

Elder Law 101:

Understanding Long-Term Care Planning

Schweizer & Associates



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Do you need help with the high cost of health care, qualifying for government benefits programs, or protecting your home and assets for you or your loved ones?

If you have found yourself asking these questions, we can provide you with a better understanding of long-term care planning. Attorney Kristen Mackintosh at Schweizer & Associates focuses on helping clients in Garner, NC and surrounding areas with estate planning needs, including elder law and long-term care planning.

What is Long-Term Care Planning?

Long-term care planning is a legal strategy that helps seniors plan for the high cost of different health care services as they age in the later stages of life. Proper long-term care planning can assist you or a loved one in avoiding the potential drain that the cost of health care will have on the savings and assets you may have planned to pass down to your family members. In addition, it offers options for staying at home longer, affording better care, and removing the financial and caretaking burden that could move to other family members.

Imagine your Dad has a stroke, and your mother must become the caretaker. Watching the people you love manage a dire health care situation that changes their lives can be hard. Even with long-term care insurance, there will be gaps in medical coverage, a need for powers of attorney for financial and health care decision-making, and more to consider. Preparation ensures you won't have to make critical decisions while dealing with financial concerns and emotional pain.

Long-term care planning helps seniors pay for health care services and live as independently and safely as possible.



The Wide Range of Long-Term Care Services:

Home Health Care

Provides health care services in your home for an illness or injury.

Homemaker and Personal Care Services

Assist people with the activities of daily living.

Community Care Facility

Offers non-medical residential care and supervision to senior citizens around the clock, while Adult Day Care provides companionship during the day.

Assisted Living Facilities

Are homes designed for seniors with limited needs for care and daily activities, but not full-time care like at a nursing home.

Nursing Home Facilities

Provide 24-hour care and accommodations primarily to elderly individuals.

Respite Care

Offers temporary caretaking for the sick, elderly, and disabled to relieve a caregiver.

Hospice Care

Is for people and their caregivers experiencing an advanced, end-of-life illness.



NORTH CAROLINA ANNUAL MEDIAN COST OF CARE (2022)

| IN-HOME CARE | COMMUNITY/ASSISTED LIVING | NURSING HOME FACILITY |
|-----------------------------|-----------------------------------|----------------------------|
| Homemaker Services \$54,203 | Adult Day Health Care \$14,796 | Semi-Private Room \$92,484 |
| Home Health Aide \$54,203 | Assisted Living Facility \$49,564 | Private Room \$101,507 |

Resource: <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>



What is the Cost of Long-Term Care?

The cost of long-term care is shocking to seniors and their families when faced with immediate health care decisions. Long-term care expenses can quickly deplete any savings and financial resources without preparation. Attempting to plan for this yourself without a professional's help is risky. Most people don't understand estate planning tools that take advantage of federal laws and state benefit programs to cover costs. They end up losing control over their finances, care, and future.

How to Pay for Long-Term Care?

Depending on an individual's need for care, there are some options to consider to cover long-term care costs, such as:

- Medicaid Coverage
- Medicare Coverage
- Long-term Care Insurance
- Veterans' Benefits

There are eligibility requirements with pros and cons based on the health care services needed. At Schweizer & Associates, we help seniors and their families choose the best available option.

Can I Qualify for Medicaid Coverage?

Medicaid rules vary from state to state, so residents of North Carolina need to understand Medicaid rules specific to them. If you or a loved one are concerned with the high cost of long-term care and qualifying for Medicaid, we can help. Schweizer & Associate's attorneys are experienced with North Carolina's specific Medicaid rules and can legally navigate the application and approval process for the best outcome. Ideally, we start preparing at least five years before your potential need to avoid issues arising during the five-year look-back period.

You may feel that you don't qualify for these benefits due to income and eligibility requirements.

First, you must:

- Be over the age of 64; or
- Be pregnant or have a child 18 or under; or
- Be blind or disabled; or
- Have a child, parent, or spouse in your household who is blind or disabled
- Include an annual household income below a determined amount.



Next, an elder law attorney can help you meet the household income level to qualify for care. Without the aid of Medicaid, the cost of a North Carolina nursing home can wipe out your family's savings, retirement funds, individual inheritances, or result in the loss of your family home. Schweizer & Associates can help you navigate the complexities of Medicaid and create a plan that meets your health care needs without sacrificing your quality of life.



What is Medicare Coverage?

Medicare is an entitlement program that pays for medically necessary acute care services. Most long-term care non-medical services are not covered, such as nursing home expenses or the services provided for in-home custodial care.

Four specific types of long-term care services Medicare pays for under certain conditions are:

- Care in a skilled nursing facility for up to 100 days per benefit period
- Services to treat medical conditions
- Services to prevent further decline due to medical conditions
- Hospice care

Medicare is very limited and may not be the best option for paying long-term care costs.

What is Long-Term Care Insurance?

Long-term care insurance can help avoid depleting your life savings to pay for nursing home care. Policies are unique to each state. Policies can be a quick fix for paying for long-term care if you are placed in a nursing home. It can pay for some or all expenses associated with your nursing home, assisted living, or in-home care. But you will have to pay for the insurance policy for many years. Other options to reallocate your assets may help avoid that expense.

At Schweizer & Associates, we can advise you on the best option for your situation and needs for long-term care payment assistance. Long-term care insurance can be an option, but there are other options to consider. Our experienced elder law attorneys can help you reallocate your savings and valued assets to avoid paying for medical expenses not covered by insurance.



What are Veterans' Benefits and Basic Qualifications?

If you or a family member are a veteran, it is crucial to understand all the available VA resources and aid. Beyond education programs, home loans, and job search and training resources, the VA also provides a host of other resources to assist you as you transition to your retirement years, such as:

- Veteran Supplemental Income Program
- Survivors Pension Program
- Aid and Attendance Benefits
- Veterans Life Insurance
- Disability Compensation

VA health care benefits are available if you served in the active military, naval, or air force services and did not receive a dishonorable discharge.



Eligibility Requirements Include:

Veterans engaged in war-time service for the following:

- World War II: 12/7/1941-12/31/1946
- Korean War: 6/27/1950-1/31/1955
- Vietnam War: 2/28/1961-5/7/75, serving in the country of Vietnam, otherwise 8/5/1964 - 5/7/1975
- Persian Gulf: 8/2/90- TBD

Veterans enlisted after September 7, 1980, or on active duty after October 16, 1981.

You must have served 24 continuous months or the full period for which you were called to active duty unless any of the described situations below are accurate.

The minimum duty requirement may not apply if you:

- Were discharged for a disability that was caused— or made worse—by your active-duty service, or
- Were discharged for a hardship or “early out,” or
- Served before September 7, 1980

Current or former members of the Reserve or National Guard, called to active duty by a federal order and having completed the full period of active duty.



Special Needs Planning

If you have a family member with special needs, they likely qualify for Supplemental Security Income (SSI) or Social Security Disability Income (SSDI) benefits. Adding to their income or giving them gifts to provide additional support can disqualify them from these programs. There are ways to cover caretaking, daily needs, and provide the best environment for their lifetime without disqualifying them from much-needed benefits. Combining a special needs trust with financial and healthcare powers of attorney, and setting up guardianship, when necessary, ensures your loved one has everything they need.



Schweizer & Associates for Estate Planning and Long-Term Care Needs

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Contact us for a free initial consultation.

If it's a good fit, we can work through your family's biggest concerns and goals to create a plan to protect your home, income, life savings, and property.





Kristen N. Mackintosh

Associate Attorney

Kristen N. Mackintosh was born and raised in North Carolina. She graduated from Miami University in Ohio with a Bachelor Degree in both Political Science and History. After she graduated, she attended the University of Toledo College of Law and received her law degree and was admitted to the Ohio Bar in 1996.

After practicing in Ohio for several years, Kristen came back to North Carolina and was admitted to the North Carolina Bar in 2013. She focuses her legal experience on helping her clients with estate planning and administration, residential real estate, and corporate law services.

When she's not working, Kristen enjoys reading, cooking, and hanging out with Bailey, her puggle.

Brittany McCarver

Paralegal

Brittany McCarver. Brittany McCarver graduated from the College of Charleston in 2018 with a bachelor's degree in History. She then went on to receive a master's degree in Library Science with a concentration in Archives and Records Management from the University of North Carolina at Chapel Hill in 2020, as well as a master's degree in Public History from North Carolina State University in 2021. Brittany has experience in archives, historical research, and writing.

In her spare time, Brittany enjoys reading, crocheting, cooking, baking, watching football (Go Steelers!), and hanging out with her cat, Pippa.



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