



## LONG-TERM CARE PLANNING

Long-term care planning is the process of preparing for the possibility that an individual may need care services for an extended period. This kind of care is often required as a person ages or if they have a chronic illness, disability, or other long-term health conditions.

Long-term care needs are often defined by an individual's need for assistance with activities of daily living (ADLs): eating, bathing, dressing, toileting, transferring, and continence. However, long-term care can also include assistance with instrumental activities of daily living (IADLs): housework, meal preparation, medication management, shopping, money management, pet care, and emergency response (such as fire or storm response).

### Why Plan for Care?

Long-term care can be expensive, and the costs are not typically covered by traditional health insurance or Medicare. Planning ahead can help ensure that you have the financial resources to afford quality care without depleting your savings or assets. According to the 2023 Genworth Cost of Care Survey, the average cost of care for various long-term care services in the Commonwealth of Virginia is as follows:

In-Home Care	\$30.00 an hour
Assisted Living	\$6,050 per month
Nursing Home	\$9,247 per month for a semi-private room

Without a plan, the burden of care often falls on family members, which can be financially and emotionally taxing. Planning for long-term care helps relieve this burden and ensures that your care does not become a financial or caregiving hardship for your loved ones.

### Financial Planning

This involves evaluating your current savings, investments, retirement accounts, and other assets to determine how much you could potentially allocate toward long-term care. In some cases, a family may have sufficient resources to privately pay for the care they need.

Some families purchase long-term care insurance, which is specifically designed to cover long-term care expenses. It can be tailored to cover different care settings and durations. However, premiums can be high, especially if you start later in life. There are now certain life insurance policies and annuities that offer long-term care benefits, which can be a more flexible way to address long-term care needs.

For homeowners, options like reverse mortgages or selling the home can provide funds for long-term care. These decisions should be made cautiously, considering all implications.

### Medicare

Medicare, the federal health insurance program for people aged 65 and over, as well as for some younger individuals with disabilities, provides limited coverage for long-term care costs. It's important to understand what is and isn't covered under Medicare:

**Skilled Nursing Facility Care:** Medicare Part A covers up to 100 days of skilled nursing facility (SNF) care per benefit period, but only under specific conditions:

- The stay must follow a qualifying hospital stay of at least three days.
- The care must be for a condition treated during the hospital stay or started while in the SNF.
- The care must be deemed medically necessary by a doctor.

For the first 20 days, Medicare covers the full cost. For days 21-100, there is a significant daily co-payment, and beyond 100 days, Medicare provides no coverage.

**Home Health Care:** Medicare may cover part-time or intermittent skilled nursing care, physical therapy, occupational therapy, and speech-language pathology services if prescribed by a doctor and provided by a Medicare-certified home health agency.

**Hospice Care:** Medicare covers hospice care for individuals with a terminal illness and a life expectancy of six months or less. This includes pain relief, symptom management, and support services, but not curative treatments.

**Short-Term Inpatient Care:** Medicare can cover inpatient hospital stays, including semi-private room, meals, general nursing, and drugs as part of inpatient treatment, along with other hospital services and supplies. This is usually when the individual requires short-term, intensive care.

It's important to note that Medicare *does not* cover:

- Long-term care in a nursing home beyond the specific circumstances outlined above.
- Custodial care (assistance with activities of daily living) if it is the only care needed.
- Assisted living facilities.
- Adult day care.

## Medicaid Benefits

Medicaid is a joint federal and state program that provides health coverage to eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities. In Virginia, Medicaid includes coverage for long-term care services for those who meet specific eligibility criteria, both financially and in terms of the level of care needed. Here are some of the long-term care benefits available through Virginia Medicaid:

- **Nursing Facilities:** Medicaid in Virginia covers long-term care services in Medicaid-certified nursing facilities for individuals who require a nursing home level of care.
- **Home and Community-Based Services (HCBS) Waivers:** Virginia offers waiver services to provide in-home services to individuals with disabilities and the elderly who require a nursing facility level of care.
- **PACE (Program of All-Inclusive Care for the Elderly):** PACE is a comprehensive care service designed for elderly individuals who require assistance with daily activities. Participants are transported to the PACE facility for engaging activities and medical care during the day, then return home each evening, as overnight support is not provided. To qualify, individuals must need help with daily living activities. Funding for PACE can come from personal finances, VA Aid & Attendance benefits, or Medicaid, enabling participants to largely remain in their own homes while receiving necessary daytime care. When an individual is unable to live at home, then this program may cover the costs associated with an Assisted Living Facility.

To qualify for Medicaid long-term care benefits in Virginia, individuals must meet certain income and asset limits, and they must require a level of care typically provided in a nursing home. The specific services and eligibility criteria can vary. Attorneys can play a vital role in helping individuals and families navigate the complex process of qualifying for Medicaid while preserving assets.

An attorney can assess an individual's or couple's financial situation to determine the best strategies for qualifying for Medicaid, taking into account income, assets, and expenses, while also implementing legal strategies to protect assets while maintaining Medicaid eligibility. If an individual's assets exceed Medicaid eligibility limits, an attorney can provide guidance on how to "spend down" assets. This may involve spending money on items that will not count against Medicaid limits, such as home improvements, medical equipment, and prepaid funerals. It may also involve the use of trusts, annuities, gifting strategies, and other legal tools.

## Veterans Benefits

The United States Department of Veterans Affairs (VA) offers various long-term care benefits for veterans under its *compensation program*. These benefits are designed to help veterans who have disabilities

related to their military service. Some of these programs include:

- **Community Living Centers (VA Nursing Homes):** These are nursing homes run by the VA that provide short-stay and long-stay services to veterans with chronic stable conditions, including dementia; rehabilitation needs; terminal illness; and those requiring skilled nursing services, respite care, or hospice care.
- **Community Nursing Homes:** The VA contracts with community nursing homes to provide care to veterans when VA medical centers cannot provide the necessary care due to a lack of available beds or the absence of specialized services.
- **Homemaker and Home Health Aide Care:** These services provide a combination of medically necessary personal care and household services to veterans in their homes, helping them with activities of daily living.

Veterans may also be eligible for a non-service connection *pension benefit*. Although this benefit does not usually cover the full cost of long-term care, it is designed to supplement income for medical care. Unlike the compensation program, which requires a service-connection, this benefit is needs-based. To be eligible for benefits, the person filing a claim must meet the following criteria:

- The veteran must have served at least 90 consecutive days of active duty services, with at least one day during a qualified wartime period
- The veteran must have been “other than dishonorably discharged”
- The veteran must be 65 years of age, permanently and totally disabled, a patient in a nursing home for long-term care because of a disability, receiving Social Security Disability Insurance or Supplemental Security Income
- The claimant must meet countable asset criteria established by the Department of Veterans Affairs
- Out of pocket medical expenses must exceed, or come close to, claimant’s income

For surviving spouses, additional criteria must be satisfied:

- Surviving spouses must have been married to the veteran for at least one year, or have a child with the veteran
- Surviving spouses must have been residing with the veteran at the time of death, unless separation was due to medical or military reasons

Minor or disabled children may qualify for benefits on their own.

There are three pension levels. The **Basic Pension** is available to veterans over age 65 regardless of physical condition, provided they meet the net worth and income criteria. The **Housebound Pension** is available to a veteran or a surviving spouse that is confined to the home. The **Aid and Attendance Pension** is available when the veteran or surviving spouse is blind, living in a facility in which they are protected from harm, or is either (1) unable to dress or keep themselves clean and presentable and attend to the wants of nature, or (2) has a physical or mental incapacity that requires assistance on a regular basis to protect claimant from daily environmental hazards.

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