

How to finance long-term care



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Embrace Your Age

Relocating to more supportive housing such as an Assisted Living community can be very costly.

According to a 2016 cost of care survey from Glenworth Insurance, the national Median rate for care in an Assisted living facility is \$43, 539. Neither Medicare nor private insurance pays for long-term care, most specifically assisted living or an independent living apartment.

When asked about living preferences, an overwhelming number of older adults professed to opt to remain in their homes as they age.

An AARP study reports 87 percent of adults age 65+ want to stay in their current home and community as they age.

However, because, for most, remaining at home is plan "A" many may neglect to secure funds for an unanticipated plan "B".

For example, researchers of a study conducted by the U.S. Department of Health and Human Services acknowledged that more than 70 percent of Americans over 65 will require long-term care will require long term care at some point in their lives.

Regrettably, as noted in a recent report titled "The United States of Aging", approximately one in four seniors have difficulty paying monthly living expenses, and nearly an equal amount are not confident in their long-term prospects.

The good news is for those who are faced with an unplanned move to a more supportive living environment there are some options available to help to supplement or pay the costs for care.

While some benefits have specific eligibility criteria in order to receive financial assistance, others may have more general guidelines.

It is strongly encouraged, however, that because of the complexities and potential risks of some financial assistance programs one seek out expert advice to help determine the best financial "fit" and to help to navigate through the paperwork, along with enrollment

guidelines.

One such program (again best to review with a financial advisor) that may be of particular interest to those who have not had the opportunity to financially plan for surprises is the Elderlife Bridge Loan. Very generally, this short-term loan is focused on helping elders and their families with the cost of, assisted living, home care or skilled care. With this loan, funds are sent to the care provider. The loan helps to temporarily pay for services with the understanding that the full loan will be repaid as soon as there are other funding sources. Most often, this type of loan is paid back from the proceeds from a sold home, or approval of Veteran's Benefits.

As noted on the Paying for Senior Care website, the Elderlife Bridge Loan can be split between up to six applicants to enable family to share the payments until the loan can be repaid.

Sharing financial responsibility is looked favorably on lenders and therefore can help to expedite approval of these loans. Ideally, a timely approval means quicker access to needed care.

Something to review when researching an Elderlife Bridge Loan as an option to finance a loved ones elder care, are interest rates, and policies of the care facility or home care organization regarding this payment option.

For example, some facilities may have specific rules about repayment with some being more lenient than others.

As well, it is important to note as certified financial planner Lauren Locker commented in a recent New York Times article titled "Raising cash from the less usual places," "families considering these loans should be sure to read the fine print.

They should consider their family situation, and consult with other family members before making a decision.

It's a matter of family dynamics," she said. "Everybody has to go into it feeling good."

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