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When starting to explore Senior Life options and “next steps” in senior life planning for you or on behalf of a loved one, you came to the right place. This free guide has helpful information and important things to consider before making decisions on next steps in senior care, senior living, senior insurance and financial options to help fund the need for alternative services.

Most seniors want to stay at home and remain independent for as long as possible. Making the decision to hire home health care and or bring other outside services in to help is a big decision and may trigger fear about loss of independence. Seniors may also decide on other options like moving to a senior living community, a nursing facility or independent community, all of which are big decisions and can prompt anxiety regarding loss of independence, concern over finances, how to downsize and a host of other concerns related to “next steps”.

Senior Life Care Solutions began as a way to help seniors and families alleviate these concerns and provide information, assessment, care planning and referrals to help seniors make the decision that’s best for them.

“Because finding senior solutions matters!”

Whether you are deciding on home care, other home/community services, assisted living, nursing home or needing help to decide what the best plan is for your loved one’s safety and quality of life, there are many differences between care options that are important to define.

## Finances

For many, this is the first question that is asked when a change in life care is needed. Does a senior have enough savings to hire home services, go to day care or move into an independent, assisted living, memory care or nursing home facility? Will Medicare, Medicaid or a supplement pay for care? What care does Medicare actually cover? What are my financial options if I have no savings? Do I meet Medicaid eligibility? What about trusts and protection of assets? Do you have long term care insurance? Can a life settlement help pay for costs of care? These are just some of the many questions asked about finances and Life Care Solutions for Seniors can help provide the answers and refer you to the financial and legal professionals for specialized services.

As a start, here are important definitions and differences between senior health insurance, prescription drugs, long term care, life settlements, VA benefits and Medicaid.



## Life Settlements

A [Life Settlement](#) is a “hidden cash asset” obtained through the sale of your existing life insurance policy that can be a good revenue source for client’s. A **life insurance settlement** involves selling an existing life insurance policy to a third-party company outside of the insurance company that previously issued the policy. In the past, individuals would have had to surrender their policies or wait for them to lapse in order to get out of their life insurance policies.

**Please remember these key points when speaking with your clients:**

- Clients can sell term life policies, not just universal life/whole life policies.
- Life settlements aren’t just for clients who have significant impairments. Life settlements can help mostly healthy clients get value from their policy.
- The key age group is generally 65 and older but may help younger clients.
- A face value of \$100,000 is generally the minimum.
- This market is highly transparent and regulated.

### **Viatical Settlements & Life Settlements-with Robin Weinberger -CLU, Chft, CLTC**

It’s easy to confuse a life settlement and a viatical settlement when you’re doing research. To help you make your decision about whether either of these options is right for you, we’ve put together a brief guide on the differences between life settlements and viatical settlements. Here’s what you need to know.

A life settlement or “senior settlement” is a financial transaction where the owner of an unwanted life insurance policy transfers ownership and beneficiary rights to an institutional investment fund. In exchange for transferring ownership, the insured receives a cash settlement that can often be four times greater than the cash surrender value.

A life settlement is not a loan, it is a one-time cash transaction that results in a full transfer of ownership in exchange for a lump sum. The money belongs entirely to the policy seller and can be spent at his or her discretion.

A viatical settlement is the sale of an existing life insurance policy at a discount from its value for cash. This type of settlement is offered when the insured is terminally ill — designed specifically for those who have a two to four-year life expectancy.



## Original Medicare

If you select Original Medicare, it will include Parts A and B and probably Part D. Here are the four basic parts of Medicare that will cover you for everything from hospital care to doctor visits to prescription drugs.

### Part A — Hospital coverage

When you apply for Medicare, you will automatically be enrolled in Part A. It covers hospital stays, hospice care and some skilled nursing care that you may need after being hospitalized for a stroke, a broken hip or other episodes that require rehabilitation in a nursing home or other facility so you can get back on your feet.

Most people don't have to pay a premium for Part A. You've already paid into the system in the form of the Medicare tax deductions on your paycheck.

However, Part A isn't totally free.

Medicare charges a hefty deductible each time you are admitted into the hospital. It changes every year, but for 2020 it's \$1,408. You can buy a supplemental or Medigap to cover that deductible and some out-of-pocket costs for the other parts of Medicare.

Medicare pays for virtually all hospital services for the first 60 days you're in the hospital. There are some exceptions — it won't pay for a private room, for example.

If you are a U.S. citizen or permanent resident and have not worked long enough to qualify for Medicare, you may be able to buy into the program by paying a Part A premium.

### Part B — Doctors and outpatient services

This part of Medicare covers doctor visits, lab tests, diagnostic screenings, medical equipment, ambulance transportation and other outpatient services.

Unlike Part A, Part B involves more costs, and you may want to defer signing up for Part B if you are still working and have insurance through your job or are covered by your spouse's health plan. But if you don't have other insurance and don't sign up for Part B when you first enroll in Medicare, you'll likely have to pay a higher monthly premium for as long as you're in the program.

The federal government sets the Part B monthly premium, which is \$144.60 for 2020. It may be higher if your income is more than \$85,000.



You'll also be subject to an annual deductible, set at \$185 for this year. And you'll have to pay 20 percent of the bills for doctor visits and other outpatient services. If you are collecting Social Security, the monthly premium will be deducted from your monthly benefit.

### **Part C — Medicare Advantage**

If original Medicare is a buffet, Part C is more like a sit-down meal since a private insurer bundles together parts A and B and most likely D into one comprehensive plan.

If you decide on a Medicare Advantage—or MA—plan, you'll still have to enroll in parts A and B and pay the Part B premium. Then, in addition, you will have to choose a Medicare Advantage plan and sign with a private insurer.

The federal government requires these plans to cover everything that original Medicare covers, and some plans pay for services that original Medicare does not, including dental and vision care. In addition, in recent years, the Centers for Medicare and Medicaid Services, which sets the rules for Medicare, has allowed Medicare Advantage plans to cover such extras as wheelchair ramps and shower grips for your home, meal delivery and transportation to and from doctors' offices.

Most Medicare Advantage plans also fold in prescription drug coverage. Not all of these plans cover the same extra benefits, so make sure to read the plan descriptions carefully.

Medicare Advantage plans generally are either health maintenance organizations (HMOs) or preferred provider organizations (PPOs).

In HMOs you typically choose a primary care doctor who will then direct your care and usually will have to give you a referral to see a specialist. PPOs have networks of doctors that you can see and facilities you can use, often without the need of a referral.

If you go to a provider who is not in the plan's network, you likely will pay more.

### **Part D — Prescription drugs**

This is the part of Medicare that pays for some of your prescription drugs. You buy a Part D plan through a private insurer, like Part C.

Each generally has some premiums and other out-of-pocket costs, either flat copays for each medication or a percentage of the prescription costs. They also may have an annual deductible.

If you have really high prescription drug bills, you may be subject to the Medicare coverage gap, commonly known as the doughnut hole. Once you and your drug plan have incurred a certain amount of expense for your drugs, you'll have to pay no more than 25 percent of the cost of brand-name prescription drugs and 37 percent of the price of generic drugs.

For 2019, that amount is \$3,820. In 2020, the doughnut hole will be no more, and you'll pay no more than 25 percent of the cost of both brand-name and generic prescriptions.



Be sure to check Medicare.gov whether the plan you're considering has the medicines you take on their covered lists — called formularies. Those lists change from year to year, so it's important to recheck your plan every year at open enrollment time — for 2019 from Oct. 15 to Dec. 7, 2019.

**The State Medicaid program**, for many low-income seniors, the blind or disabled, can apply for Medicaid as a way to fund additional care needs. From home services to day care, assisted living and nursing home care, the Statewide Medicaid Managed Care Long Term Care (SMMC-LTC) contains three components:

- **Managed Medical Assistance (MMA):** Provides Medicaid covered medical services like doctor visits, hospital care, prescribed drugs, mental health care, and transportation to these services. Most people on Medicaid will receive their care from a plan that covers MMA services.
- **Long-Term Care (LTC):** Provides Medicaid LTC services like care in a nursing facility, assisted living, or at home. To get LTC you must be at least 18 years old and meet nursing home level of care (or meet hospital level of care if you have Cystic Fibrosis).
- **Dental:** Provides all Medicaid dental services for children and adults. All people on Medicaid must enroll in a dental plan.

**Elderly Veterans** may be eligible for a wide variety of **benefits** available to all U.S. military **Veterans**. VA benefits include disability compensation, pension, education and training, health care, home loans, insurance, vocational rehabilitation and employment, and burial.

**Aid and Attendance (A&A)** is an increased monthly pension amount paid if you meet one of the conditions below:

- You require help performing daily functions, which may include bathing, eating or dressing.
- You are bedridden.
- You are a patient in a nursing home.
- Your eyesight is limited to a corrected 5/200 visual acuity or less in both eyes; or concentric contraction of the visual field to 5 degrees or less.

**Housebound** is an increased monthly pension amount paid if you are substantially confined to your immediate premises because of a permanent disability. See Resource List below for more info.

**VA Health Care** for Elderly Veterans is a program for Veterans of all ages who need the daily support and assistance of another individual. Elderly Veterans can receive geriatric and long-term care programs at home, at VA medical centers, or in the community.



The specific VA benefit or program web page will provide tailored information about how to apply for a particular benefit or program. Generally, Servicemembers, Veterans, and families can apply for VA benefits.

Please see link in resource section or call your County VA office.

## Exploring Senior Living

**Active adult communities** are typically restricted to people who are 55+ and offer residential living, usually a residential home, condo or townhome, with extra amenities, activities and hospitality included. There are usually maintenance fees included. Assistance with activities of daily living isn't typically provided but access or referral to nearby health care providers may be. Typically, residents have a choice of whether or not to take advantage of available services and programs.

**Independent Living** is a residential living setting for seniors who require minimal or no assistance, but hospitality and supportive services are generally provided. Independent living residences may be apartments or freestanding homes obtained either through an entrance fee or through a rental agreement. A monthly fee for services and amenities is usually extra and access to higher levels of care varies, depending on community and whether there is a continuum of care option.

**Assisted Living** is a special combination of housing, personalized supportive services and care designed to meet the needs of those who require help with daily activities. Although there are a handful of residents who reside in assisted living without using the additional care services, most move in because there is a need for certain care and/or need for socialization and recreational activities. Assisted living communities are licensed under the Agency for Health Care Administration in Florida and must meet licensing requirements and go through inspections which are made open to the public through the ACHA website. Additionally, AL's are licensed differently and provide different levels of care which is an important factor in long term care planning and ability to age in place. Costs vary from the mid 2k's to 7k monthly, depending on the community and care level needed.

**Residential Homes** in Florida, also known as residential care facilities, are usually located in residential areas and are normally less than 10 beds in size.

Residential Care Homes are licensed and surveyed by the State of Florida like assisted living communities. More information can be found on the AHCA website.



Residential Care Homes in Florida provide full-time, family-type living in a private residential home for elderly persons or adults with a disability, who are not related to the owner. The owner may live in the same house as the residents. The basic services include but are not limited to housing and nutritional meals, help with the activities of daily living, personal care like bathing, dressing, eating, walking, physical transfer, assisting with medications, social activities, arrange for health care services and sometimes provide transportation to health care services. Sometimes these homes are more affordable and usually take Medicaid LTC insurance.

**Continuing Care Retirement Communities (CCRC's)** offer several kinds of residences for independent living and various levels of health care services; assisted living, independent, memory support and skilled nursing housing and care options on the CCRC campus. There is usually a written agreement and long-term contract between the resident (usually lifetime) and

the community which offers maintenance-free living, a variety of services and amenities and access to a continuum of health care. Most CCRC's require a one-time upfront entrance fee and a predictable monthly fee which allows the resident access to all the amenities and health care. Depending on the contract signed, the continuum of care living may be offered at the same price as the independent living, at a reduced rate or on a fee for service basis. Types of care level setting vary by community as do the **entrance fees which can be costly**. Age restriction is normally 62, although there are variations from one community to another.

**Memory Care/Memory Support** is offered in many assisted living communities, along with stand-alone memory support communities which specialize in services dedicated to resident's needing care for Alzheimer's or other forms of dementia or cognitive impairments. Many memory care programs have innovative technologies and interventions in designed environments that can decrease the level of anxieties and behaviors associated with dementia. Staff typically has a high level of expertise and undergoes dementia training and certification. **The cost for Memory Care support varies, depending on type of community where someone with dementia is cared for.**

**Nursing Home/Skilled Nursing Home** is an Agency for Healthcare Administration (AHCA) licensed facility where most residents require 24/7 nursing and or health care. In most cases, nursing homes are licensed for Medicare/Medicaid reimbursement. They generally have private or semi-private rooms and around the clock medical staff, including RN's, LPN's, CNA's, therapist's and other professional and administrative workers. Many nursing homes are freestanding facilities. Whether it is short term rehabilitation, skilled nursing or long-term care, the cost and level of care is normally higher than in an assisted living community but is reimbursable for Medicare/Medicaid and coinsurance with certain limits and conditions. They may also provide short term rehabilitation, memory support and other types of specialized care. Long term care can only be provided by Medicaid, VA or private pay, and the cost per month can range from **7k-10k**, which includes meals, personal assistance and most medical services (except for medication).



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**Respite Care** services provide caregivers with temporary relief from tasks associated with caregiving (e.g.: in-home assistance, short nursing home or assisted living stays, adult day care). In a senior living community setting, it is usually referring to an arrangement whereby a senior stays at the community for a few days or weeks, perhaps to give the caregiver at home a break or to experience the community's accommodations, services and amenities on a trial basis. **Cost vary from free to daily per diem rate at a community setting.**

**Hospice Care** is designed to give supportive care to people in the final phase of a terminal illness and focus on comfort and quality of life, rather than cure. The goal is to enable patients to be comfortable and free of pain, so that they live each day as fully as possible. Aggressive methods of pain control may be used. Hospice programs generally are home-based, but they sometimes provide services away from home -- in freestanding facilities, in nursing homes, or



within hospitals. The philosophy of hospice is to provide support for the patient's emotional, social, and spiritual needs as well as medical symptoms as part of treating the whole person. **The cost for Hospice is covered under Medicare Part A and Medicaid services, which vary from state to state.**

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There are many things to consider when making a senior life care plan. Whether you are looking for care at home or assisted or NH care, licensing, care models, extra costs for levels of care and ancillary services need to be reviewed. If you are looking for financial options, the state and government options can be a complex maze of information; wait lists, eligibility, financial planning and interim care to name a few.

We hope you find the guide helpful as an initial introduction to the various programs and services available to a senior in need of “next step” planning. Many of the professionals we work with are experts in their field and work in partnership with Life Care Solutions for Seniors to provide quality information and services at a courtesy discount. There are other Aging Resources which are free for “at risk” and “low income” seniors on the Treasure Coast and are listed on the resource section of this website.

### **Resources/Links:**

#### **2019 Genworth Cost of Care Survey:**

<https://pro.genworth.com/riiproweb/productinfo/pdf/282102.pdf>

#### **A Life Settlement Story:**

<https://www.lisa.org/testimonial-video/a-life-settlement-story>

#### **For information and how to apply for Florida Medicaid program:**

<https://www.flmedicaidmanagedcare.com/home/index>

#### **Medicaid Enrollment**

<https://members.flmedicaidmanagedcare.com/account/login>

#### **Medicaid Screening through the Aging and Disability Resource Center that handles Palm Beach, Martin, St. Lucie and Okeechobee Counties**

<https://www.youragingresourcecenter.org/programs-administered-by-the-area-agency-on-aging>

#### **VA**

<https://www.benefits.va.gov/persona/veteran-elderly.asp>