

Long-Term Care: What Is It, Where Do You Get It, and How Do You Pay For It?

Mary Ann Holland, Extension Educator
Kathy Prochaska-Cue, Extension Family Economist

Your high school best friend calls; you haven't talked since graduation more than 20 years ago. Your friend asks you to gather information and identify resources in your area that would be helpful in making decisions about caring for her mother who lives in the same community as you do. The mother, an 87-year-old widow, lives alone in her own home. Your friend indicates there have been some health concerns, but gives no details other than to say it's time to 'get Mom some help.' Your mission, should you decide to accept it, is to find out what you can about programs for the elderly where you live, and to provide answers for your friend.

Introduction

Long-term care is needed when a person requires someone to help with physical or emotional needs over an extended period of time. Such assistance may be required for one or more of the daily activities that healthy, active people take for granted: walking, bathing, toileting, meal preparation, medication management, housekeeping, transportation, and managing one's financial affairs. Some needs arise as a result of serious illness, injury, and disability, while others can be identified as consistent with the aging process. The need for long-term care may be short-term, lasting for a few weeks or months, or long-term, which may go on for years.

Older persons living with their spouses tend to be healthier, especially if they live in their own home. Rural

elderly have several disadvantages, however, compared to their urban counterparts. They are:

- More likely to lack a social support network;
- More likely to experience a greater level of isolation;
- More likely to have fewer health care options and services; and
- More likely to lack public transportation, a key barrier to accessing services.

What is Long-Term Care? [LTC]

Although many people equate LTC with nursing home care, 78 percent of older Americans in need of LTC live in non-institutional settings with family members and friends providing the majority of services. Adult day care, hospice, personal care and home health services, including those that provide respite for unpaid family caregivers, are other important components of community LTC services.

Long-term care is simply the term for the many services used by people who have disabilities or chronic [long-lasting] illnesses, who are older (generally those over the age of 65), and who can no longer maintain activities of daily living [ADL] without assistance.

Long-term care services are provided by:

- residential nursing homes, which provide skilled [medical] and non-skilled care;
- assisted living facilities, which offer a variety of medical and non-medical services;



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- in-home health care providers, including nurses, physical and occupational therapists, as well as non-medical providers who perform household tasks;
- hospice care, in an institutional setting or in the client's home; and/or
- in-home assistance, provided by paid or unpaid caregivers, usually friends or family

Who Are Long-Term Care Recipients?

Recipients of long-term care are individuals over the age of 65 and younger disabled persons who have experienced a serious illness or injury, or suffer from chronic physical or mental conditions. LTC is not designed to improve an individual's health status, nor correct medical problems. Rather it is to help him or her continue the current status of life whether in an institutional setting or their own home.

Long-term care is designed to be custodial in nature, assisting individuals who have limited ability to perform activities of daily living. Resources available to urban or rural areas may be very different, and in some geographical areas, limited or non-existent. Rural areas are thought to have a higher percentage of older Americans than do urban areas. Because of the aging process, women are more likely to be alone, in need of assistance, and at the lower end of the socioeconomic scale, especially among the "older old," those 85 and older.

Hospice, another type of LTC, is a plan of care developed for terminally ill patients. Hospice provides symptom and pain management, assistance with housekeeping which allows the patient to remain in his or her own home as long as possible, as well as emotional counseling for both the client and family members. Hospice services may also be performed in a residential setting such as a hospital or nursing home.

Who Provides the Care?

More than 75 percent of the services and support given to the elderly and persons with disabilities comes from unpaid sources, or informal caregivers. The average unpaid caregiver is a married, adult female age 46, employed outside the home, who provides an average of 18 hours a week to the care recipient.

Informal caregivers may be family, friends, neighbors or church members who provide unpaid care out of love, respect, obligation, or friendship to a needy person. In this country, informal caregivers far outnumber formal caregivers; estimates are that 20 percent of the total population provide part-time or full-time care for loved ones.

Formal caregivers are individuals in the health care system, residential facilities, service providers of in-home

tasks, and those employed by community-based or volunteer organizations.

What is the Cost of LTC and Who Pays?

Costs for services vary by the type of assistance needed. Three types or levels of care are included in long-term care: skilled nursing, assisted living, and in-home services.

Skilled Nursing Facilities

Care provided in a skilled nursing facility can cost as much as \$80,000 a year depending upon the type of care needed. Annual costs for long-term care vary by state and location of the facility. Individuals recovering from a serious illness or injury may need skilled nursing care for an extended length of time, but may not need nursing home care for the balance of their lifetimes. Medicare pays for acute care expenses in a skilled nursing facility following a hospitalization, but there are limitations to coverage and duration. Much of the care provided by the nation's nursing homes can be described as "custodial care."

Medicaid, financed by state and federal government, provides nursing home care for those with limited incomes and resources. Only those who have exhausted their personal resources and those with disabilities qualify for Medicaid benefits. A significant portion of nursing home care in the United States is paid by Medicaid.

Assisted Living Facilities

Assisted living facilities are a less-expensive option for those who no longer feel comfortable or safe living alone, or who need personal care assistance. Depending upon the degree of disability, an individual may receive limited amounts of assistance for areas of need, while maintaining a fairly independent lifestyle, or may choose more comprehensive services. Costs for assisted living range from \$1,800 to \$4,000 per month, depending upon the state and location, type of room or apartment, amenities desired, services used, and level of care. Because of the increased monitoring and security, care for those suffering from Alzheimer's disease will be more costly.

Community-based assisted living facilities have become a widely popular alternative to nursing home care. Such facilities offer individuals or couples who need minimal personal assistance, options for medication administration, meals, transportation services, and organized social activities. Neither Medicare nor Medicare Supplement Insurance pay for costs associated with assisted living facilities. Financing options include long-term care insurance and self-payment.

A worksheet to help calculate the monthly cost of assisted living is included as part of this H. E. Form.

In-Home Health Services

In-home health services generally are charged on a per-day or per-hour basis. The average cost of personal care services in the home is \$19 per hour according to national data from the Metropolitan Life Mature Institute. The per-day or per-hour rate varies depending upon type of care provided and the number of hours the personal care attendant spends in the home.

Medicare provides for in-home health services for a specified period of time following a qualified hospitalization and stay in a skilled nursing facility specified in a doctor's written plan of care. Medicare Supplement Insurance insurers also require a doctor's written plan of care to authorize payment of benefits. The home health care benefit under Medicaid covers primarily skilled nursing services, physical, occupational and other therapies delivered to qualified Medicaid recipients, individuals with very low incomes and very limited resources.

Medicare does not cover these in-home services:

- meals delivered to the home
- homemaker services like laundry, cleaning, shopping, meal preparation
- custodial care
- transportation to and from health care providers

Such services provided in the home are paid for by the patient or family, or the care is provided by community volunteer organizations. Even though the recipient bears the cost for services, it is far less expensive than the cost of institutionalized care.

Home care recipients represent the largest percentage of the population who consume long-term care services. A 2005 estimate indicated approximately 9 million adults received long-term care assistance. Eighty percent of home care recipients reside in the community, not in institutions. Nearly 60 percent of those receiving LTC services rely exclusively on unpaid caregivers. [Congressional Hearing, 4-19-05, Subcommittee on Health of the Committee on Ways and Means]

Costs for long-term care are significant and expected to increase both as demand for services and the number of care recipients increase in the years ahead. While a significant portion of the cost of long-term care must be self-financed, long-term care insurance is an option for paying for services. Refer to NebGuide G1703 for additional information on long-term care insurance.

Your fact-finding mission is complete. You have gained an understanding of what is meant by the term 'long-term care', you have investigated residential care options available in your area, including community-based resources and in-home care providers. You are confident that information you have gathered on costs, access to and availability of assistance will be helpful to your friend in making the best decision for mother. Grab that phone number....

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Calculator for Monthly Cost of Assisted Living

Name of Assisted Living Residence: _____ *

Monthly fee for basic services: \$ _____

Items or services included under the basic fee:

<i>Service/item</i>	<i>Included in basic fee (Y/N)</i>	<i>Additional cost</i>
Unit [studio, 1 or 2 bedroom]		
Meals [1, 2, or 3 daily] _____ Room service		
Housekeeping		
Personal Laundry		
Linen Service		
Phone/internet		
Cable television/internet		
Personal care assistance [_____ minutes per day]		
Transportation _____ Errands _____ Recreation/Activities _____ Medical/Dental appointments		
Medication Management _____ Reminders _____ Self-administered		
Other		

If more personal care assistance is needed, what is the cost to purchase additional minutes?

_____ additional minutes per day _____ per week \$ _____

If any of the above services [other than personal care time] are not included in the base fee, how much will it cost to purchase them? \$ _____

Total Monthly Costs \$ _____

*To identify assisted living facilities in your area, consult the State of Nebraska Web site: www.Nebraska.gov Follow the link to the Nebraska Health and Human Services System for a statewide listing of assisted living facilities.