Paying for Care and Finding Help: A National Practice Module

Paying for long-term care and finding public and community help.

> **Why this module matters.** A non-medical caregiver costs a national median of $35 an hour, Medicare does not cover long-term custodial care, and Medicaid rules change in 2027 and 2028. Families need a plan.

About this module

This module gives teams a shared, evidence-based approach to paying for long-term care and finding public and community help. It draws on current federal rules and national guidance, and it ends with a checklist that agencies, clinicians, and families anywhere in the United States can adopt.

Item	Details
Who it is for	Family caregivers, older adults, social workers, and agencies
Format	6 units, case scenarios, a knowledge check, and a national checklist
Time	About 1.5 hours
How to use it	Families use all units. Professionals use the checklist with families.

Learning objectives

After completing this module, learners will be able to:

1. Understand national care costs and 2026 Medicare amounts.
2. Know what Medicare covers.
3. Understand Medicaid and recent changes.
4. Find other ways to pay.
5. Reach help.
6. Make a care budget.

> **Scope.** This module is general information. It is not legal, tax, or financial advice. Benefits and rules vary by state and change over time.

Unit 1. What care costs

Service (2025 national median)	Cost	Source
Non-medical caregiver	$35 an hour; $80,080 a year at 44 hours a week	CareScout 2025
Adult day health care	$95 a day	CareScout 2025
Assisted living	$6,200 a month	CareScout 2025
Nursing home, private room	$129,575 a year	CareScout 2025

Medicare in 2026	Amount	Source
Part B standard monthly premium	$202.90	CMS
Part B yearly deductible	$283	CMS
Part A hospital deductible	$1,736	CMS
Part D out-of-pocket cap	$2,100 a year	CMS

Unit 2. What Medicare covers, and what it does not

Covered	Not covered
Hospital, clinician visits, tests	Long-term help with bathing, dressing, and daily tasks (custodial care)
Home health for homebound people needing skilled care	24-hour home care
Short-term skilled nursing facility care after a qualifying hospital stay	Long-term nursing home care
Hospice	Most assisted living costs
Caregiver training services by clinicians	Paying family caregivers

Unit 3. Medicaid and recent changes

Medicaid is the largest payer of long-term care. Eligibility depends on income and assets and varies by state. Many states offer home and community-based services (HCBS) through waivers, sometimes with waiting lists.

Change under H.R. 1 (2025)	Effective
Retroactive coverage cut from three months to two months for older adults and people with disabilities	January 1, 2027
Home equity limit for long-term care fixed at $1 million, with exceptions when a spouse or certain children live in the home	January 1, 2028

Apply promptly when care is needed, and get advice before transferring assets, because transfers can delay eligibility.

Unit 4. Other ways to pay

Source	Key points
Veterans benefits	VA home care, respite, caregiver support, and pension with Aid and Attendance for eligible veterans and spouses
PACE	All-inclusive care for eligible people 55+ who need nursing home level care, in areas where it exists
Long-term care insurance	Check elimination periods, daily limits, and what counts as a covered service
Medicare Savings Programs and Extra Help	Help with Medicare premiums and drug costs for people with limited income
Older Americans Act services	Meals, respite, and support through Area Agencies on Aging
Tax benefits	Some care costs may be deductible medical expenses; dependent care credits may apply
Family resources	Shared costs, reverse mortgages, or life insurance options, with professional advice

Unit 5. Finding help

Resource	How to reach
Eldercare Locator (Area Agencies on Aging)	1-800-677-1116, eldercare.acl.gov
State Health Insurance Assistance Program (SHIP)	Free Medicare counseling; shiphelp.org
State Medicaid agency	Your state's website
VA caregiver support line	1-855-260-3274
Benefits screening	BenefitsCheckUp.org (National Council on Aging)

Unit 6. Making a care budget

1. List current and expected care needs and hours.
2. Price local options.
3. List all income and benefits.
4. Check coverage from Medicare, Medicaid, VA, and insurance.
5. Plan who pays for what in the family.
6. Review every 6 months or when needs change.

Case scenarios

Case 1. Running out of savings

Mrs. J pays $3,000 a month for home care and will run out of savings in a year.

- What should the family explore now?

Discussion: Medicaid HCBS eligibility and waiting lists, VA benefits if eligible, PACE, and Area Agency on Aging services. Apply early, especially with shorter retroactive coverage from 2027.

Case 2. A Medicare surprise

A family expects Medicare to pay for an aide 6 hours a day.

- What should you explain?

Discussion: Medicare covers part-time skilled home health, not long-term daily personal care. Other sources are needed.

Knowledge check

1. What is the 2025 national median hourly cost of a non-medical caregiver? *($35)*
2. What is the 2026 Part B premium? *($202.90 a month)*
3. Does Medicare cover long-term custodial care? *(No)*
4. When does Medicaid retroactive coverage shrink? *(January 1, 2027)*
5. Where can people get free Medicare counseling? *(SHIP)*

National Paying for Care and Finding Help Checklist

This checklist turns 2025 cost data, 2026 Medicare figures, and recent Medicaid changes into one planning tool for families. The “National basis” column shows where each item comes from. Adapt it to your state rules and policies.

Name or ID	Date	Completed by and role
Agency or organization	Reviewed by	Next review date

A. Understand costs

Action	National basis	Done	Notes
Local costs for the care needed compared	CareScout Cost of Care	☐	
Medicare 2026 premiums and drug cap reviewed	CMS 2026	☐	
Care budget written	Best practice	☐	

B. Check coverage

Action	National basis	Done	Notes
Medicare coverage limits understood	Medicare.gov	☐	
Medicaid HCBS eligibility and waiting list checked	State Medicaid	☐	
Timing of Medicaid application considered (2027 retroactive change)	H.R. 1	☐	
Home equity rule reviewed if relevant (2028)	H.R. 1	☐	
VA, PACE, long-term care insurance, and savings programs checked	VA; CMS	☐	

C. Get help

Action	National basis	Done	Notes
Area Agency on Aging contacted	Older Americans Act	☐	
SHIP counseling for Medicare	SHIP	☐	
Elder law or financial advice before asset transfers	Best practice	☐	

Completed by: signature	Printed name and title	Date
Reviewed by: signature	Printed name and title	Date

Sources and further reading

CareScout: 2025 Cost of Care Survey (businesswire.com)

Penn State Office of Rural Health: 2026 Medicare premiums and deductibles (porh.psu.edu)

ElderLawAnswers: Medicare changes in 2026 (elderlawanswers.com)

National Health Law Program: Retroactive coverage and home equity (healthlaw.org)

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