

Providing Legal Direction Through Timely News and Information.

## HOW TO PAY FOR LONG-TERM NURSING HOME HEALTH CARE

A question we hear a lot is “How can people afford to pay for long-term care?” This is an understandable concern with many nursing home facilities in northeastern Illinois charging between \$6000 and \$8000 a month – that’s \$72,000 to \$96,000 a year!

A typical married couple in their 70’s may count \$50,000 to \$300,000 in savings plus their home as their retirement nest egg. If just one spouse needs to spend time in a long-term care facility, he or she could easily burn through the couple’s life savings in just a couple of years. A very scary thought when you learn that the average 70 year old today will live to be 83 and that one in four American households has an elderly member in need of some degree of care.

Frequently, the need for long-term care begins when someone starts to lose “activities of daily living.” If that person’s loved ones cannot help him or her because of their own health issues or time commitments, the person must look outside the family for help. In-home healthcare costs are high and sometimes not an option, forcing many people to enter a long-term care facility such as a nursing home.

**There are four ways to pay for long-term care: personal assets and savings (which is self-explanatory); long-term care insurance, Medicare, and Medicaid.**

While long-term care insurance is one of the most desirable ways to pay for long-term care, it has some real disadvantages. It can be so expensive that many seniors cannot afford the premiums. Many people who have long-term care insurance have unknowingly purchased too little coverage; e.g., they have a policy that pays \$100/day for care when...

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## BEN’S BRIEFS



### Do-It-Yourself Documents: Yea or Nay?

Yes, something is better than nothing, but can those one-size-fits-all Estate Planning Kits you find online or at the office supply store really ensure that your wishes will be carried out?

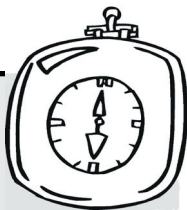
The answer is: Maybe.

You can do Powers of Attorney and a Will on your own. The thing is, if it’s not done right - if you don’t spell out in legally enforceable language all the things you want done (or not done) - and comply with certain statutory requirements, there could be some very unwelcome outcomes when the the pressure is on.

Of course you don't want to spend money unnecessarily, and a good attorney won't let you. But, as you know, laws are subtle and complex. You need an advocate who can give you assurance that you and your loved ones will be taken care of the way you want. One size usually **doesn't** fit all when it comes to your family and your choices.

Ben A. Neiburger is the founding Partner of Neiburger Law Ltd. and is a member of the National Academy of Elder Law Attorneys.

# INFOBITS



Expand your brain & impress your friends.

- ✦ 1 out of 4 households in America is involved in care-giving to persons aged 50 and over.
- ✦ “ADL” means Activities of Daily Living. *Things like preparing meals and eating, using the bathroom and getting dressed.*
- ✦ According to the Illinois Department of Public Aid, the average cost of an assisted living facility in Illinois is \$158/day which adds up to over \$4,700 a month.
- ✦ 75% of people over 85 in nursing homes are women.
- ✦ Half of those entering a nursing home will stay less than 3 months. The other half will be there 2-1/2 years or more.
- ✦ 75% of care-givers deal with the demands of their role through prayer & quiet meditation.

... CONTINUED FROM FRONT, **PAYING FOR LONG-TERM CARE**

their care actually costs \$250/day. And some people couldn't purchase the insurance even if they could afford the premiums: insurance companies are now applying very strict underwriting requirements and generally won't offer a long-term care policy to a senior who is not in good health.

While most seniors do not have long-term care insurance, most do have Medicare coverage. Medicare is the national health insurance program primarily for people 65 years of age and older which can provide short-term assistance with nursing home costs, but only if a person meets strict qualification rules. In any event, Medicare will only cover a short stay – generally no longer than three or four months.

The last option that seniors have in paying for long-term care is enrolling in Medicaid. Medicaid pays for almost half of the long-term care costs in the United States. Medicaid is a Federal- and State-funded and State-administered medical benefit program that can pay for the cost of a nursing home so long as a person meets certain strict asset and income requirements. With proper planning, it is often possible for a person to both qualify for Medicaid and conserve some of his or her assets for a spouse, children, or grandchildren.

Paying for long-term care is a real concern for many senior citizens. It can potentially wipe out a couple's life savings in no time flat. However, with advanced planning such as long-term care insurance or proper use of the Medicaid program, a senior can receive the long-term care he or she needs without cracking their nest egg. Talk to an Elder Law attorney about this; the sooner you plan, the more you may be able to save.



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COMING IN THE NEXT ISSUE OF **THE ELDER LAW MINUTE**

- ✦ The Three Estate Planning Documents **EVERY BODY** Should Have in Place *regardless of age, assets, children, or current state of health*
- ✦ Questions & Advice from Grandma & Grandpa
- ✦ Ben's Briefs, InfoBits and Things **NOT** to do

Mr. Neiburger reminds you that this newsletter is designed to give you general information on these topics, which may be applicable only in Illinois, and should not be taken as legal advice.

Mr. Neiburger also provides in-service training and customized informational hand-outs for elder care professionals. Please give him a call for further information.