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# EXPLORING YOUR OPTIONS

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HOUSING SOLUTIONS  
FOR SENIORS



Until recently, few housing alternatives existed for seniors, especially those who could no longer take care of themselves. Today, seniors who cannot live completely independently may choose from a variety of living arrangements that offer different levels of care. Currently, many seniors move into nursing homes simply because neither they nor their families know the alternatives. Nursing homes are only one of a range of long-term, comprehensive medical, personal, and social services designed to meet the needs of seniors. The information contained in this brochure is designed to inform seniors and their families of the wide range of housing and care options available based on their needs and financial situation.

## **FOR SENIORS WHO ARE HEALTHY AND INDEPENDENT - LIVING AT HOME OR WITH FAMILY**

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### **LIVING AT HOME WITH HOME MODIFICATIONS**

Home modifications are adaptations that can make seniors' homes safer and more comfortable. Home modifications are designed to make daily activities such as bathing and climbing stairs easier to perform. Installing grab bars and bathing benches in the shower, elevator-chairs that glide up and down stairs, and handrails to aid in rising and sitting promotes independence and prevents accidents such as falls.

### **ACCESSORY APARTMENTS** (*Granny Flats or Elder Cottage Housing Opportunity Units*)

Accessory apartments are complete living units built into or attached to existing family dwellings. This housing arrangement allows seniors to retain their privacy and independence, while living on the same property as their families. Check for zoning restrictions in your area that may prohibit building this type of housing arrangement.

### **Tips for hiring a home modifier or apartment builder:**

- Make sure the contractor you hire is licensed and bonded.
  - Ask the contractor for a written contract, with only a small down payment. Make the final payment after the project is completed to your satisfaction.
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- Contact your local Better Business Bureau to check the contractor's reliability.
- Check with the local Area Agency on Aging to see if there are contractors who specialize in home modification for the elderly or the disabled.

## **FOR SENIORS WHO ARE HEALTHY AND NEARLY INDEPENDENT**

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Be aware that the housing options listed in this section do not have a hospital or 24-hour medical care facility on the premises.

### **SENIOR APARTMENTS** *(Also called Congregate Housing or Senior Retirement Apartments)*

Senior apartments are designed specifically for independent seniors who desire to live with other seniors, usually after selling a home of many years. Many senior apartments offer good security, organized social programs and a variety of optional supportive services, such as meals, transportation, and housekeeping. Monthly rents vary according to the size of the unit, the services offered and the income group the building is designed to serve. Government subsidies allow some senior apartments to offer lower rental rates to seniors who qualify based on income.

### **RETIREMENT HOTELS**

Retirement hotels usually house 40 to 200 residents, each with his/her own room and a private or shared bath. Most retirement hotels require that residents be able to care for themselves; however, many facilities make sure that residents eat right, receive their medications and have their basic needs cared for in a hotel-like atmosphere. Be aware that most retirement hotels have physical requirements that residents must be able to meet before entering.

### **SUBSIDIZED CONGREGATE HOUSING** *(Also called Section 202 or Public Housing)*

Subsidized Congregate Housing refers to senior citizen complexes run by non-profit organizations receiving government funding. These complexes usually provide supportive services such as meals, housekeeping, and

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recreational programs. The waiting lists are usually very long and occupancy is only open to very low-income households. Contact your local housing authority or local Area Agency on Aging for more information.

### **MATCHED HOUSING**

Matched Housing is an option for those who do not need medical care, but want company and the knowledge that they are not alone, especially at night. A housemate can do yardwork, cleaning or cooking in exchange for room and board or a reduction in rent. This is different from hiring live-in help because most people who agree to home-sharing arrangements attend school or work during the day. Many communities have agencies that match home seekers with those wanting to share their homes. Check for zoning restrictions in your area that would prohibit this type of housing arrangement. Also, check with your local jurisdiction and insurance company to determine if this housing arrangement would increase your local taxes or insurance rates.

### **SHARED HOUSING** (*Also called Supportive Housing or Small Group-Shared Residence*)

Shared housing provides independent private living in a house or an apartment shared by several seniors who split the cost of rent, housekeeping services, utilities and meals. Agency-sponsored shared housing may provide services such as meal preparation, housekeeping and case management.

#### **Tips:**

- Contact the local Area Agency on Aging to find out about government assistance that may aid in paying for these housing arrangements.
  - Know what the entrance fees and monthly rates are and what services they cover. There may be additional services available for extra charges.
  - Plan ahead by placing the potential resident's name on waiting lists for facilities where he/she would like to live.
  - Find out whether the potential resident wants to participate in recreational activities with other seniors.
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## FOR SENIORS WHO WANT CONTINUOUS CARE IN A SINGLE FACILITY

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### CONTINUING-CARE RETIREMENT COMMUNITIES (*Also called Life-Care Communities*)

Continuing Care Retirement Communities (CCRCs) are different from other housing and care options because they continue to meet residents' needs as they grow older and/or require more medical care. CCRCs offer residents a range of housing and services, from independent living to 24-hour nursing care. The community also offers access to coordinated social activities, dining services and housekeeping services. Most CCRCs establish minimum requirements for incoming residents based on age, financial assets, physical health and mobility. In general, residents are expected to move into the community while they are still independent and able to take care of themselves. The cost of living in this type of community is considerable. Most CCRCs require a one-time entrance fee and monthly service fees thereafter. Costs vary depending on the type of health care coverage, the size of the living unit and services included.

### There are three basic types of CCRC contracts:

- **EXTENSIVE CONTRACT** – lifetime access to health care without an increase in monthly service fees when care is provided. It requires higher monthly fees.
- **MODIFIED CONTRACT** – includes a specified amount of long-term nursing care beyond which payment is required. The monthly service fee increases as the level of care increases, although residents receive discounted rates for medical care.
- **FEE FOR SERVICE CONTRACT** – residents pay lower monthly service fees, but are responsible for all long-term nursing care required, without the benefit of resident discounts.

### Tips:

- Find out if the facility is accredited by the Continuing Care Accreditation Commission, the only accrediting body for CCRCs.
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- Find out if the state requires the facility to be licensed. Ask to see the most recent inspection reports.
- Determine which fee structure and contract option best suits the resident's personal circumstances. Make sure to understand the medical services covered in the contract.
- Have an accountant or attorney review the contract before signing, and ask their opinion regarding the future of the CCRC.

## **FOR SENIORS WHO REQUIRE HELP WITH DAILY LIVING - LIVING AT HOME OR WITH FAMILY**

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### **ADULT DAY CARE**

Adult day care provides seniors with the option of living with relatives rather than moving to an assisted living facility or nursing home. Adult day care is a place for seniors with mental or physical limitations to spend the day in a supervised setting that provides recreational activities and some health services. Transportation to and from the site is usually provided as well as one meal each day. Adult day care benefits seniors who need more structure and supervision than provided by their local senior center and seniors who need supervision while family members are away at work. Medicaid and VA benefits may cover the cost of adult day care for seniors who qualify.

### **HOME HEALTH CARE**

Home health care is helpful to seniors who want to remain at home, but are unable to care for themselves or have a family member care for them. Services that can be performed in the home vary from skilled nursing care and physical therapy to assistance with bathing, dressing, cooking and light housekeeping. Home health care agencies supply needed personnel and handle payroll, taxes and insurance costs. Using home health care agencies costs more than hiring help through the classifieds, but such agencies are generally the safest and most comprehensive source of qualified assistance. When using a home health care agency, check to be sure that the agency is licensed. Contact your local Area Agency on

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Aging to find out if you qualify to have home health services covered by Medicare.

## FOR SENIORS WHO REQUIRE HELP WITH DAILY LIVING - ALTERNATIVE LIVING SETTINGS

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*ASSISTED LIVING FACILITIES (Also Semi-Dependent, Board-and-Care, Institutional Living or Personal Care Facilities)*

Assisted living facilities are designed for individuals who cannot live independently, but do not need nursing care on a daily basis. Assisted living facilities provide meals in a common dining area, housekeeping services, medication management, recreational activities, and assistance with eating, dressing, bathing, and walking, depending on the individual's need. These facilities usually have emergency call systems in each resident's unit, 24-hour staff assistance and health care professionals available on call should a resident require special care. In general, there is no hospital on the premises. Costs vary according to the residence, room size, and types of services needed by the resident. Most assisted living facilities charge month-to-month rates, which are generally paid by the residents or their families from their own financial resources; however Medicaid might cover this type of care.

### **Tips:**

- Know the daily or monthly rate and ask what services are included in this fee. There may be other services available for extra charges.
  - Find out if you qualify for assistance from Medicare and Medicaid. Be sure to check if the facility has been certified by Medicare and Medicaid.
  - Find out if your long-term care insurance policy will cover these services.
  - Find out if the state requires the facility to be licensed. In addition, be sure to ask for the facility's most recent state inspection report.
  - Decide if you want a private room and/or kitchen facilities.
  - Check the facility for safety features including handrails in the bathrooms and well-marked exits.
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## FOR SENIORS WHO NEED 24-HOUR CARE

### **NURSING HOMES** (*Also called Convalescent, Rest or Extended Care Facilities*)

When an individual needs 24-hour nursing care and supervision, a nursing home may be the best option. A nursing home is a residence that provides medical care, recreational activities, and assistance with bathing, dressing and eating. Since nursing homes are designed to meet the needs of the acutely or chronically ill, residents must have a physician's order to be admitted.

### **Nursing homes offer two levels of service:**

**SKILLED NURSING FACILITIES** - offer continuous nursing service on a 24-hour basis to residents requiring extensive nursing or rehabilitative care by registered nurses based on treatment prescribed by the resident's physician.

**INTERMEDIATE CARE FACILITIES** – for residents that have chronic health conditions, but do not require intensive nursing care. The staff in these facilities generally consists of licensed practical nurses and nurses aides that provide medical, social and rehabilitative services.

Nursing homes must be licensed by the state in which they operate. In addition, nursing homes must be certified by the federal government before they can receive Medicare or Medicaid payments. It is advisable to visit the nursing home in the late morning or early afternoon to observe the noon meal. Try to visit a second time during the weekend or evening because these are times when many nursing homes reduce their staff and services.

A good source of information is your local Nursing Home Ombudsman. Nationwide, there are more than 500 local ombudsman programs. Ombudsmen visit nursing homes on a regular basis and investigate complaints. Ombudsmen can provide information on the number and nature of the complaints lodged against a particular nursing home.

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### Questions to ask when choosing a nursing home:

1. **CERTIFICATION** – Make sure the facility and its administrators are licensed by the state and that the home is certified for Medicare or Medicaid. Review the state health department's report and contact the Nursing Home Ombudsman to find out if there were any serious problems at the home.
2. **STAFF** – Find out how many registered nurses are on staff and how often the doctor visits. Ask if nurses and aides are assigned to work with residents on a consistent basis. Observe whether the staff treats residents respectfully.
3. **RESIDENTS** – Make sure the residents look well groomed and appropriately dressed. Check if the residents are engaged in varied activities and if there are opportunities for the residents to sit outdoors.
4. **LIVABILITY** – Make sure the rooms are clean, welcoming and odor-free, with at least one window and adequate privacy. Check if residents can decorate their rooms to some degree with their personal belongings.
5. **SAFETY** – Check for smoke detectors, call buttons, handrails in the hallways, grab bars in the bathrooms and other features aimed at preventing accidents.

## PAYING FOR LONG-TERM CARE

Long-term care can be very expensive. For most families, determining how to pay for the care they need is a major concern.

**REVERSE MORTGAGES** are loans that allow seniors to tap the equity in their house. The bank agrees to lend the senior a percentage of the home's market value, which does not have to be repaid until the resident's death and the home is sold.

**LIFE INSURANCE POLICIES** offer another financing option. The holder of a life insurance policy can borrow against its cash value, therefore using the policy as collateral for a loan. The loan, plus interest, is then deducted from the death

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benefit when the insured passes away. In addition, seniors who are straining to pay premiums on life insurance policies have the option of selling their policies to provide funds for their long-term care. Consult an accountant, lawyer or other expert before signing these types of agreements.

**VIATICAL SETTLEMENTS** are agreements in which a company pays a terminally ill person a percentage of the face value of the individual's life insurance in cash before their death. Therefore, the company becomes the beneficiary of the policy. Consult an accountant, lawyer or other expert before signing these types of agreements.

**LONG-TERM CARE INSURANCE** is private insurance designed to cover long-term care costs. Since plans vary widely, it is wise to do some research before purchasing a policy. It is important to start evaluating these policies in middle age, before they are needed, because generally only relatively healthy people may purchase long-term care insurance. Currently, more and more people are buying long-term care insurance for their aging parents through their own employers. Ask your accountant about purchasing a tax-deductible long-term care insurance policy.

### **Questions to ask when choosing a long-term care insurance policy:**

- Does the policy cover care in a setting other than a nursing home, such as home health care or adult day care?
- How much does the plan pay for each adult day care or home health care visit? Is there a maximum number of visits covered per week or per lifetime?
- Does the policy cover nursing home placements that do not follow a hospital stay? How many days in a nursing home are covered and how much does the policy pay per day?
- Does the policy include inflation protection?

**MEDICARE** is a federal insurance plan for Americans over sixty-five that covers hospital care for up to 100 days and limited non-hospital doctor-prescribed care. Many people mistakenly believe that Medicare covers the costs of most long-term care services. Rather, Medicare was developed for short-term acute

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care in the hospital. For Medicare to cover nursing home care, the facility must be Medicare-certified and the resident must be admitted after a qualifying hospital stay.

**MEDICAID** is a program financed by federal and state governments that will pay most nursing home costs for low-income people. In some states, Medicaid may also cover adult day care or care in an assisted living facility. When most people enter nursing homes and other institutions, they usually pay out of their own savings. As their financial resources decrease, they become eligible for Medicaid. Generally, if a person is eligible for both Medicare and Medicaid, Medicare will pay for its allowable benefits period, after which Medicaid will take over the financial assistance. Be aware that Medicaid will only pay for care provided in Medicaid-certified facilities.

**MEDIGAP INSURANCE**, which is also called Medicare Supplemental Insurance, is private insurance that attempts to close the gap between medical costs and the amounts paid by Medicare. Medigap policies may cover Medicare's deductibles, longer hospital stays, coinsurance amounts and some health services not covered by Medicare, with the exception of long-term nursing home care. Be sure to check the insurance company out with your state insurance department and local Better Business Bureau.

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## **READING THE ADMISSIONS AGREEMENT**

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When visiting each institution, ask the administrator for a written statement about the basic monthly charges and what services that covers – the level of nursing care, therapy, room size, number of meals, and housekeeping services.

Watch for institutions that require the payment of a large deposit, which may “lock in” someone who depletes his or her life savings to make such a payment. As a result, he or she may no longer have the funds to leave that institution and move elsewhere. If a deposit is mandatory, explore the possibilities of arranging payment of monthly installments into a deposit fund. In addition, be aware that nursing homes cannot require pre-payment or admissions deposits from residents who are relying on Medicare or Medicaid to pay for their nursing home services.

Some non-profit facilities require residents to sign over all their assets to become the institution’s property after death. Be aware that it is illegal for a for-profit facility to require its residents to agree to sign over their assets after death. Make sure to fully understand these stipulations before signing such an agreement.

## **GENERAL TIPS**

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**1. PLAN AHEAD.** If your parent or elderly family member may be a future candidate for a nursing home or other long-term care, do research ahead of time when you are not facing a crisis or emergency.

**2. ACCREDITATION.** Check if the facility needs to be licensed. Contact your local Nursing Home Ombudsman for general information and to inquire about specific facilities. Make sure that the institution is certified by Medicare and Medicaid if funding is required from those programs.

**3. FINANCING.** Consider consulting an expert to determine what services are covered under government assistance

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programs such as Medicare and Medicaid. In addition, consider exploring options such as reverse mortgages, Medigap insurance and long-term care insurance.

**4. COSTS.** Request to look at a contract, read it and make sure you understand it before you sign. Make sure you understand the facility's daily or monthly rate, which basic services are covered for this rate, which services cost extra, what the payment plan will be, and whether a deposit is required. Consider having an attorney review the contract before you sign.

**5. VISITS.** Choose a facility that is in a convenient location for regular visits by family and friends. Frequent visits are the best way to make sure that your relative is doing well.

## **FOR MORE INFORMATION**

**AREA AGENCIES ON AGING and NURSING HOME OMBUDSMAN** – these agencies should be listed in the blue pages of your telephone directory.

### **DEPARTMENT OF HEALTH AND HUMAN SERVICES, HEALTH CARE FINANCING ADMINISTRATION**

Offers: *Your Medicare Handbook*

7500 Security Blvd.

Baltimore, MD 21244

800-638-6833, [www.hcfa.gov](http://www.hcfa.gov)

### **ELDERCARE LOCATOR SERVICE**

1112 16th Street, Suite 100

Washington, DC 20036

800-677-1116, [www.aoa.dhhs.gov](http://www.aoa.dhhs.gov)

### **AMERICAN ASSOCIATION OF RETIRED PERSONS (AARP)**

601 E Street, NW

Washington, DC 20049

202-434-2277, [www.aarp.org](http://www.aarp.org)

**AMERICAN ASSOCIATION OF HOMES AND SERVICES FOR THE AGING**

901 E Street, NW, Ste. 500  
Washington, DC 20004  
800-508-9442, [www.aahsa.org](http://www.aahsa.org)

**CONTINUING CARE ACCREDITATION COMMISSION**

901 E Street, NW, Ste. 500  
Washington, DC 20004  
202-783-7286, [www.ccaonline.org](http://www.ccaonline.org)

**ASSISTED LIVING FEDERATION OF AMERICAN**

10300 Eaton Place, Ste. 400  
Fairfax, VA 22030  
703-691-8100, [www.alfa.org](http://www.alfa.org)

**NATIONAL ALLIANCE FOR CAREGIVING (NAC)**

4720 Montgomery Lane, Ste. 642  
Bethesda, MD 20814  
[www.caregiving.org](http://www.caregiving.org)

**CHILDREN OF AGING PARENTS (CAPS)**

1609 Woodbourne Road, Ste. 302A  
Levittown, PA 19057  
800-227-7294

**NATIONAL CITIZENS' COALITION FOR NURSING HOME REFORM**

1424 16th Street, NW Ste. 202  
Washington, DC 20036  
202-332-2275

**THE VISITING NURSE ASSOCIATION OF AMERICA**

11 Beacon Street, Ste. 910  
Boston, MA 02108  
800-426-2547, [www.vnaa.org](http://www.vnaa.org)

**NATIONAL FAMILY CAREGIVERS ASSOCIATION (NFCA)**

10400 Connecticut Avenue, Ste. 500  
Kensington, MD 20895-3944  
800-896-3650, [www.nfcacares.org](http://www.nfcacares.org)

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**NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS**

Offers: *A Shopper's Guide to Long-Term Care Insurance*

120 W. 12th Street, Ste. 1100

Kansas City, MO 64105

816-842-3600, [www.naic.org](http://www.naic.org)

**UNITED SENIORS HEALTH COOPERATIVE**

Offers: *Dollars and Sense Guide to Long-Term Care*

1331 H Street, NW, Ste. 500

Washington, DC 20005

202-393-6222

**Major sources:**

Callender, Melanie, Ph.D. and Lee, A.J., *The Complete Guide to Elder Care*. 1998 Barron's Educational Series, Inc.

Kaufman, Pat, *Choosing a Nursing Home: A Caregiver's Guide*. TAKE CARE!, Spring 1996, pp.3-6.

Individual circumstances vary. Check with the appropriate professional regarding your options.

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