



It costs what? Sticker shock and finding ways to pay for senior care

By Carrie Harpster, MGS, LNHA, LSS Lutheran Village Executive Director

Whether you are doing early-stage research or are looking to quickly make a move, the cost of a senior living community¹ will likely come as a bit of shock. In most cases, you can expect monthly senior living costs to be significantly more than a mortgage, and for costs to increase in proportion to care needs. According to Genworth’s *2020 Cost of Care Survey*, the average monthly cost for assisted living in Ohio in 2021 is \$4,350.00. Costs are higher in certain areas of the state and for the additional services needed for a resident requiring memory care.²

When you select an apartment in a senior living community, it is not the same as renting an apartment in the general marketplace. It is also not the same as a so-called senior apartment, often marketed as “55+.” There are numerous differences, but chief among them, cost and provided amenities such as meals, housekeeping, and utilities.

So how do you pay for senior living? Here are five options to consider:

1. PRIVATE PAY

“Private pay” simply refers to paying for one’s living expenses and care themselves. Sources of private pay include, but are not limited to, current sources of income through paid employment, Social Security, or a pension; retirement savings such as a 401(k), 503(b), or IRA; the liquidation of stocks or bonds; trust funds; and annuities. One may also choose to use proceeds from the sale of a home or other assets such as cars, boats, antiques, etc. Family contributions and gifted monies also fall under the private pay umbrella.

2. MEDICAID/MEDICAID WAIVER

If you can pay privately for a period of time—say, a couple years—but not much longer, the Medicaid waiver may help. You will want to look for senior communities that offer this option (many do not) and find out if they allow direct admissions or if they require a period of private pay (typically a year or two). [The Ohio Department of Medicaid web site’s long-term care page](#) offers a good starting point for your research. You can also reach the consumer hotline at 1-800-324-8680.

¹ Note: For purposes of this article, “senior living community” refers to independent living, assisted living, and memory care. These are separate entities from a nursing home or skilled care facility. While all of these are considered residential care facilities under Ohio law, they operate differently and offer very different services and levels of care.

² <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>. Accessed 3/10/2021.

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3. VETERANS BENEFITS

Service in the military—under certain circumstances—can help pay for care, but specific criteria must be met. These include service during wartime or conflict, an honorable discharge, and an asset limit among other things. The most common program is the VA Aid and Attendance benefit. You can find out more about it [here](#).

4. LONG-TERM CARE INSURANCE

While many people assume insurance will help pay for senior living costs, traditional plans do not, and neither does Medicare. A [long-term care insurance policy](#) is specifically designed to help with these costs. However, fewer than 1 in 30 Americans (and only seven percent of adults age 50 and older) have long-term care insurance policies, although an estimated 50-70 percent of older adults will need long-term care at some point in their lives.³

If you have paid into a long-term care policy, now is a good time to read the nitty-gritty details of what it does (and does not) provide. All policies are different, but usually provide a daily reimbursement rate if care needs meet the policy's criteria. Reach out to your insurance professional for more information. (If you do not have this type of insurance and think you may want it, experts often suggest waiting until age 60-65 before purchasing.)⁴

5. IN-HOME CARE AND HOME MODIFICATIONS

When a community living option is not feasible, staying in one's home with services (marketed as home health care) and home modifications may be better choices. Home care aides can assist with many day-to-day tasks. Typical rates in the Ashland area are upwards of \$25.00 an hour, often requiring a 3-4 hour minimum. Home modifications, such as widening hallways and bathrooms, installing chair lifts for stairs, or creating one-floor living through remodeling may also be worth looking into to age in place at home. The [Ashland County Council on Aging website](#) and [The Ohio Department of Aging's county services directory](#) are two good resources to explore.

I hope this has been a helpful primer for understanding some of the ways to pay for senior living and care. Here at LSS Lutheran Village Assisted Living, our residents enjoy our home-like atmosphere, the extensive activity calendar and our caring and loving staff every day, while knowing their retirement income is being maximized to provide the best senior living environment.

If you have questions, we have a simple and easy-to-use financial worksheet to help you make the best senior living decision. Please give me a call at (419)-281-8403 or reach out via e-mail at charpster@lssnetworkofhope.org. I look forward to hearing from you.

³ Alexander Sammon, "The Collapse of Long-Term Care Insurance," *The American Prospect*, October 20, 2020. Accessed 3/10/2021.

⁴ <https://www.aarp.org/caregiving/financial-legal/info-2019/when-to-buy-long-term-care-insurance.html>. Accessed 3/10/2021.

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Cost Comparison

Use this convenient checklist to compare your current monthly costs to the worry-free lifestyle of LSS Lutheran Village.

EXPENSE ITEM	CURRENT COST	LSS LUTHERAN VILLAGE
Rent or Mortgage	\$	\$
Water & Sewer	\$	Included
Electric & Cable	\$	Included
Telephone Service	\$	Included
Trash Collection	\$	Included
Home Improvements & Repairs	\$	Included
School & Real Estate Taxes	\$	Included
Condominium Fee	\$	Included
Security System & Services	\$	Included
Meals	\$	Included
Linen Services	\$	Included
Lawn Maintenance	\$	Included
Housekeeping	\$	Included
Planned Social Events & Activities	\$	Included
24-Hour Emergency Response	\$	Included
Wellness Checks	\$	Included
Other	\$	\$
Other	\$	\$
Total Monthly Costs	\$	\$

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