

# Housing Options for Older Adults

As parents, adult children, or relatives, you may find it necessary to research alternative living arrangements for an older adult. These options range from minimal assistance care to full care facilities. Choosing the right housing option for older adults is essential to preserving the integrity and independence they deserve.

It is important to prepare for the possibility of a change in residence so that you and the older adult can have ample time to make the best decisions together. The type of housing you choose is critical and should provide support in each area of need.

Several housing options are available for elderly people or people with disabilities. In this tip sheet, we briefly recap the different types.

Before choosing a facility, visit and talk with the staff, residents, and family members.

## Independent-living or Retirement Communities

*Independent-living communities* are designed to accommodate the needs and preferences of older adults who are independent but who want to live in an environment that offers amenities such as dining, housekeeping, social activities, and recreational programs.

These apartments come with fully equipped kitchens and a variety of sizes from studios to two-bedroom units. The facilities offer no personal care directly although outside agencies can usually be hired to help someone if assistance is needed.

This living option is privately paid and is not covered by Medicare. Some independent-living facilities are operated by nonprofit organizations and offer subsidized housing through the U.S. Department of Housing and Urban Development (HUD) for low-income people.

## Assisted-living Facilities

### Who are they for?

*Assisted-living facilities* are appropriate for people who are no longer able to live on their own and who need some degree of oversight. Residents may need some level of assistance with everyday activities such as bathing and grooming, managing medications, getting in and out of bed, housekeeping, and doing laundry.

Some facilities have secured Alzheimer's units for people with advanced stages of the disease. Assisted-living facilities vary in design and size. Base rent in these facilities typically covers:

- the room,
- emergency call system,
- all meals,
- housekeeping,
- 24-hour security,
- staff availability,
- social and recreational activities, and
- a limited amount of assistance.

Different levels of care include specific amounts of personal care and assistance. Typically, when someone enters an assisted-living facility, staff conduct an assessment and determine which level of care the person needs. Each level of care adds an additional cost to the base rent of the apartment. Assisted-living facilities are licensed by the state.

### Who pays for assisted-living facilities?

These facilities are generally privately paid, although some states have subsidized programs in facilities.

Medicare does not pay for assisted-living facilities.

## Personal Care Homes

*Personal care homes* are assisted-living facilities that exist within a residential home. The home is licensed by the state and has been converted to accommodate 5 or 6 residents who either have their own bedroom or share a bedroom.

A staff member is on site 24 hours per day, 7 days per week.

Personal care homes vary in their fees. Some include all needed personal care support with bathing and dressing, while others may have additional charges above the rental fee.

Some personal care homes are certified to operate in state Medicaid programs, allowing Medicaid recipients to live in them.

Medicare does not pay for personal care homes.

## Continuing Care Retirement Communities (CCRCs)

Also known as life care communities, *CCRCs* offer housing, medical care, security, and support throughout the balance of an elderly person's life.

This type of facility combines a retirement community with assisted living and 24/7, onsite nursing. Seniors can live there independently. As their physical and mental needs change, they can conveniently move to the assisted-living or the long-term care nursing unit, all of which are housed within the property.

Contractual agreements vary among facilities. They often require a one-time entrance fee from \$100,000 to \$400,000+ in addition to monthly fees.

Typically staff conducts a physical assessment to determine a person's appropriateness for this type of community. Normally people have to enter the facility in independent living; direct entry to the assisted-living facility is usually not permitted.

This form of housing is either privately paid or may be covered under a long-term care insurance policy.

Medicare does not pay for this type of facility.

## Nursing Homes, Skilled Nursing Facilities, and Long-term Care Facilities

These facilities provide 24-hour, skilled nursing care or custodial care. Most nursing homes have a short-term rehabilitation unit and a long-term care unit. In short-term rehabilitation units, patients are recovering from a medical condition, surgery, or injury that requires physical, occupational, or speech therapy. The long-term care unit is designed for those who need ongoing, 24-hour custodial or skilled nursing care. Most residents of long-term care units are frail and have high care needs and complex medical conditions.

Under certain limited conditions, Medicare will pay for some nursing home costs for Medicare beneficiaries who require skilled nursing or rehabilitation services. To be covered, you must receive the services from a Medicare-certified, skilled nursing home after a qualifying hospital stay. A *qualifying hospital stay* is the amount of time spent in the hospital just before entering a nursing home. This is normally 3 days.

Supplemental Medi-gap policies help pay for skilled nursing care only when Medicare covers the care. Always refer to Medicare guidelines and personal policy details for current coverage information.

Medicare does not pay for long-term custodial care. Medicaid is a state and federal program that will pay most nursing home costs for people with limited income and assets. Eligibility varies by state. Normally Medicaid recipients have to share a room with one or more patients.

## Visit Facilities on Your List

Nothing substitutes for a personal visit to the facility. Once you identify the type of facility you need, figure out whether it is affordable and that the location convenient, visit. Ask to see the entire facility, not just the nicely decorated lobby. Try to get a feel for the quality of care provided, and watch how the staff treats the residents. Make sure you feel comfortable about the facility before you make a lasting decision.