AZPIRA Place
ASSISTED LIVING AND MEMORY CARE

How to Make Senior Living Affordable

A Guide to Potential Ways to Offset Senior Living Costs

Senior Living within Your Means

Don't let the cost of senior living deter you from researching, and possibly choosing, an assisted living community for yourself or a loved one. First, compare the costs of living in the current setting to the cost of senior living. You may well find that many of the true, incidental costs of living in a private home—for example home maintenance, groceries and transportation—are offset more than you think by the all-inclusive nature of many senior living scenarios.

As you understand the costs associated with moving to senior living in comparison to current expenses, it is helpful to be aware of financial options available to help seniors live affordably and independently in the appropriate senior living environment.

Paying for Senior Living

Here are some potential ways to offset the out-of-pocket expense of senior living:

Life Insurance Policies

Accelerated Death Benefit—An Accelerated Death Benefit (ADB) is a benefit that can be added to your life insurance policy. It can provide cash advances against your death benefit while you are still alive. You can use this benefit if you have a terminal illness or need permanent care in a supportive, assisted living, memory care or skilled nursing community. There might be spending limits (caps) on ADB policies.

Life Settlement—A life settlement is the sale, by the policyholder, of their life insurance to a third party in exchange for a lump sum of cash. Available for term, universal or whole life policies, life settlements, on average, provide the cash surrender value (CSV) of your insurance policy. The CSV is the amount of cash a policyholder receives from the life insurance company if they terminate the policy before it becomes payable.

Tax Deductions

Under the Health Insurance Portability and Accountability Act of 1996 (HIPPA), there are multiple tax credits and deductions available to seniors, the elderly and their families and caregivers. Most costs associated with medical care, assisted living, prescription drugs, and medical equipment and supplies are deductible through various state and federal tax credits or deductions. Speak to your tax advisor for more information.

Veterans Aid and Attendance Pension

Wartime veterans and their surviving spouses, 65 years and older, may be entitled to a tax-free benefit called the Aid and Attendance pension provided by the U.S. Department of Veterans Affairs. The benefit is designed to provide financial aid to help offset the cost of long-term care for those who need assistance with the daily activities of living such as bathing, dressing, eating, toileting and transferring. Find out more at http://www.benefits.va.gov/pension/aid_attendance_housebound.asp.

Long-Term Care Insurance

This type of private insurance policy can help pay for many types of long-term care, including both skilled and non-skilled care. Long-term care insurance coverage can vary widely. Some may include coverage for a whole range of services like care in assisted living and medical equipment. Eligibility and premiums are generally based on the age and health of the insured.

Medicaid Eligibility for Supportive Living

Administered through the Illinois Department of Healthcare and Family Services, the Supportive Living program combines apartment-style living with personal care and other services that are covered by Illinois' Medicaid program for those who qualify.

Who can qualify for Supportive Living?

The Supportive Living program is open to any Illinois resident who:

- is at least 65 years of age*
- undergoes preadmission screening and meets eligibility
- is without primary or secondary diagnosis of developmental disability or serious or persistent mental illness
- has had a tuberculosis test that indicates the absence of active tuberculosis
- is not participating in any other federal home and community-based services waiver program and meets financial qualifications

Additional financial criteria may be applicable for those seeking residency at specific Supportive Living communities.

Choose Right the First Time

If you have to move several times before you find the perfect fit, you'll end up spending more money. Instead, make sure you plan for the future and thoroughly research potential communities up front. Visit the ones that interest you most in order to find a community that provides a fulfilling lifestyle, meets yours or your loved one's health and wellness needs and makes the most financial sense.

Explore Your Financial Options

Now that you are aware of a variety of cost-saving payment options, the next step is to consult your financial, legal, tax, accounting, and/or other professional advisor. He or she can provide financial advice and information that is specific to your personal situation. Senior living community representatives can also provide more detailed information regarding their own communities' costs, payment options and applicable ways of offsetting expenses.

*For those age 22-64 who require supportive living, visit http://www.slfillinois.com/operational.html

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