

# Paying for Home Care

to fund your loved one's independence  
in the comfort of home



*Many families and seniors choose home care to provide a healthy and supportive environment for sick or aging loved ones who prefer to remain in the comfort of their own home. Home care for many is the most satisfying form of supplemental care and often the most affordable.*

## Ways to Pay for Home Care

### 1. LONGTERM CARE INSURANCE

Longterm care insurance is a privately paid insurance plan that often covers longterm care needs such as personal care. Benefits vary based on the individual policy. If you have a longterm care policy, it is wise to use it as soon as you need it. Intervening with home care earlier in a sickness or aging process can help prolong one's ability to stay at home longer.

### 2. LIFE INSURANCE CONVERSIONS

If your loved one has a life insurance policy that is no longer needed to provide for others, instead of lapsing or surrendering the policy, it may be converted into a living benefit. Known as a Longterm Care Benefit Plan or Life Care Funding, this form of insurance helps with the monthly expenses of home care, home modifications, assisted living, skilled nursing, memory care and hospice.

The way this works is that your loved one sells the policy to a third party for 50 to 75 percent of its face value,

an amount determined based on the amount of the policy, the monthly premiums and the policy holder's age and health. The surrender value is deposited into an irrevocable, FDIC-insured account where a trustee makes monthly payments to the account holder's choice of care provider. The account is tax advantaged and also a Medicaid-qualified spend-down.

This is a unique financial option for seniors because all health conditions are accepted and there are no wait periods, no care limitations, no costs to apply, no requirement to be terminally ill and no premium payments.

*Home care costs vary by state with prices running between \$20 and \$30 per hour. Clients can employ caregiver services for as little as four hours a week up to around-the-clock, live-in care.*

### 3. COMMUNITY CARE PROGRAM

If your loved one lives on a limited income with few assets, he or she may qualify for home care assistance through the Community Care Program offered through the Illinois Department on Aging. The Community Care Program helps senior citizens, who might otherwise need to be placed in a nursing home, remain in their own homes by paying for in-home care. To qualify for the Community Care Program, an individual must be 60 years old or older, have non-exempt assets of \$17,500 or less and have an assessed need for longterm care.

### 4. VETERANS AID AND ATTENDANCE BENEFIT

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 activities of daily living such as bathing, dressing, eating, toileting and transferring.

#### FIND OUT MORE AT:

[www.benefits.va.gov/BENEFITS/index.asp](http://www.benefits.va.gov/BENEFITS/index.asp)

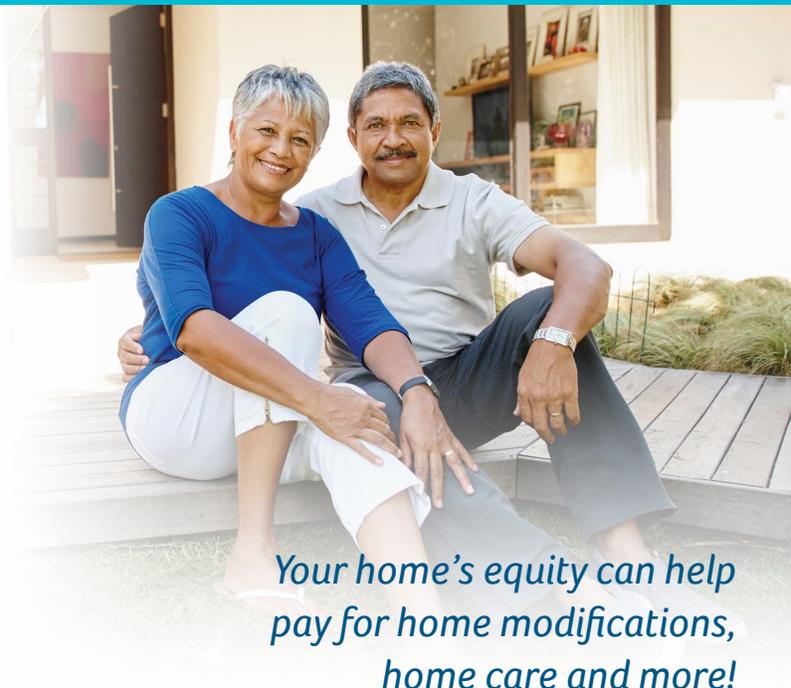


**Call 847-272-4997 for more information about homecare services...**

such as meal preparation, personal care, transportation and Alzheimer's care, and whether the needs are daily, weekly, temporary or longterm.

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*Your home's equity can help pay for home modifications, home care and more!*

### 5. REVERSE MORTGAGE

A reverse mortgage allows homeowners aged 62 or older to access the equity they have in their home. The lender makes payments to the homeowner to help pay for home improvements and modifications for safety and accessibility or pay for home care needs and more. The loan funds received are likely to be tax-free and will not affect Social Security payments or Medicare benefits. Work with a reputable lender or financial consultant and visit the National Reverse Mortgage Lenders Association for more detailed information.

**FIND OUT MORE AT:** [www.reversemortgage.org](http://www.reversemortgage.org)

### 6. PRIVATE PAY

Many seniors pay for home care out of their own pockets using their income and savings. In some cases, family members each contribute to help pay for their loved one's caregiver costs.

**NOTEWORTHY:** Medicare does not pay for in-home care, because Medicare only covers medical expenses, and in-home care is not considered "medical." Most forms of private insurance and disability insurance do not pay for personal home care services.

**For a complete list of home care services, please visit [OpenArmsSolutions.com](http://OpenArmsSolutions.com).**

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