Payment Sources for Assisted Living and Home Care

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This document provides a simple overview of the main ways individuals pay for assisted living and home care services in Minnesota. Each payment source has different requirements related to eligibility, covered services, and where it can be used.

Use this table to help you understand:

- How each payment source works.
- What services are covered (and not covered).
- Whether room and board is included.
- Key requirements or limitations.
- Whether the payment source applies to assisted living (AL), home care (HC), or both.

As you review each payment source, consider:

- What payment source individuals in your service area are most likely to use.
- Whether your service model aligns with what the payment source covers.
- What administrative, billing, or documentation requirements are involved.
- Whether additional training or support is needed to work with a specific payment source.

This information will help you plan your business and revenue model and prepare to work with the payment sources commonly used in your service area.

Payment Sources	Description	Covers		Notes	Eligible Setting	
		Services	Room and Board		AL	HC
Private Pay (Out of Pocket)	Individuals pay directly using personal funds.	✓	✓	No eligibility requirements.	✓	✓
Long-Term Care (LTC) Insurance*	Private insurance for long-term care services.	✓	✓	Policies vary regarding eligibility, waiting/ elimination periods and coverage limits.	✓	✓
Minnesota Senior Health Options (MSHO)	Fully integrated dual-eligible special needs plan for individuals age 65+.	✓		Enrolled in Medicare and Medicaid. Includes care coordination.	✓	✓
Medical Assistance-Minnesota Medicaid (MA)	State/federal program for low-income individuals.	✓		Financial and functional eligibility required.	✓	✓
Elderly Waiver (EW)	Medicaid waiver for individuals age 65+ needing nursing home level care.	✓		Common in assisted living; includes case management.	✓	✓
Community Access for Disability Waiver (CADI)	Medicaid waiver for individuals under age 65 with disabilities.	✓		Supports community-based living.	✓	✓
Brain Injury Waiver (BI)	Medicaid waiver for individuals with brain injury.	✓		Includes specialized rehab and behavioral supports.	✓	✓
Alternative Care Program (AC)	State program for seniors not yet Medicaid-eligible.	✓		Individuals age 65+; helps delay MA enrollment.	✓	✓
Veterans Benefits (VA)	Benefits for eligible veterans/spouses.	✓	✓	Variable coverage, including homemaker and home health aide services.	✓	✓
Housing Support (GRH)	State program for room and board.		✓	Often combined with MA or waivers.	✓	
Federal Rent Subsidy (Section 8)	Federal housing assistance program.		✓	Often long waitlists.	✓	✓
Minnesota Community Health Programs (MCHP)	State/local programs supporting access to care for underserved populations.	✓		Varies by program; may support basic health services, not long-term care.		

**LTC insurance coverage for AL and HC services can be complex and varies significantly by individual policy.*