



# Resource Guide to Assisted Living



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## Who is Eligible for Assisted Living or Memory Care?

Typically, assisted living communities serve people 18 years of age and older. Individuals may enter an assisted living community from a private residence, hospital, rehabilitation center, or nursing community. The admissions process is the same regardless of the person's location prior to admission.

Eligibility is based on an individual's required level of care (acuity) and their ability to pay for services. Also called residential care, assisted living is a type of living arrangement in which personal care services such as meals, housekeeping, transportation, and assistance with activities of daily living are available as needed. Also an important aspect of the assisted living model is to provide security, comfort and meaningful activities for residents. But unlike nursing homes, residents in assisted living remain independent, living on their own in a residential setting. Assistance with activities of daily living may include help with bathing, dressing, toileting, diapering, medication management, helping with daily living decisions and moving from one place to another.

Assisted living is designed for people who need help with the daily activities described above. It is not appropriate for people who need daily skilled nursing services. If an individual's needs cannot be managed in an assisted living community, a nursing home may be a more suitable setting.

Choosing the right community is an important process since the facility must provide the appropriate level of care, meet the applicant's needs, be affordable and have an opening when you need it.

## When is Assisted Living/ Memory Care appropriate?

Around 70% of adults over the age of 65 will need long-term care at some point in their lives, according to the U.S. Department of Health and Human Services. When our loved ones can no longer live independently, that's when caregivers are faced with the difficult decision of what type of care to select – because not all long-term care options are created equal.

If your loved one is still active and vital, but can no longer live independently and needs assistance with everyday activities such as bathing, dressing or eating, one of the options available to him or her is assisted living.

According to the Assisted Living Federation of America (known as Argentum), assisted living is defined as “a long-term care option that combines housing, support services and health care, as needed.” Personal care services in assisted living often also include medication management and transportation, and care is available around the clock. Seniors in assisted living usually have the option of a private room or shared space in an apartment, depending on their budget and preferences.

As your loved one ages, they may simply need a little extra help with everyday tasks, or they may require more specialized nursing care if they have age-related issues with mobility, or conditions such as dementia. Assisted living communities vary in terms of what services they offer, but some of them do provide memory care services, usually in a dementia special care unit (SCU).

### Assisted Living vs. Memory Care

Although assisted living communities may have memory care units on the premises, the two types of care are not synonymous.

Memory care is a distinct form of long-term care that specifically caters to patients with Alzheimer's disease, dementia and other types of memory problems. Also called special care units (SCUs), memory care units usually provide 24-hour supervised care within a separate wing or floor of a residential facility.

As with assisted living, if your loved one is no longer able to care for him or herself due to progressive impairment, memory care offers a residential solution.

## Signs that Your Loved One May Need Memory Care Services

More than 15 million Americans devote time and energy to caring for a loved one with Alzheimer's disease or other dementia, according to the [Alzheimer's Association](#)<sup>1</sup>, but sometimes the cost of caregiving becomes too high. Caregivers often find themselves unable to bear the burden of providing home health care without suffering from illness themselves.

This is when it may be time to consider whether to move a loved one into assisted living if their health needs become too much to handle at home.

Moving a family member is never an easy decision. There are, however, some telltale signs that caregivers can look for in order to recognize when it's the right time for assisted living:

### **Aggression**

Physical, sexual or violent aggression frequently happen in those with dementia, and caregivers or other family members may suffer or begin to feel resentful.

### **Caregiver Stress**

Caregiver symptoms like increased stress can be just as telling a sign as the dementia behaviors described above.

### **Escalating Care Needs**

Ask yourself: "Are the person's care needs beyond my physical abilities?" or "Is the health of the person with dementia or my health as a caregiver at risk?" If you're answering yes to those questions, it might be time to have that tough family conversation.

### **Home Safety**

Consider your senior family member's health and your own abilities to care for them. Is the person with dementia unsafe in their current home?

### **Sundowning**

"Sundowners syndrome" – very agitated behavior that becomes more pronounced later in the day – is a common characteristic of those with Alzheimer's. This can take a heavy toll on caregivers, and when it begins to severely disrupt family routines, this may be a sign that the caregiving burden is too hard to handle.

### **Wandering**

In later stages of dementia, the risk posed by wandering becomes much greater and the probability of falls and injuries increases.

<sup>1</sup> <https://www.alz.org/alzheimers-dementia/facts-figures>

## Stress May Indicate a Need for Help

An [article in the \*New York Times\*](#)<sup>2</sup> discussed the psychological costs of caregiving and of making difficult care decisions, which some professionals are likening to the effects of post-traumatic stress disorder. Caregivers may experience symptoms like:

- Avoidance behaviors
- Disabling anxiety
- Hyper-vigilance
- Intrusive thoughts and more

Rita Vasquez attributes these symptoms not only to the pressures of caring for someone with dementia, but also to the disruptions to normal eating and sleeping patterns that result when one is spending so much time on caregiving. “When the brain is always on alert, many things are going to happen – you’re not going to eat well, your nutrition is going to go down, and physical health suffers.”

The emotional, mental and physical toll of caregiving can be particularly pronounced for spouses of those who need care. In one of the families Vasquez works with, the wife and primary caregiver is 80 years old. “She’s taking care of her 85-year-old husband and it’s draining her,” Vasquez says. “When he fell recently, she couldn’t pick him up and had to call the paramedics.” In cases like this, it might be clear immediately when the demands of care become too great. In other cases, it might not be so obvious.

If you are feeling isolated and alone, or if you begin to feel resentful of your loved one, it might be time to examine the source of those feelings, says Vasquez.

“Anger, resentment, sleep deprivation – all those things will become part of what happens to a caregiver,” she says. “Of course, the guilt, when you think, ‘I’m not doing enough.’” When that happens, it is important to recognize how much you’ve been giving to your loved one, and perhaps tell yourself, “Okay, I’m not living a life for myself anymore, I’m living for that person.”

<sup>2</sup> <http://newoldage.blogs.nytimes.com/2013/02/22/for-traumatized-caregivers-therapy-helps/?src=recg>

# How to Pay for Assisted Living or Memory Care Services

As you're weighing senior care options for your loved one, cost is likely a top factor. The good news? Depending on what care your loved one needs, assisted living can be much more affordable than nursing home care or long-term in-home care. Assisted living rents vary, but you can generally expect to pay \$3,000 to \$5,000 per month (compared to \$6,000 to \$10,000 and up for nursing homes). If your loved one doesn't need close medical supervision, assisted living might be your best bet, financially speaking.

**But how will you pay for assisted living? Explore eight creative ways to afford assisted living that you haven't thought of yet.**

**Important note:** Medicare will NOT pay for assisted living beyond short-term rehabilitation services.

## 1 Pay for Assisted Living with Veterans Benefits

If your loved one (or your loved one's spouse) was a veteran, you're in luck when it comes to residential care. Veterans benefits can be used to pay for residential care in a variety of situations. One set of benefits is available to those with service-related injuries or disabilities; another set of benefits, known as Aid and Attendance, is available to any veteran or surviving spouse who's disabled and whose income is below a certain limit. To qualify for and access these benefits, you'll need to go through the Veterans Administration, which can be a tricky and time-consuming process. It's extremely helpful to work with a

geriatric planner who knows the ins and outs of the system. Many senior living communities offer a financial concierge service that can include guiding you through the process of qualifying for benefits.

Another option is to work directly with services such as [Elderlife Financial](https://www.elderlifefinancial.com/)<sup>3</sup>, which works with assisted living and continuous care retirement communities (CCRCs) to provide this concierge service. Elderlife Financial connects you with its network of veterans benefits experts, who can help obtain the maximum benefits your loved one is entitled to.

<sup>3</sup> <https://www.elderlifefinancial.com/>

## 2 How to Use a Life Insurance Policy to Pay for Assisted Living

If your loved one has a life insurance policy, he probably purchased it long ago, thinking to provide support to his family after his death. But a life insurance policy can also provide financial support now, if that's when the money would be most helpful. To cash out a policy, ask your life insurance company about "accelerated" or "living" benefits. Commonly, the company that originally issued the policy buys it back for 50 to 75 percent of its face value. The amount is decided based on the policy amount and monthly premiums as well as the policyholder's age and health. Different rules may apply depending on the company and type of policy. For example, some policies can only be cashed in if the policyholder is terminally ill; others are much more flexible.

If the company that issued the policy won't cash it in, don't worry. Your loved one can also sell the policy to a third-party company in return for a "life settlement" or "senior settlement," which is usually a lump sum of 50 to 75 percent of the policy's face value. After buying the policy, the settlement company pays the premiums until the policyholder dies, at which point the company, rather than the policy's original beneficiaries, receives the benefits. Another option, known as a "life assurance" benefit or life insurance conversion program, allows seniors to convert the benefit of a life insurance policy directly into long-term care payments. Life insurance conversion typically pays between 15 and 50 percent of the value of the policy – less than a life settlement – but is available for lesser-value policies that might not qualify for life settlement.

## 3 How to Use Long-Term Care Insurance to Pay for Assisted Living

If you or your loved one bought care insurance, you're one of the lucky ones. Long-term care insurance policies apply to assisted living care; all you need to know is how to collect on it. Some long-term care policies have a specific designated benefit for nursing home care, based on a mental or physical diagnosis, which can be used to pay for assisted living. Or the policy may set a designated payment for home care, which can be paid directly to the

assisted living community or to the beneficiary, who then uses it to pay for assisted living.

One more thing: If your loved one didn't buy long-term care insurance, it's probably too late now to consider this option. But there is time to sign up for a long-term care policy yourself, so you don't put your own family in the same pickle in the future.

#### 4 How to Use an Annuity to Pay for Assisted Living

If you have a nest egg but you're concerned about outliving your resources, an annuity may be a good option. When you purchase an annuity, you pay a lump sum up front — and receive regular payments back over a promised period of time, usually the rest of your life. An annuity can help you stretch your budget and be sure that you'll always have at least some money coming in even if you live longer than you expect.

The big benefit of annuities is that you continue to receive money regularly, even if your purchase premium runs out. If you live a really long time, you get more back than you put in. The underwriter takes the risk that you might live longer than the money lasts — and makes an extra profit if you die early. Underwriters don't go into the annuity business expecting to lose money, but annuities can still be a better deal for you than just consuming your money year by year.

Another benefit is that annuities aren't fully counted as assets by Medicaid when you apply for government assistance. The income from the annuity is counted as a "resource," but the much larger sum originally used to purchase the annuity is not.

Annuities are complex financial tools. There are many variations. Some you buy now to get future payments, others deliver immediate payments; some are based on a fixed interest rate, others work off variable rates. You'll want to do some homework and talk to a trusted financial adviser about what annuity options might be appropriate for your situation.

Be very cautious when investing in annuities. There are unscrupulous marketing schemes pushing phony annuity deals that target vulnerable seniors through community centers, adult education seminars, telemarketing, and slanted advertising. And outright annuity fraud is more common than most people realize. Always use your commonsense filter: If it sounds too good to be true, it might be a scam. You'll want to choose a reputable company when you buy an annuity, and work with a representative who comes highly recommended. And make sure your representative helps you think through some of the trickier details, like inflation.

## 5 How to Use a Reverse Mortgage to Pay for Assisted Living

If your loved ones own their home outright or have only a small mortgage on it, a reverse mortgage might be just the solution you're looking for.

A reverse mortgage allows you to cash out the value of your home equity, either in a lump sum or in a series of monthly payments. The bank decides on a value based on what the home is worth, interest rates, the applicant's age, and other factors, and the loan balance gradually increases over time. (If a bank holds a mortgage on the house, it has to be paid back before you can begin receiving payments.) The borrower can stay in the home until death, even if the loan balance exceeds the home's worth. Upon death, the loan balance must be repaid, which usually means selling the home.

Reverse mortgages were originally developed to help widows remain in their homes after the breadwinner passed away. Today they work best when one parent needs assisted living

but the other can remain in the home. To apply for a reverse mortgage, one homeowner must be over the age of 62, and one person must continue to live in the home.

Be sure to do your homework about the pros and cons of reverse mortgages – they aren't for everyone. For example, it's probably not a great choice for a beloved property that you want to keep in the family.

Finally, a reverse mortgage is a big commitment, so it's important to work with a reputable company. Make sure you understand the terms and read the fine print, as there are many rules about homeowners' insurance and mortgage insurance and keeping the property well maintained. There may also be high fees involved, or clauses that make it easy to lose the home. The [Consumer Financial Protection Bureau](#)<sup>4</sup> recently reported that reverse mortgage scams and foreclosures are on the rise.

## 6 Rent out Your Home to Make Assisted Living More Affordable

If only one parent is still living, or if both parents need assistance with daily living, the family home can be an important resource. Selling is an option, of course. But in many families, Mom and Dad's house is cherished and family members aren't ready to make this

decision. In this case, consider renting out the house and using the rental income to pay for assisted living. The idea of being a landlord might seem scary, but for a percentage fee you can hire a service to manage the property for you.

<sup>4</sup> <https://www.consumerfinance.gov/>

## 7 How to Use Medicaid or SSI to Pay for Assisted Living

If you don't have much in the way of savings or other financial assets and your income is low, you may qualify for government assistance to pay for assisted living.

Start with Medicaid, which is run as a partnership between the states and the federal government. In many states the programs go by another name, so look up the name of your state's program online or in the government pages of your phone book (example: Arizona Long-Term Care System). Medicaid eligibility is different from state to state, but typically you must have less than \$2,000 in assets, in addition to your home and your car, in order to qualify.

Only some assisted living communities will accept Medicaid, and Medicaid beds are usually limited. To find long-term residential care options near you, check with your local Area Agency on Aging. To help you navigate the maze of signing up for public benefits, you can also call for a free consultation from a Government Health Insurance Counselor.

**Important note:** Beware of trying to qualify for Medicaid by "gifting" money and other assets to adult children or other family members, also known as "Medicaid spend-down." This once-

popular strategy isn't as easy as it sounds and can backfire badly. The government has become increasingly strict about Medicaid qualification and has the right to do a "look-back," going over your financial transactions for the past five years. Any gifts of money or assets made during this time are counted as resources, including assets put into an irrevocable trust. If you're caught trying to spend down your resources to qualify for Medicaid, the penalties are steep – including disqualification from receiving Medicaid for a lengthy period of time.

If you have a disability, another option is supplemental Social Security income (SSI). Also administered by the state, SSI is part of the governmental safety net for those who are impoverished and partially or totally disabled by illness or injury. SSI comes in the form of monthly payments, which you could use to pay for nursing home care or assisted living. To qualify for SSI, contact your state disability department. You'll need to document your financial status and you'll also need a doctor to certify that you can't work because of a medical disability.

## 8 How to Pool Family Resources to Pay for Assisted Living

If you're worried about Mom or Dad living alone, other family members may be worried, too. Getting everyone together to talk about it sometimes makes it possible to find a solution, such as pooling assets and trading money for time. For example, if one or two siblings or family members handle the brunt of daily care, such as driving to medical appointments, others with less flexible work schedules might contribute money instead. Or if there's a family home that no one wants to sell yet, siblings with available funds might pay for assisted living with the promise of repayment when the house is sold.

The research and paperwork associated with finding and choosing among assisted living communities and

qualifying for financial support is a big job. Sometimes families get stuck because no one feels qualified to take on the task. It can be a huge relief to work with a geriatric care manager or senior move manager who knows the resources in your area. A care manager can work with the entire family to present options, resolve roadblocks, and help you find the perfect situation for your loved one.

Money matters can also bring up family tensions. If you're having trouble communicating about this challenging topic, speak to a senior living consultant or geriatric care manager about how to handle family conflicts. You might also enlist the help of a professional mediator.



## 9 Pay for Assisted Living With a Bridge Loan

If your loved one doesn't have a lot of free cash or financial assets that are easily liquidated, the answer might be a bridge loan, an option developed by Elderlife Financial. Bridge loans are short-term loans of up to \$50,000 designed specifically to provide the funds for a move to assisted living or a continuing care retirement community (CCRC). They come in two types. The first type is an unsecured (no collateral required) line of credit intended to finance the first months of living expenses while seniors sell their home, obtain veterans benefits, or take other actions to free up funds.

Interest rates for these lines of credit range from 8.25 to 12.5 percent, so this option is best used when the time to payback is relatively short. (Borrowers have up to five years to repay, but most repay the loans within a year, according to the company.)

The second type, called the Capital Access Program, is a lower-interest, lump-sum loan secured by real estate or another asset that the company recently introduced. It's designed to help seniors come up with the large up-front entrance fee typically required for a CCRC.

Seniors (or other family members) qualify for both types of loans based on the usual criteria, such as credit score, credit history, and debt-to-income ratio. The senior or an adult child can be the borrower, and up to six family members can cosign the loan application. Of course, as with any loan, cosigners are liable if the borrower runs into trouble with repayment. In many cases, payments can be made directly to the CCRC for convenience.

**Important note:** Medicare will NOT pay for assisted living beyond short-term rehabilitation

# Assisted Living and Memory Care Research Checklists

Resources from CaregiversLibrary.org:

<http://www.caregiverslibrary.org/caregivers-resources/grp-checklists-forms.aspx>

Click on the topics below to link to a downloadable pdf of the resources.

- **Assisted Living: Costs And Contracts**  
A list of financial questions to ask when you and your loved one visit an assisted living facility.
- **Assisted Living: Personal Care**  
A checklist of personal and health care questions to ask when you and your loved one visit an assisted living community.
- **Assisted Living: Quality Of Life**  
A checklist of questions dealing with socializing, meals, safety, and other issues to consider when you and your loved one visit an assisted living community.
- **Assisted Living: Special Care Units**  
If your loved one is considering a move to assisted living, you need to find out about any special care services offered by the community.
- **Continuing Care Questionnaire**  
A list of questions to ask when you and your loved one visit a continuing care retirement community.
- **Home Modification Checklist**  
How to safety-proof a loved one's home.
- **Nursing Home Checklist**  
A list of basic questions to ask when you and your loved one visit a nursing home.
- **Questions About Hospice Care**  
A checklist of questions to ask as you try to find the right hospice service for your loved one.

DISCLAIMER: The information provided in this *Assisted Living Resource Guide* is compiled from a number of different resources including ManorhouseRetirement.com, ALZ.org, Argentum.org, CaregiversLibrary.org, Caring.com, APFM.com, and others. The advice and services provided by these third-party entities is not being endorsed by a representative of the organization that has provided this resource guide to you.