



## MOVING INTO A NURSING HOME FACILITY

*What you and your loved ones need to know.*

Presented by William “Bill” Otto

At some point, someone you love may make the transition from living at home to residing at an assisted living or nursing home facility. When should that transition occur, and what factors must be considered along the way? And what *don't* these facilities tell you about?

**When is it time?** If an elder is a) safe and content at home, b) in reasonably stable health, c) can draw on personal or family resources for in-home care, d) has a sufficient “rotation” of family or professional caregivers available so as not to exhaust loved ones, then there may be no compelling reason for that elder to enter a nursing home or assisted living facility.

If, on the other hand, an elder’s health notably worsens and caregiving strains your own health, relationships and/or resources, then the time may have arrived.

**If it is time, is a nursing home really necessary?** It may not be. Keep in mind that long term care insurance will often pay for home health aides, adult day care, and forms of at-home nursing. This is called respite care, and perhaps 10-15 hours of these services per week will do. Even without LTC coverage, this level of care may fit into your budget.<sup>1</sup>

Trying to provide the equivalent of 24/7 nursing home care at home is much more expensive. Round-the-clock skilled nursing care delivered to a private residence can easily cost more than \$100,000 a year.<sup>1</sup>

**Will an assisted living facility suffice?** If an elder is ambulatory and reasonably healthy, it might. Assisted living (allowing an elder to have their own space plus quality care) costs much less than nursing home care, usually tens of thousands of dollars less annually. Most people pay for it using a combination of long term care insurance and private funds; in recent years, Medicaid has even begun to pick up the tab for select assisted living costs in some states.<sup>1</sup>

**Is an assisted living facility several steps above a nursing home?** Its marketing will tell you so; truth be told, many assisted living facilities *are* comparatively brighter, more comfortable and cheaper than nursing homes.

Keep in mind, however: assisted-living facilities are not exactly remedies to the nursing home “problem.” Many of these facilities do not offer their residents 24/7 medical attention and costs may climb if your loved one needs or wants more than the basics in terms of care or comfort.



**How do you fund nursing home care?** According to Genworth's 2012 Cost of Care Survey, the median yearly cost of nursing home residency is now about \$75,000. How much of that cost will a long term care policy absorb? Well, the benefit is usually a fixed dollar amount per day; \$150 is a common figure, with benefits available for three years. If the daily benefit is \$150, it means that LTC coverage can pick up 70-80% of typical annual nursing home expenses.<sup>2,3</sup>

Are insurers raising premiums for LTC policies? Yes, significantly. As *Money Magazine* notes, the average annual premium that a healthy 55-year-old paid for a policy with a 3-year, \$150-a-day benefit, 90-day deductible and 5% compound inflation protection was \$1,524 in 2007. In 2012, it was \$2,269; 49% higher. *Money* also notes that three years of LTC coverage is sufficient for 92% of elders.<sup>3</sup>

Is long term care insurance worth the cost, and the possibility that the benefits may go unused? It may be if you are in the middle class. A recent report from the Society of Actuaries expresses the belief that households with \$2 million or more in assets may not need LTC coverage at all, while those with savings of less than \$250,000 may get much of the help they need from Medicaid when the time comes.<sup>4</sup>

**What isn't said?** Nursing homes and assisted living facilities are not predisposed to tell you about the downsides to their communities. So what isn't usually expressed on the tour or in the brochure?

First, let's talk about nursing homes. Genworth's 2012 survey notes that the national median price for the typical shared room at a nursing home is \$200 per day. Imagine handling that without help from LTC insurance or Medicaid. (Medicare will only help you meet nursing home expenses for less than a month.)<sup>2</sup>

The Centers for Disease Control and Prevention state that an elder is twice as likely to suffer a fall in a nursing home as he or she is in the community. In fact, the CDC says that the average nursing home patient suffers 2.6 falls per year and that physical restraints do nothing to reduce the risk. If you have ever visited a nursing home and noticed a preponderance of residents in wheelchairs, it may be a response to liability as much as disability. A corollary to this: if residents are discouraged from being ambulatory, their leg strength may quickly diminish.<sup>5</sup>

If your parent or grandparent has known and trusted a family doctor for decades, there is a risk that the relationship may wane or end after a move to an eldercare facility. Nursing home residents are placed under the care of one or more staff physicians who more or less become their primary doctors.



The rules and regulations governing care at assisted living facilities can vary greatly among states and counties, and while nursing home ratings are relatively easy to find online, reviews of assisted living facilities are not.

It is worth noting that 82% of assisted living facilities are for-profit businesses; on average, they draw about 19% of their incomes from Medicaid. In contrast, 68% of nursing homes are non-profits, and about 70% of their revenues come from Medicaid recipients.<sup>6</sup>

You may know someone whose parent or grandparent was asked to leave a nursing home or assisted living community. This circumstance isn't all that rare, especially if an elder copes poorly with the advance of Alzheimer's disease. If a resident is particularly difficult, the possibility of eviction may come up; in most states, an eldercare facility doesn't need to go to court for this.<sup>6</sup>

**When the time comes, stay involved.** Our lives are often busier than we want them to be, but our elders count on us to be visible and engaged in their lives after they enter assisted living facilities or nursing homes. Your vigilance and support can make a difference in the experience for the one you love.

*Feel free to reach out I am happy to answer  
any questions you may have.*

*Bill Otto*

*Beacon Hill Financial*

**513-235-6600**

**or**

**866-289-0759**

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**Citations.**

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