and who is willing to responsibly take on this duty.

**A.** **Health Care Proxy** gives authority to a person of your choosing to make health-related decisions on your behalf when you are incapacitated. By appointing a health care agent, you can make sure that health care providers follow your wishes. Your agent can also voice your wishes as your medical condition changes. Hospitals, doctors and other health care providers must follow your agent's decisions as if they were your own. You may give the person you select as your health care agent as little or as much authority as you want. You may allow your agent to make all health care decisions or only certain ones. You may also give your agent instructions that he or she has to follow. The Health Care Proxy form can also be used to document your wishes or instructions with regard to organ and/or tissue donation.

### **Q. Will I lose my home and my savings if my spouse or I need to apply for Medicaid?**

**A.** It is a common belief that Medicaid will take everything you have if you or your spouse is in need of skilled nursing care. This is not true. In many cases your home may be exempt from being considered in the Medicaid eligibility determination. If it must be counted and you live in or intend to return to your home, Medicaid may place a lien on your home equal to the amount of Medicaid funds paid for your care. Medicaid also allows you to retain a specific level of assets. In 2015, a single person in need of Medicaid can retain up to \$14,200.00 in assets, and a married couple may be able to retain as much as \$109,560.00. An attorney who specializes in estate planning, however, can assist you in preserving your home as well as other assets. The sooner you begin estate planning, the more options you will have.

**Q. Can I donate or transfer funds in order to gain eligibility for a government program?**

**A.** There may be an ability to donate or transfer funds, even if the person is in a skilled nursing facility. It is imperative that this is done with the advice and assistance of an attorney who specializes in estate planning and Medicaid.

**Q. What are the benefits of pre-paying my funeral charges?**

**A.** By investing in a prearranged and pre-financed funeral, you are assured the services that you desire. In New York, funeral homes are required to place pre-arrangement monies in individual trust accounts in a bank. The money is not available to the funeral home until after they have performed their services. Any interest that the fund accrues prior to the individuals' death is reinvested into the funeral plan, insuring that their family will not be left with a cost difference at the time of their loved one's passing. Regulations allow you to transfer these designated funds to a different funeral home if you desire. New York State law makes it a crime for any funeral home to use these funds for any purpose other than providing the funeral for the individual contracting it. Pre paying your funeral also exempts the funds from being considered available for your cost of care in the Medicaid eligibility process.

**Q. Should I have insurance in addition to Medicare?**

**A.** Medicare covers many health care costs however; there is still Medicare's coinsurance (the portion that Medicare does not pay) and deductibles. There also are many medical services that Medicare does not cover. A Medigap policy provides reimbursement for the out-of-pocket costs that are not covered by Medicare. There are ten standard Medigap policies, and each offers a different combination of benefits. You can read more about Medigap policies on the Internet at [www.hiicap.state.ny.us](http://www.hiicap.state.ny.us).

**Q. Will my insurance companies pay for skilled nursing care?**

**A.** Insurance coverage differs from plan to plan. It is essential to know your plan and its limitations. You can do this by contacting the customer service line listed on your insurance card. Be sure to inquire about the coverage for home care and skilled nursing services prior to needing them. Often you can change to a policy that better fits your current needs. If you have Medicare, you may want to investigate Medigap policies, which tend to be more cost effective as a secondary payer.

## OTHER FACTORS TO KEEP IN MIND

There are a variety of government assistance programs available that range from making improvements in your home to paying for health care. These programs are eligibility based, which means that you must qualify based upon your monthly income and available assets.

<b>Service</b>	<b>Agency Contact</b>
<p><b>Food Stamps</b></p> <p><b>SERVICE OVERVIEW:</b> The Food Stamp Unit provides authorization for food stamps to eligible persons.</p>	<p>Onondaga County Department of Social Services 421 Montgomery Street Syracuse, New York 13202 Phone Number 315-435-3599 Fax Number 315-435-2526</p>
<p><b>Veterans Benefits</b></p> <p><b>SERVICE OVERVIEW:</b> The Agency provides information, assistance, and service to veterans, dependents, survivors, and other claimants for benefits of the federal, state and local governments. The basis of claims is the veteran's military service, type of benefit sought, relationship to veteran, and, in some cases, income requirements.</p>	<p>Onondaga County Veterans Service Agency 421 Montgomery Street Syracuse, New York 13202 Phone Number 315-435-3217</p>
<p><b>Medicare Buy-In Program</b></p> <p><b>SERVICE OVERVIEW:</b> Provides financial assistance to low income individuals in meeting the cost of their monthly Medicare premium.</p>	<p>Onondaga County Medicaid Department 421 Montgomery Street Syracuse, New York Phone Number 315-435-3840 Fax Number 315-435-8530</p>
<p><b>SSI – Supplemental Security Income</b></p> <p><b>SERVICE OVERVIEW:</b> SSI stands for Supplemental Security Income. Social Security administers this program.</p> <p>SSI pays monthly benefits to people with limited income and resources who are disabled, blind, or age 65 or older. Blind or disabled children, as well as adults, can</p>	<p>Social Security Administration Federal Building 4<sup>th</sup> Floor 100 S. Clinton Street Syracuse, New York 13261 Toll Free 1-800-772-1213 TTY 1-800-325-0778</p>

get SSI benefits	
<p><b>HEAP – Home Energy Assistance Program</b></p> <p><b>SERVICE OVERVIEW:</b> HEAP distributes mail-in applications to the low -income, aged 60 and over population eligible to receive assistance with home energy costs. In addition, program staff refers energy-vulnerable households to appropriate conservation/weatherization programs available in the community.</p>	<p>Onondaga County Department of Aging and Youth 421 Montgomery Street Civic Center 13<sup>th</sup> Floor Syracuse, New York 13202 Phone Number 315-435-2362 Fax Number 315-435-3129</p>
<p><b>EPIC – Elderly Pharmaceutical Insurance Coverage</b></p> <p><b>SERVICE OVERVIEW:</b> The program assists senior citizens with paying for their prescription drugs.</p>	<p>New York Department of Health EPIC P.O. Box 15018 Albany, New York 12212 Fax 1-518-452-3576 Phone Number 1-800-332-3742</p>

Most senior centers and senior health care providers offer assistance in determining what types of services for which you might be eligible. Another helpful tool in determining what types of services you might be eligible for is “BenefitsCheckUp,” which can be accessed online at [www.benefitscheckup.org](http://www.benefitscheckup.org). This free service provided by the National Council on Aging requests that the user complete a brief survey which includes an itemization of income and assets and then provides a list of benefits that you may want to check into further.

## **A FEW WORDS ABOUT FRAUD AND ABUSE**

As you think about long term care and your financing options, be alert to situations where someone might take advantage of you. Unfortunately, seniors are often targets for fraud.

Here's some information from a publication by the U.S. Department of Justice, "Financial Crimes Against the Elderly" available at [www.cops.usdoj.gov](http://www.cops.usdoj.gov) :

Financial crimes against the elderly can be committed by strangers or by relatives and caregivers.

### **Crimes by Strangers**

Be alert to situations involving:

- Investment scams, where you're invited to invest in precious gems, real estate, or stocks promising unrealistically high returns
- Loans and mortgages where there may be exorbitant interest rates and hidden fees
- Health, funeral and life insurance scams
- Telemarketing, Sweepstakes, Home Repairs Scams

The list can go on – the important message is to be careful, do your homework, check and double-check, and always get the advice of someone you know you can trust.

### **Financial Exploitation by Relatives and Caregivers**

Methods used by relatives and caregivers include:

- Borrowing and never repaying money
- Denying services or care to save money
- Signing or cashing pension or social security checks without permission
- Forcing an elderly person to part with resources, or sign over properties
- Taking advantage of a joint bank account
- Misusing Power of Attorney

Individuals should not disclose account information, social security numbers, and other personal information. Keep important documents secure and review your monthly financial statements to ensure that they are accurate. If fraud is suspected, contact your local district attorney's office.

## SUMMARY

There are many different options and programs available to provide care for an elderly person, both in and outside of the home. The level of care is determined upon an individual's needs. The cost of these programs can be paid privately, with government assistance, or a combination of both. Help in determining what is available to meet your specific needs can be provided by a number of agencies. A good place to start is with the Office of Aging and Youth, which can be found in the blue pages of your telephone directory.

## ADDITIONAL RESOURCES

### Office of Aging and Youth

#### **ONONDAGA COUNTY DEPARTMENT OF AGING AND YOUTH**

ONONDAGA COUNTY DEPARTMENT OF AGING & YOUTH /OFFICE OF AGING  
421 Montgomery Street Civic Center, 13th floor Syracuse, NY 13202

**SERVICE OVERVIEW:** County Agency that administers and monitors services and programs for the senior citizens (60 years and older) that have been established through the Older Americans Act; and the county agency that funds and monitors programs and services for the youth.

(315) 435-3129 FAX

(315) 435-2362 Administrative

#### **ONONDAGA COUNTY DEPARTMENT OF LONG TERM CARE / LONG TERM CARE RESOURCE CENTER**

5065 West Seneca Turnpike S1 Building Syracuse, NY 13215

(315) 435-1400 Information and Referral

(315) 435-5600 Administrative

(315) 435-5623 FAX

(315) 435-5615 FAX 2

## HELPFUL WEBSITES

<p><b>New York State Office of Aging</b> This website helps to guide elders, their families and caregivers to opportunities that enhance their lives.</p>	<p><a href="http://aging.state.ny.us/">http://aging.state.ny.us/</a></p>
<p><b>BenefitsCheckUp</b> Find and enroll in federal, state, local and private programs that help pay for prescription drugs, utility bills, meals, health care and other needs.</p>	<p><a href="http://www.benefitscheckup.org">www.benefitscheckup.org</a></p>
<p><b>Centers for Medicare and Medicaid Services</b> Provides outreach and education.</p>	<p><a href="http://www.cms.hhs.gov">www.cms.hhs.gov</a></p>
<p><b>USA .gov</b> Official Federal Government website that provides information on numerous senior related topics. Also offers extensive resources to caregivers.</p>	<p><a href="http://www.FirstGov.gov/Topics/Seniors.shtml">www.FirstGov.gov/Topics/Seniors.shtml</a></p>
<p><b>HIICAP</b> Health Insurance Information Counseling and Assistance</p>	<p><a href="http://www.hiicap.state.ny.us">www.hiicap.state.ny.us</a></p>
<p><b>Home &amp; Communities U.S. Department of Housing and Urban Development</b> Provides assistance with researching and securing housing options for senior citizens.</p>	<p><a href="http://www.hud.gov/groups/seniors.cfm">www.hud.gov/groups/seniors.cfm</a></p>
<p><b>Loretto</b> Website provides education, service options and website links to state and national organizations.</p>	<p><a href="http://www.Loretto-cny.org">www.Loretto-cny.org</a></p>
<p><b>New York State Department of Health</b> Access this website to obtain information regarding nursing homes, hospitals and other medical providers.</p>	<p><a href="http://www.nys.doh.">www.nys.doh.</a></p>
<p><b>Onondaga County Department of Aging and Youth</b> Resource guide for senior services.</p>	<p><a href="http://www.ongov.net/Aging_and_Youth">www.ongov.net/Aging and Youth</a></p>