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Paying for Long-Term Care

Many caregivers and older adults worry about the costs of [long-term care](#). These expenses can use up a significant part of monthly income, even for people who thought they had saved enough. How people pay for long-term care depends on their financial situation and the kinds of services they use.

Some people believe that their current health or disability insurance will pay for their long-term care needs, but most of these insurance policies include limited, if any, long-term care benefits. In most cases, people must find other means of paying for long-term care. They may rely on a variety of payment sources, including personal funds, federal and state government programs, and private financing options. Read on to find out more about each of these options.

The Eldercare Locator

The Eldercare Locator can help you find resources in your area, including in-home help and transportation, and can provide information about paying for care. Visit the [Eldercare Locator](#) online or call **800-677-1116**.

The Caregiver's Handbook

Explore this guide to getting started with caregiving, finding support, and taking care of yourself.

Download or order for free



Personal funds

Many older adults pay for part or all long-term care with their own money, also known as personal or “out of pocket” funds. They may use personal savings, a pension or other retirement fund, income from investments, or proceeds from the sale of a home.

Initially, family and friends often provide personal care and other services, such as transportation, for free. But as a person's needs increase, paid services may be needed.

Many older adults also pay out of pocket for adult day care programs, meals, and other community-based services that help them remain in their homes. In some cases, these services are provided for free or at low cost by local governments and nonprofit groups. Professional care in assisted living facilities and continuing care retirement communities is almost always paid for out of pocket. In some states, Medicaid may cover some costs for people who are eligible. Find more information on Medicaid and other government programs below.

Government programs

Older adults may be eligible for some government health care benefits. Caregivers can help by learning more about possible sources of financial help and assisting older adults in applying for aid as appropriate.

Several federal and state programs provide help with health care-related costs. Over time, the benefits and eligibility requirements of these programs can change, and some benefits differ from state to state. Check with the individual programs directly for the most recent information.

LongTermCare.gov

[LongTermCare.gov](#) provides information about long-term care needs and available benefits. Visit the [Costs & Who Pays](#) page to learn more about the costs of long-term care, who pays for services, what is covered by insurance, and options for paying on your own.

Medicare	+
Medicaid	+
Program of All-Inclusive Care for the Elderly (PACE)	+
State Health Insurance Assistance Program (SHIP)	+
Department of Veterans Affairs (VA)	+
Social Security Administration Programs	+
Find out more about benefits	+

Private financing options

In addition to personal funds and government programs, there are several private payment options, including long-term care insurance, reverse mortgages, certain life insurance policies, annuities, and trusts. Which option is best depends on many factors, including the person's age, health status, and financial situation.

Long-term care insurance	+
Reverse mortgages	+
Life insurance policies	+

Annuities

+

Trusts

+

Can a person get paid to take care of a family member?

Family caregivers make a lot of sacrifices to care for older, sick, or disabled relatives. Some even quit their jobs to care for the person full-time. There are many costs involved in caregiving; for example, covering travel expenses, paying bills, and buying household essentials. These costs can add up to create a significant financial burden for caregivers.

Many states offer some form of pay for family caregivers. But the laws, eligibility, and funding for this support vary by state. The most common source of assistance is Medicaid, which offers several state-based programs to people who are eligible based on income or disability. These programs include home- and community-based services, adult foster care, and Medicaid personal care services. Contact your [state Medicaid agency](#) to learn more.

Veterans and people living with certain diseases may also be eligible for financial assistance through federal and state agencies or private organizations. Information is available by visiting the [Eldercare Locator](#) or by calling 800-677-1116.

Long-term care insurance usually provides coverage for care at home. However, policies differ regarding who can deliver that care. In some cases, only a professional service will be paid for long-term care. In other cases, the policy will pay for a family member to provide care. Contact your long-term care insurer to find out the details of your policy.

Finding a financial professional

Navigating the details of paying for long-term care can be challenging. Some options can have implications for a person's taxes and any inheritance they want to leave to their heirs. It may be useful to speak with a financial professional when you're considering how to proceed.

Helpful professionals may include:

- Accountants
- Financial planners
- Investment advisors
- Tax preparers

- Attorneys

Check out [Investor.gov](https://www.investor.gov) for more information about finding, choosing, and working with a financial professional.

You may also be interested in

- Learning about options for [long-term care](#)
- Reading about [legal and financial planning for people with dementia](#)
- Getting tips for [aging in place](#), or growing older at home

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For more information about paying for long-term care

Department of Veterans Affairs

877-222-8387

www.va.gov/geriatrics

Eldercare Locator

800-677-1116

eldercarelocator@USAging.org

<https://eldercare.acl.gov>

LongTermCare.gov

202-619-0724

aclinfo@acl.hhs.gov

<https://acl.gov/ltc>

Medicaid

877-267-2323

866-226-1819 (TTY)

Medicaid.gov@cms.hhs.gov

www.medicaid.gov

Medicare

800-633-4227 (1-800-MEDICARE)

877-486-2048 (TTY)

www.medicare.gov

Social Security Administration

800-772-1213

800-325-0778 (TTY)

www.ssa.gov

SHIP (State Health Insurance Assistance Programs)

877-839-2675

info@shiphelp.org

www.shiphelp.org

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