

## "Planning for Eldercare" March 19, 2008

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### Getting the Government to Pay Family Caregivers

Some 44.4 million adult caregivers -- or 21% of the U.S. adult population -- provide unpaid care to seniors or adults with disabilities, according to a 2004 study by the National Alliance for Caregiving in Bethesda, Md. On average, those caregivers provide 21 hours of care a week and the average length of time spent providing care is 4.3 years.

Over the years, the National Care Planning Council has received many public requests through our website -- [www.longtermcarelink.net](http://www.longtermcarelink.net). A number of these requests have been from family caregivers who had to cut back on their employment or even quit their jobs in order to take care of one or both of their parents. Invariably these caregivers assume there is a government program that will pay them to provide this care. Only recently have we become aware of some programs that will pay family members. These programs are not publicized and the public is largely unaware of them or how to receive them.

#### **Money Follows the Person—MFP (Self-Direction in Care)**

In recent years, some state Medicaid programs have been experimenting with the idea of providing a budget to elderly Medicaid recipients. This money can be used to hire family or friends to provide care at home. Most of these programs are very limited, and there are waiting lists for them. Also, the amount of money available may not always be enough to compensate a family member to provide full-time care in lieu of maintaining employment.

But the attitude of government is quickly changing and there is now a new initiative to provide income for family caregivers. The Deficit Reduction Act of 2005 allocated \$1.4 billion -- the largest demonstration grant in Medicaid history -- to a program called "Money Follows the Person." This program is designed to transition individuals receiving Medicaid and who are living in institutions, back into the community. In 2007, 31 states received their portion of the grant money pie to begin demonstration programs offering more choice in care besides an institution. Most of these state programs offer a concept called "self-direction" which allows a budget to be established by Medicaid for the care recipient. Self-direction allows the care recipient to spend this money hiring any caregiver of choice and this typically includes friends and family.

Unfortunately, this is not a widespread benefit for elderly Medicaid recipients and in addition only applies to bringing elderly people out of institutions and back into the community to receive care. Over the next five years, only 34,395 elderly care recipients nationwide are expected to be transitioned to community-based care through this program. Even though this represents a fraction of the elderly, who over the next five years are expected to receive Medicaid services in institutions, there is still a possibility for the family to apply for one of these programs and to have the government pay for their care services.

#### **Using the Veterans Aid and Attendance Pension Benefit**

A totally overlooked source of money to pay family caregivers to provide care at home is the aid and Attendance Pension Benefit. This money is available to veterans who served during a period of war. Pension money is also available to the widows of these veterans. This benefit, under the right circumstances, can provide up to \$1,843 a month in additional income to pay family members to provide care at home.

It also comes as a surprise to many people that about 33% of all seniors could qualify for the aid and attendance benefit. That's how many veterans or their surviving spouses there are in

this country.

Getting the aid and attendance benefit to pay for family caregivers is not an easy task. This is because there must be a caregiver contract in place and services for care must be initiated and thoroughly documented before application can be made. Getting these applications approved requires using a consultant who understands the documentation requirements. Very few people can do it on their own.

Fortunately, the National Care Planning Council is working on a program to train veterans benefits consultants across the country. This package will be available to attorneys, financial products practitioners, care managers, home care companies and assisted living facilities. The planned release is the first week of April, 2008.

The training package includes a 180 page training manual entitled "How to Become a Veterans Benefits Consultant" This manual describes the legal restrictions on providing consulting services for veterans and offers a number of strategies to avoid running afoul of the law. Instructions are also provided on how to use the marketing tools in the benefits consultants package to inform the public about these services. These marketing tools include educational and promotional booklets, brochures and a seminar marketing system. The use of ancillary services such as long term care planning and offering caregiver contracts are thoroughly presented as a way to attract new clients or customers and help those who are looking for income for caregiving services..

The consultants package also includes a one-year listing on the most visited webpage on the National Care Planning Council website -- [www.longtermcarelink.net](http://www.longtermcarelink.net). Even without any listings currently on this webpage, it is amazingly producing about 6 to 7 requests a day for the services of veterans benefits consultants. A targeted listing on this exclusive webpage will only be available to individuals who own our consultants package.

The package also provides a custom-designed, veterans benefits consultant website and hosting service. Instructions are provided on how to promote this website to search engines in order to create Internet inquiries.

### **Using Medicaid Spend down to Pay Family Caregivers**

In order to qualify for Medicaid nursing care, a person must spend his or her cash assets down to less than \$2,000. Instead of giving this money to the nursing home and waiting for Medicaid to kick in, the potential beneficiary can instead transfer this money to a child in return for caregiver services. This is not considered a gift and if done properly does not create a penalty for Medicaid eligibility. The strategy also allows Medicaid to take over paying its portion of the nursing home costs much sooner.

As with the caregiver contracts for VA benefits, an expert in this area of Medicaid benefits is required in order to do it right. In fact, the same type of caregiver agreements used for obtaining extra income under the veterans benefit can also be used for Medicaid. A consultant who is proficient in both the aid and attendance benefit and Medicaid personal caregiver agreements can be of great service to the community. This contracts' consultant can help relieve a great deal of caregiver stress by providing funds to help that caregiver cope with personal financial pressures.

We are excited to help family caregivers lessen the financial stress of their caregiving commitment.

Members of the community who wish to know more about veterans benefits consultants and caregiver agreements can contact the National Care Planning Council at

[inquiry@longtermcarelink.net](mailto:inquiry@longtermcarelink.net) or by calling us at 800-989-8137.