

WHAT TO DO WHEN YOUR PARENT IS IN ASSISTED LIVING AND FUNDS WILL EVENTUALLY RUN OUT

(Step-by-Step Guide for Adult Children in the U.S.)

STEP 1 — Determine the Financial Timeline

Goal: Know exactly when money will run out.

Do this:

- Calculate total monthly assisted living cost
- Subtract all monthly income:
 - Social Security
 - pension
 - annuities
- Divide remaining savings by monthly deficit

Outcome:

You should know the exact estimated depletion month.

STEP 2 — Ask the Assisted Living Facility Key Questions

Schedule a meeting with the administrator or billing office.

Ask:

- “Do you accept Medicaid or state assistance once private funds run out?”
- “Can residents stay here if they transition to Medicaid?”
- “What is the average timeline for Medicaid transition here?”
- “Do you require relocation if funds are exhausted?”

Why this matters:

Facilities vary widely. Some allow Medicaid conversion. Others do not.

STEP 3 — Understand Medicare vs. Reality

Important clarification:

- Medicare Part A & B DO NOT cover assisted living room and board
- Medicare only covers:
 - hospital stays
 - doctor visits
 - short-term rehab/skilled nursing

Key takeaway:

Long-term assisted living is primarily private pay unless Medicaid is involved.

STEP 4 — Start Gathering Financial Documents

Create a folder (digital or physical).

Collect:

- Last 5 years of bank statements
- Social Security award letters
- Pension/retirement statements
- Tax returns
- Insurance policies
- Property deeds/titles
- Prepaid burial/funeral plans
- Any large transfers or gifts

STEP 5 — Do NOT Transfer or Hide Assets

Avoid:

- gifting money to family
- transferring property
- adding names to accounts
- selling assets below market value

Why:

Medicaid reviews financial history (look-back period).

STEP 6 — Meet With an Elder Law Attorney

Look for a Certified Elder Law Attorney (CELA).

They help with:

- Medicaid eligibility strategy
- asset protection planning
- spend-down rules
- spouse protection (if applicable)
- timing applications correctly

STEP 7 — Contact Medicaid / State Assistance Office

Apply or request guidance through your state's Medicaid office or local DSS.

Start here:

- <https://medicaid.ncdhhs.gov>

Ask about:

- Long-Term Care Medicaid
- Assisted Living / Adult Care Home assistance programs
- State supplement programs

STEP 8 — Request a Medical Assessment

A physician or facility may complete required documentation.

This determines:

- level of care needed
- assisted living vs. nursing home eligibility
- Medicaid qualification support

STEP 9 — Begin Medicaid Planning Early (Do Not Wait)

Start planning 12–18 months before funds run out (earlier if possible).

Tasks include:

- Medicaid application prep
- financial documentation submission
- eligibility review
- facility coordination

STEP 10 — Build a Backup Plan

Always identify:

- Medicaid-accepting assisted living facilities
- nursing homes (if higher care is needed)
- waiting list timelines

Why:

Placement options can be limited and competitive.

STEP 11 — Submit Applications Before Money Runs Out

Do NOT wait until the account is \$0.

Applications can take:

- weeks to months

Delays can force emergency placement decisions.

FINAL REMINDER

The earlier this process begins, the more control families have over:

- facility choice
- financial protection
- continuity of care
- emotional stability of the parent

DISCLAIMER

This guide is for general informational purposes only and does not constitute legal, financial, or medical advice. Medicaid rules, assisted living policies, and eligibility requirements vary by state and change over time. Families should consult a qualified elder law attorney and their state Medicaid office for guidance specific to their situation.