



## Long-Term Care Costs

According to the Administration on Aging October 2017

- \$225 a day or \$6,844 per month for a semi-private room in a nursing home
- \$253 a day or \$7,698 per month for a private room in a nursing home
- \$119 a day or \$3,628 per month for care in an assisted living facility (for a one-bedroom unit)
- \$20.50 an hour for a health aide
- \$20 an hour for homemaker services
- \$68 per day for services in an adult day health care center

The cost of long-term care **depends** on the type and duration of care you need, the provider you use, and where you live. Costs can be affected by certain factors, such as:

- **Time of day.** Home health and home care services, provided in two-to-four-hour blocks of time referred to as “visits,” are generally **more expensive in the evening, on weekends, and on holidays**
- **Extra charges** for services provided beyond the basic room, food and housekeeping charges at facilities, although some may have “all inclusive” fees.
- **Variable rates** in some community programs, such as adult day service, are **provided at a per-day rate, but can be more** based on extra events and activities

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## Glossary

### Accelerated Death Benefit

A life insurance policy feature that lets you use some of the policy's death benefit prior to death.

### Activities of Daily Living (ADLs)

Basic actions that independently functioning individuals perform on a daily basis:

- Bathing
- Dressing
- Transferring (moving to and from a bed or a chair)
- Eating
- Caring for incontinence

Many public programs determine eligibility for services according to a person's need for help with ADLs. Many long-term care insurance policies use the inability to do a certain number of ADLs (such as 2 of 6) as criteria for paying benefits.

### **Acute Care**

Recovery is the primary goal of acute care. Physician, nurse, or other skilled professional services are typically required and usually provided in a doctor's office or hospital. Acute care is usually short term.

### **Adult Day Services**

Services provided during the day at a community-based center. Programs address the individual needs of functionally or cognitively impaired adults. These structured, comprehensive programs provide social and support services in a protective setting during any part of a day, but not 24-hour care. Many adult day service programs include health-related services.

### **Advanced Directive**

(also called Health Care Directive, Advanced Health Care Directive, Living Will, or Health Care Directive) Legal document that specifies whether you would like to be kept on artificial life support if you become permanently unconscious or are otherwise dying and unable to speak for yourself. It also specifies other aspects of health care you would like under those circumstances.

### **Aging and Disability Resource Centers (ADRCs)**

ADRCs serve as single points of entry into the long-term supports and services system for older adults and people with disabilities. Through integration or coordination of existing aging and disability service systems, ADRC programs raise visibility about the full range of options that are available, provide objective information, advice, counseling and assistance, empower people to make informed decisions about their long term supports, and help people more easily access public and private long term supports and services programs.

### **Alzheimer's Disease**

Progressive, degenerative form of dementia that causes severe intellectual deterioration. First symptoms are impaired memory, followed by impaired thought and speech, and finally complete helplessness.

### **Annuity**

A contract in which an individual gives an insurance company money that is later distributed back to the person over time. Annuity contracts traditionally provide a guaranteed distribution of income over time, until the death of the person or persons named in the contract or until a final date, whichever comes first.

### **Arthritis**

Disease involving inflammation of a joint or joints in the body.

### **Assisted Living Facility**

Residential living arrangement that provides individualized personal care, assistance with Activities of Daily Living, help with medications, and services such as laundry and housekeeping. Facilities may also provide health and medical care, but care is not as intensive as care offered at a nursing home. Types and sizes of facilities vary, ranging from small homes to large apartment-style complexes. Levels of care and services also vary. Assisted living facilities allow people to remain relatively independent.

### **Bathing**

Washing oneself by sponge bath or in the bathtub or shower. One of the six Activities of Daily Living (ADLs)

### **Benefit Triggers (Triggers)**

Insurance companies use benefit triggers as criteria to determine when you are eligible to receive benefits. The most common benefit triggers for long-term care insurance are:

- Needing help with two or more Activities of Daily Living
- Having a Cognitive Impairment such as Alzheimer's Disease

### **Benefits**

Monetary sum paid by an insurance company to a recipient or to a care provider for services that the insurance policy covers.

### **Board and Care Home**

(also called Group Home) Residential private homes designed to provide housing, meals, housekeeping, personal care services, and supports to frail or a person with a disability residents. At least one caregiver is on the premises at all times. In many states, Board and Care Homes are licensed or certified and must meet criteria for facility safety, types of services provided, and the number and type of residents they can care for. Board and Care Homes are often owned and managed by an individual or family involved in their everyday operation.

**Caregiver**

A caregiver is anyone who helps care for an elderly individual or person with a disability who lives at home. Caregivers usually provide assistance with activities of daily living and other essential activities like shopping, meal preparation, and housework.

**Charitable Remainder Trust**

Special tax-exempt irrevocable trust written to comply with federal tax laws and regulations. You transfer cash or assets into the trust and may receive some income from it for life or a specified number of years (not to exceed 20). The minimum payout rate is 5 percent and the maximum is 50 percent. At your death, the remaining amount in the trust goes to the charity that you designated as part of the trust arrangement.

**Chronically Ill**

Having a long-lasting or recurrent illness or condition that causes you to need help with Activities of Daily Living and often other health and support services. The condition is expected to last for at least 90 consecutive days. The term used in tax-qualified long-term care insurance policies to describe a person who needs long-term care because of an inability to do a certain number of Activities of Daily Living without help, or because of a severe cognitive impairment such as Alzheimer's Disease.

**Cognitive Impairment**

Deficiency in short or long-term memory, orientation to person, place and time, deductive or abstract reasoning, or judgment as it relates to safety awareness. Alzheimer's Disease is an example of a cognitive impairment.

**Community Spouse**

Spouse of a nursing home resident applying for or receiving Medicaid long-term care services.

**Community-Based Services**

Services and service settings in the community, such as adult day services, home delivered meals, or transportation services. Often referred to as home- and community-based services, they are designed to help older people and people with disabilities stay in their homes as independently as possible.

**Continence**

Ability to maintain control of bowel and bladder functions, or when unable to maintain control of these functions, the ability to perform associated personal hygiene such as caring for a catheter or colostomy bag. This is one of the six Activities of Daily Living.

**Continuing Care Retirement Communities (CCRC)**

Retirement complex that offers a range of services and levels of care. Residents may move first into an independent living unit, a private apartment, or a house on the campus. The CCRC provides social and housing-related services and often also has an assisted living unit and an on-site or affiliated nursing home. If and when residents can no longer live independently

in their apartment or home, they move into assisted living or the CCRC's nursing home.

### **Countable Assets**

Assets whose value is counted in determining eligibility for Medicaid. They include:

- Vehicles other than the one used primarily for transportation
- Life insurance with a face value over \$1,500
- Bank accounts and trusts

Your home provided that your spouse or child does not live there and its equity value is greater than \$500,000 (\$750,000 in some states)

### **CPR (Cardiopulmonary Resuscitation)**

Combination of rescue breathing (mouth-to-mouth resuscitation) and chest compressions used if someone isn't breathing or circulating blood adequately. CPR can restore circulation of oxygen-rich blood to the brain.

### **Custodial Care**

(also called personal care) Non-skilled service or care, such as help with bathing, dressing, eating, getting in and out of bed or chair, moving around, and using the bathroom.

### **Dementia**

Deterioration of mental faculties due to a disorder of the brain.

### **Do Not Resuscitate Order (DNR)**

Written order from a doctor that resuscitation should not be attempted if a person suffers cardiac or respiratory arrest. A DNR order may be instituted on the basis of an Advance Directive from a person, or from someone entitled to make decisions on the person's behalf, such as a health care proxy. In some jurisdictions, such orders can also be instituted on the basis of a physician's own initiative, usually when resuscitation would not alter the ultimate outcome of a disease. Any person who does not wish to undergo lifesaving treatment in the event of cardiac or respiratory arrest can get a DNR order, although DNR orders are more common when a person with a fatal illness wishes to die without painful or invasive medical procedures.

### **Dressing**

Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs. This is one of the six Activities of Daily Living.

### **Durable Power of Attorney**

Legal document that gives someone else the authority to act on your behalf on matters that you specify. The power can be specific to a certain task or broad to cover many financial duties. You can specify if you want the power to start immediately or upon mental incapacity.

**Eating**

Feeding oneself by getting food into the body from a receptacle or by a feeding tube or intravenously. It is one of the six Activities of Daily Living.

**Elimination Period**

(also known as a Deductible Period or Benefit Waiting Period) Specified amount of time at the beginning of a disability during which you receive covered services, but the policy does not pay benefits. A Service Day Deductible Period is satisfied by each day of the period on which you receive covered services. A Calendar Day or Disability Day Deductible Period doesn't require that you receive covered services during the entire deductible period, but only requires that you meet the policy's benefit triggers during that time period.

**Equity Value**

Fair market value of property minus any liabilities on the property such as mortgages or loans.

**Estate Recovery**

Process by which Medicaid recovers an amount of money from the estate of a person who received Medicaid. The amount Medicaid recovers cannot be greater than the amount it contributed to the person's medical care.

**Exempt Assets**

(also called Non-countable Assets) Assets whose value is not counted in determining financial eligibility for Medicaid. They include:

- Personal belongings
- One vehicle
- Life insurance with a face value under \$1,500

Your home provided that your spouse or child lives there and its equity value is less than \$500,000 (\$750,000 in some states)

**Federal Poverty Level**

Income standard that the federal government issues annually that reflects increases in prices, measured by the Consumer Price Index.

**Financial Eligibility**

Assessment of a person's available income and assets to determine if he or she meets Medicaid eligibility requirements.

**Functional Eligibility**

Assessment of a person's care needs to determine if he or she meets Medicaid eligibility requirements for payment of long-term care services. The assessment may include a person's ability to perform Activities of Daily Living or the need for skilled care.

**General Medicaid Eligibility Requirements**

You must be:

- A resident of the state in which you are applying
- Either a United States citizen or a legally admitted alien
- Age 65 or over
- Or meet Medicaid's rules for disability, or blind

### **Group Home**

(also called Board and Care Home) Residential private homes designed to provide housing, meals, housekeeping, personal care services, and supports to persons with a disability or other frail residents. At least one caregiver is onsite at all times. In many states, group homes are licensed or certified and must meet criteria for facility safety, types of services provided, and the number and type of residents they can care for. Group homes are often owned and managed by an individual or family involved in their everyday operation.

### **Health Care Proxy**

Legal document in which you name someone to make health care decisions for you if, for any reason and at any time, you become unable to make or communicate those decisions for yourself.

### **High Blood Pressure**

Blood pressure is the force of blood pushing against your blood vessel walls. High blood pressure is when that force, as measured by a blood pressure cuff, is elevated above normal limits.

### **Homemaker**

Licensed Homemaker Services provides "hands-off" care such as helping with cooking and running errands. Often referred to as "Personal Care Assistants" or "Companions." This is the rate charged by a non-Medicare certified, licensed agency.

### **Homemaker or Chore Services**

Help with general household activities such as meal preparation, routine household care, and heavy household chores such as washing floors or windows or shoveling snow.

### **Hospice Care**

Short-term, supportive care for individuals who are terminally ill (have a life expectancy of six months or less). Hospice care focuses on pain management and emotional, physical, and spiritual support for the patient and family. It can be provided at home or in a hospital, nursing home, or hospice facility. Medicare typically pays for hospice care. Hospice care is not usually considered long-term care.

### **Incontinence**

Inability to maintain control of bowel and bladder functions as well as the inability to perform associated personal hygiene such as caring for a catheter or colostomy bag. Continence is one of the six Activities of Daily Living.

## **Informal Caregiver**

Any person who provides long-term care services without pay.

## **Instrumental Activities of Daily Living**

Activities that are not necessary for basic functioning, but are necessary in order to live independently. These activities may include:

- Doing light housework
- Preparing and cleaning up after meals
- Taking medication
- Shopping for groceries or clothes
- Using the telephone
- Managing money
- Taking care of pets
- Using communication devices
- Getting around the community
- Responding to emergency alerts such as fire alarms

## **Living Will**

(also called Health Care Directive, Advanced Health Care Directive, Living Will, or Health Care Directive) Legal document that specifies whether you would like to be kept on artificial life support if you become permanently unconscious or are otherwise dying and unable to speak for yourself. It also specifies other aspects of health care you would like under those circumstances.

## **Long-Term Care**

Services and supports necessary to meet health or personal care needs over an extended period of time.

## **Long-Term Care Facility**

(also called Long Nursing Home or Convalescent Care Facility) Licensed facility that provides general nursing care to those who are chronically ill or unable to take care of daily living needs.

## **Long-Term Care Insurance**

Insurance policy designed to offer financial support to pay for long-term care services.

## **Long-Term Care Services**

Services that include medical and non-medical care for people with a chronic illness or disability. Long-term care helps meet health or personal needs.

Most long-term care services assists people with Activities of Daily Living, such as dressing, bathing, and using the bathroom. Long-term care can be



provided at home, in the community, or in a facility. For purposes of Medicaid eligibility and payment, long-term care services are those provided to an individual who requires a level of care equivalent to that received in a nursing facility.

### **Look Back Period**

Five-year period prior to a person's application for Medicaid payment of long-term care services. The Medicaid agency determines if any transfers of assets have taken place during that period that would disqualify the applicant from receiving Medicaid benefits for a period of time called the penalty period.

### **Medicaid**

Joint federal and state public assistance program for financing health care for low-income people. It pays for health care services for those with low incomes or very high medical bills relative to income and assets. It is the largest public payer of long-term care services.

### **Medical Power of Attorney**

Legal document that allows you to name someone to make health care decisions for you if, for any reason and at any time, you become unable to make or communicate those decisions for yourself.

### **Medicare**

Federal program that provides hospital and medical expense benefits for people over age 65, or those meeting specific disability standards. Benefits for nursing home and home health services are limited.

### **Medicare Supplement Insurance**

(also called Medigap coverage) Private insurance policy that covers gaps in Medicare coverage.

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### **National Association of Insurance Commissioners (NAIC)**

Membership organization of state insurance commissioners. One of its goals is to promote uniformity of state regulation and legislation related to insurance.

### **Non-countable Assets**

(also called exempt assets) Assets whose value is not counted in determining financial eligibility for Medicaid. They include:

- Personal belongings
- One vehicle
- Life insurance with a face value under \$1,500
- Your home provided that your spouse or child lives there and its equity value is less than \$500,000 (\$750,000 in some states)

**Nursing Home**

(also called Long-Term Care Facility or Convalescent Care Facility) Licensed facility that provides general nursing care to those who are chronically ill or unable to take care of daily living needs.

**Osteoporosis**

Bone disease characterized by a reduction in bone density. Bones become porous and brittle as a result of calcium loss. People with osteoporosis are more vulnerable to breaking bones.

**Partnership Long Term Care Insurance Policy**

Private long-term care insurance policy that allows you to keep some or all of your assets if you apply for Medicaid after using up your policy's benefits. The Deficit Reduction Act of 2005 allows any state to establish a Partnership Program. Under a Partnership policy, the amount of Medicaid spend-down protection you receive is generally equal to the amount of benefits you received under your private Partnership policy. (State-specific program designs vary.)

**Person With a Disability**

For Medicaid eligibility purposes, a person with a disability is someone whose physical or mental condition prevents him or her from doing enough work or the type of work needed for self-support. The condition must be expected to last for at least a year or be expected to result in death. Persons receiving disability benefits through Supplemental Security Income (SSI), Social Security, or Medicare automatically meet this criterion.

**Personal Care**

(Also called custodial care) Non-skilled service or care, such as help with bathing, dressing, eating, getting in and out of bed or chair, moving around, and using the bathroom.

**Respite Care**

Temporary care which is intended to provide time off for those who care for someone on a regular basis. Respite care is typically 14 to 21 days of care per year and can be provided in a nursing home, adult day service center, or at home by a private party.

**Reverse Mortgage**

Type of loan based on home equity that enables older homeowners (age 62 or older) to convert part of their equity in their homes into tax-free income without having to sell the home, give up title, or take on a new monthly mortgage payment. Instead of making monthly payments to a lender, as you do with a regular mortgage, a lender makes payments to you. The loan, along with financing costs and interest on the loan, does not need to be repaid until the homeowner dies or no longer lives in the home.

**Skilled Care**

Nursing care such as help with medications and caring for wounds, and therapies such as occupational, speech, respiratory, and physical therapy.

Skilled care usually requires the services of a licensed professional such as a nurse, doctor, or therapist.

**Skilled Care Needs**

Services requiring the supervision and care of a nurse or physician, such as assistance with oxygen, maintenance of a feeding tube, or frequent injections.

**Spend Down**

Requirement that an individual spend most of his or her income and assets to pay for care before he or she can satisfy Medicaid's financial eligibility criteria.

**Supervisory Care**

Long-term care service for people with memory or orientation problems. Supervision ensures that people don't harm themselves or others because their memory, reasoning, and orientation to person, place, or time are impaired.

**Supplemental Security Income (SSI)**

Program administered by the Social Security Administration that provides financial assistance to needy persons with a disability or aged 65 or older.

**Transfer of Assets**

Giving away property for less than it is worth or for the sole purpose of becoming eligible for Medicaid. Transferring assets during the look back period results in disqualification for Medicaid payment of long-term care services for a penalty period.

**Transferring**

Moving into and out of a bed, chair, or wheelchair. Transferring is one of the six Activities of Daily Living.