

## Funding Long-Term Care

When faced with the need for long-term care and the associated costs, several strategies can be explored to raise funds, including:

### Immediate annuities

An immediate annuity allows an individual to convert a lump sum into a guaranteed income stream providing regular payments that help cover long-term care costs.

### Bridge loans

Bridge loans provide short-term financing to cover long-term care costs until other funds become available. These loans can be secured by using the value of a home or other assets as collateral.

### Government programs

Seniors should investigate government programs that offer financial assistance for long-term care, such as Medicaid and veterans benefits. These programs have specific eligibility criteria; understanding the requirements and application process is essential.

### Long-term care insurance

Long-term care insurance can help cover care costs, reducing the financial burden. Availability and coverage details need to be considered to determine whether this is an appropriate option.


### Personal savings and investments

Savings and investments are often a primary source of funds for long-term care. It may be best to consult a financial planner to understand how to use these funds.

### Home sale

The proceeds of the sale of a home can be a primary source of funds for long-term care and may be appropriate if the senior is moving to a long-term care facility.

### Reverse mortgage

If aging in place is the choice for a senior, and there are additional costs associated with health care and the support needed to stay in their home, a reverse mortgage may be a consideration. 

## Potential financial implications of selling a home to pay for senior care

The sale of a home may be one of the most significant sources of funds for a senior. Before this occurs, among other things, there are a number of potential financial implications to consider.

### MEDICAID ELIGIBILITY

Selling a home for senior care can impact Medicaid eligibility due to strict asset limits of that program. An elder law attorney should be consulted to understand state-specific rules and asset protection strategies.

### TAXES

A home sale may incur capital gains tax. However, certain exemptions and deductions are available, such as the primary residence exclusion. A tax professional should be consulted to understand implications and strategies for minimizing tax.

### VETERANS BENEFITS

Selling a veteran's home may affect VA benefits; to qualify for VA benefits, including Aid and Attendance, veterans must have a net worth lower than \$150,538. A Veterans Service Officer or specialized attorney should be consulted to understand the implications.

### ESTATE PLANNING AND INHERITANCE

Home sales can impact estate planning and inheritance. Legal documents should be reviewed and updated before a sale is considered, and an estate planning attorney should be consulted to align the homeowner's wishes and needs for funding long-term care.