



## **Family Guide to Senior Care Alternatives**

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# Welcome!

HomeWork Solutions, Inc. is a nationally recognized expert in household employment taxes. Increasing, families are considering privately hiring senior caregivers to help their aging family members continue to live independently and “age in place” for as long as practical. We created this Family Guide to Senior Care Alternatives to step you through your options and responsibilities and advise how we can help.

## What are your options?

Understanding the issues facing your senior family member and the extent of assistance needed will help you focus on the type of care that is appropriate. This guide will review the following options for elder care:

- In-home care
  - Agencies
  - Registries
  - Private Hiring
- Out of home care
  - Independent Living
  - Assisted living
  - Adult Care Facilities
  - Memory Care
- Additional Resources
  - Long term care insurance
  - Medicare
  - Other resources

# 1. In-Home Care

In-home care encompasses a broad spectrum of services intended to allow your aging family member to remain independent with a good quality of life. The elder's needs may be relatively minor; for example, occasional companionship and conversation help with shopping, housework or food preparation. A senior may need in-home care on a part time basis, a few days a week or for a specific part of every day. When the needs are more extensive, the elder may require full time in-home care each day, even round-the-clock care that is provided by more than one shift of care takers each day or a live-in caregiver.

**In general, there are three broad classes of in-home care.**

**Companionship care:** Typically provided to a frail, but otherwise healthy and mobile senior, the companion is in the home primarily to provide personal care services, companionship and insure the senior's physical safety. A companion will engage in conversation, may interact with the senior working on puzzles or playing card games, and may assist the senior arranging and attending appointments, social engagements and religious services. A companion will typically share meals with the senior, and may assist with light meal preparation. Often a companion will provide occasional assistance with grooming and other non-medical personal care services on an as-needed basis. Companions may also provide medication reminders and may report back to another family member any changes to the senior's condition that are of concern.

**Homemaker services:** In addition to the responsibilities of a companion above, homemaker services will include responsibility for the physical household. The homemaker will attend to laundry, linens, and general housekeeping. The homemaker will often plan meals and perform grocery shopping and other errands such as prescription pick-up.

**Senior Caregiver:** This is the most comprehensive non-medical level of in-home care and will include the duties of the Companion and Homemaker, as well as adding support for other activities of daily living (ADLs). A senior who needs help with bathing, dressing, getting in and out of bed, incontinence support, and other personal care services will need the assistance of a Senior Caregiver.

How you go about locating and employing an in-home care provider will largely depend on your own lifestyle and the time you are able to manage the process.

## Hiring through an Agency

Agencies provide in-home care through agency employees who they have screened, trained and monitored. Since the care provider is an employee of the agency a hiring family is not responsible for paying employee taxes, insurance and appropriate benefits. This relieves a family of the need to file

taxes for the care provider as is required by law. The employment agency, however, is obligated to maintain all records and tax commitments for the employee.

Agencies are valuable to those who have limited time and resources to manage the details that come with hiring a care provider. The margin between the fees you are charged by the agency and what the agency pays the care provider covers the services the employment agency provides, including taxes and insurance. This means a family is likely to pay up to double the cost for care if they choose to hire through an agency.

The quality and extent of services will vary across agencies making it important to explore fully an agency's offer and credentials. Families should insure that an elder care employment agency is:

- licensed by the state - which most, but not all, states require
- certified by Medicare to meet federal requirements for health and safety
- treating the caregivers they refer as employees, including paying required employment taxes

Ask about the type of employee screening that is done by the agency, including background screening, and if the agency can provide references. Also ask doctors, family and friends for agency recommendations.

## Hiring through a Registry

A registry acts as a staffing resource, much like an employment service, for in-home care providers. Registries provide a referral service and usually do not employ the caregiver. A registry will help you find caregivers in your area and will collect a referral fee for matching you with a caregiver. Fees will vary based upon the type of care needed and geographic location.

The assistance provided by a registry is generally at the front end. A registry will help you find a care provider that is the 'best fit' but you will have the responsibility for making sure the match is meeting your elder's needs in a satisfactory manner.

Registries may screen the providers they list but are less likely to provide the level of training or monitoring that most agencies do. *The registry does not employ the caregivers, the hiring family does.* As the employer, the family is responsible for taxes, insurance and other employment requirements in most cases. A few registries will take on this administrative responsibility for a fee.

To find out more about payroll and tax requirements see [HomeWork Solutions, Inc.](#)

## Hiring Independently

Independently and privately hiring and managing an in-home care provider offers several benefits that can make this a desired choice for some families. Families who privately hire pay less, as they are assuming the administrative, tax and insurance responsibilities of the staffing agency. This can, however, be a demanding set of tasks and responsibilities. Ideally you will be able to find potential candidates for in-home care through recommendations of friends and doctors or other health care providers. Increasingly, online businesses are entering this market providing a venue with applicants and hiring families can connect.

As the employer you will be supervising the care provider to ensure that assigned responsibilities are met on an on-going basis. If you need to replace a care provider, or accommodate for time off and vacations, the family will need to fill this gap; agencies are able to provide replacements with little notice.

When a family hires independently and pays the caregiver directly, it allows for higher pay scales than the care provider would receive if placed by an agency. The prospect of higher earnings may attract more desirable care providers and result in greater job satisfaction and employee retention. A family is able to pay more for a highly motivated employee, yet still paying less than required by an agency.

Along with monitoring the caregiver's performance on a continual basis, families must comply with complex and stringent tax laws and requirements, record keeping, unemployment insurance and filing dates. There are resources, such as [Home Work Solutions](#), which provide affordable, turn-key tax and payroll services that reduce this burden to a few minutes of set up time; costs range between \$600 and \$1000 per year for one employee, slightly more if you have 2 or more employees, and depend upon the level of services selected by the family.

When you find an appropriate care provider plan on developing a [work agreement](#) so that it is clear to the employee what is expected of the role. In turn this agreement should state very clearly what the employee can expect. This would include hours of work per week, compensation, sick days, vacation days and performance reviews.

## 2. Out of Home Care

An increasing number of aging adults need a change from their current living situation, and out-of-home care options have grown to meet this need. The types of service provided in these facilities differ significantly, making it essential to fully understand the parameters of what will be provided at what cost.

### Independent Living with Services

This type of housing is restricted to older adults, usually age 50 and over. Apartments may include any number of supportive services to help make independent living more comfortably and socially active than would be the case in ordinary housing facilities. Examples of the types of services offered include meals, housekeeping, laundry, transportation and social activities. There may be staff available to help residents coordinate services from community-based agencies in the area.

Financing these services typically follows one of two models: monthly rental and care fees, or buy-in options that include a draw down on a significant down payment. Depending upon financial resources and the services needed, either option may be suitable. It is important to consider the availability of progressive services and living options as care needs increase. Many facilities have independent care options with step up facilities such as assisted living and memory care; or they can refer to nearby facilities that can help with necessary transitions.

### Assisted Living

The concept of 'Assisted Living' has been loosely applied to facilities that vary widely by what is offered. Significantly, regulation and licensing vary by state making it an imperative to thoroughly research any facility you are considering.

These are the types of services that will allow a senior to have a comfortable quality of life in an Assisted Living environment;

- On-site monitoring 24/7 monitoring
- Daily food service
- Personal care services and home care services including help with grooming, dressing, bathing and eating
- Housekeeping/laundry
- Activities and recreational opportunities
- Medication assistance and medication supervision

In most cases, assisted facilities do not offer full kitchens or cooking facilities, and require residents to dine as part of daily food services on premises. There is typically case management provided for all residents to ensure that each person's needs are being met and changes in health are addressed promptly and in concert with a designated family member.

## Adult Care Facilities

Often referred to as "Adult Homes," "Nursing Homes" and "Skilled Care Facilities" they are highly regulated businesses. Federal, State, and local rules, regulations, codes, statutes, and laws, along with regular and intensive state and federal inspections and surveys have been put in place to provide oversight.

Adult Care Facilities provide a range of services for an elder needing assistance with basic daily activities and on-going monitoring of their physical and emotional well-being. These facilities are facing competition from Assisted Living Facilities that offer a similar type of full-time care. A significant difference is the mandated regulations that are now applied to Adult Care Facilities and controlled largely on a state-by-state basis. More information on these regulations can be researched through the [US Department of Labor](#). Adult Care Facilities also offer more flexibility about payment through Medicare than is the case currently for Assisted Living facilities.

## Memory Care

This designation is specifically meant to meet the needs of individuals with dementia conditions like Alzheimer's disease. Memory Care may be available as a special unit within an Adult Care Facility or as a stand-alone facility providing only this type of specialized care. A Memory Care facility should have a physical layout, staffing, and care plans that specifically meet the needs of the individuals in their care.



### 3. Long-term care insurance

Long term care insurance provides reimbursement for services that would otherwise be paid out of pocket. This type of insurance covers care that is generally not covered by health insurance, Medicare or Medicaid.

Individuals who require long-term care may not be sick in the traditional sense, but are in need of assistance performing basic daily activities (ADLs) such as dressing, bathing, eating, toileting, continence, getting in and out of a bed or chair. Qualifying care could be eligible for reimbursement from long term care insurance if provided in-home or at a care facility.

Premiums have increased along with a growing demand for Long Term Insurance. Rates are also higher if Long Term Insurance is first established at the age of retirement.

### 4. Medicare:

Medicare may cover some of the cost provided in a skilled care facility depending on the services provided and the status of the facility, i.e., Adult Care Facility vs. Assisted Living Facility. Some aspects of in-home care may be covered by Medicare; services considered by Medicare to be on a par with what is provide for a senior in a skilled care facility are more likely to be paid for, at least in part, by Medicare.

Medicare also has a [Medicare Hospice benefit](#) available to terminally ill seniors. Cancer is not the only terminal illness. Medicare hospice will also cover items like congestive heart failure and Alzheimer's disease when the beneficiary agrees that there be no extraordinary means employed to prolong life. The hospice benefit is generally administered by a team of health care professionals in the beneficiary's home, and there is support for family caregivers included.

## 5. Additional resources

Aging Lifecare Professionals (Formerly National Association of Professional Geriatric Care Managers)  
<http://www.aginglifecare.org/>

AARP Care Giving Resources <http://www.aarp.org/home-family/caregiving/>

Administration for Community Living <http://www.acl.gov>

Assisted Living Federation of America <http://www.alfa.org/alfa/default.asp>

The Official U.S. Government site for Medicare <http://www.medicare.gov/>

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