VELORA
SENIOR LIVING

FREE FAMILY GUIDE · 2026 EDITION

Paying for *Senior Care* in California

2026 costs, VA Aid & Attendance, SSI/SSP, Medi-Cal and Medicare rules, long-term care insurance, taxes and free counseling — with a budget worksheet.

Velora Senior Living · Assisted Living · Memory Care · Hospice Support · Respite Care
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Most California families pay for assisted living by combining several sources: savings and income, insurance, veterans benefits and, for some, public programs. This guide explains each one with 2026 figures, so you can see what your family may qualify for.

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About this guide. Written by Velora Senior Living for families in California. It is general information, not legal, medical, tax or financial advice. Rules and dollar amounts change, usually each December and January; every figure here shows the date it applies to. Facts were checked in November 2026.

Dates to watch: VA pension rates change every December 1 and SSI/SSP amounts every January 1. Social Security has announced a 3.6% cost-of-living increase for 2027, so expect most benefit amounts in this guide to rise by about that much.

CHAPTER 1

What care costs

Median monthly costs from the CareScout Cost of Care Survey (2025 data, published March 2026):

Area	Assisted living (private room)	In-home caregiver, per hour	Nursing home (semi-private)
Merced metro	$5,250	$39	$11,528
Fresno metro	$6,250	$36	$11,452
Modesto metro	$6,515	$37	$12,805
San Jose metro	$10,495	$44	$14,296
San Francisco metro	$8,450	$43	$15,208
California	$7,000	$40	$12,167
United States	$6,200	$35	$9,581

Full-time care at home adds up quickly: 44 hours a week of in-home help costs a median of about $7,400 a month in the Merced area, before rent, food or utilities.

> **At Velora:** Residences start at $2,595 per person per month (companion suite) and $2,795 (private room), with care added by level from $400 to $2,600 a month after a free assessment, and a one-time $2,500 community fee. Meals, housekeeping, utilities, activities, transportation and 24/7 staff are included. Rates may change before opening; see veloraseniorliving.com/pricing-payment.

CHAPTER 2

Private pay and family resources

Most assisted living is paid privately, from a combination of:

- Social Security, pensions and retirement-account withdrawals
- Savings and investments
- Proceeds from selling or renting the family home
- Contributions from adult children, ideally agreed in writing among siblings

If a home sale or benefits will take time, some families use a short-term **bridge loan**. Compare the APR, fees and repayment terms carefully before signing.

> **Plan the timeline:** VA and Medi-Cal applications can take months. Start them early, and keep copies of everything you submit.

CHAPTER 3

Long-term care insurance

- **When it pays.** Tax-qualified policies pay when a licensed practitioner certifies that the insured needs help with at least 2 of 6 daily activities (bathing, dressing, transferring, eating, toileting, continence) for 90 days or more, or needs substantial supervision because of severe cognitive impairment such as dementia.
- **Elimination period.** Most policies have a waiting period, often 30, 90 or 100 days, before benefits begin. You pay privately during that time.
- **Assisted living is usually covered.** Comprehensive policies sold in California since late 2001 generally include residential care (RCFE) benefits; “home care only” policies do not.
- **New policies are harder to find.** No insurer is currently selling new California Partnership for Long-Term Care policies, though existing ones remain in force.

> **Action step:** Find the policy, call the insurer to start a claim, and ask what documentation the community and doctor must provide. Velora accepts long-term care insurance.

CHAPTER 4

VA pension with Aid & Attendance

Wartime veterans and surviving spouses with limited income and assets may qualify for a monthly pension, increased by an “Aid and Attendance” amount when the person needs help with daily activities or lives in a care setting because of a disability.

Household	Maximum annual pension with Aid & Attendance	Per month (approx.)
Veteran, no dependents	$29,093	$2,424
Veteran with one dependent	$34,488	$2,874
Two veterans married, both needing A&A	$46,143	$3,845
Surviving spouse, no dependents	$18,697	$1,558

Rates effective December 1, 2025. They are expected to rise with the cost-of-living increase on December 1, 2026.

- **Income:** VA subtracts unreimbursed medical expenses from income. Assisted living fees can count when the resident receives care there and qualifies for A&A, or a clinician certifies the need.
- **Net worth limit:** $163,699 (Dec 1, 2025 – Nov 30, 2026). The home and one vehicle are excluded.
- **Look-back:** VA reviews asset transfers made in the 3 years before applying; transfers made to qualify can cause a penalty period of up to 5 years.
- **How to apply:** VA Form 21-2680 (examination for Aid and Attendance) with the pension application.

> **Free help:** The Merced County Veterans Service Office helps veterans and families apply at no cost: (209) 385-7588. Velora accepts VA Aid & Attendance benefits.

CHAPTER 5

SSI/SSP

Supplemental Security Income with California's State Supplementary Payment helps people 65 or older (or blind or disabled) with very limited income and assets. For residents of licensed assisted living, a special higher rate called **Nonmedical Out-of-Home Care** applies.

2026 amount (individual)	Monthly
Total SSI/SSP payment standard (SSI $994.00 + SSP $632.07)	$1,626.07
Paid to the assisted living community for room, board and basic care	$1,444.07
Kept by the resident for personal needs (at least)	$182.00

A community that accepts an SSI/SSP resident agrees to provide basic services for this set rate. Not every community accepts SSI/SSP residents, and those that do may have limited openings, so ask directly.

CHAPTER 6

Medi-Cal and the Assisted Living Waiver

Medi-Cal does not pay room and board in assisted living. Its **Assisted Living Waiver (ALW)** can pay for care services (not room and board) for people with Medi-Cal and no share of cost — but only in participating counties:

Alameda, Contra Costa, Fresno, Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara and Sonoma.

> **For Merced County families:** Merced County is not an ALW county, so the waiver is not available at Velora. The waiver also has a long waitlist: about 15,900 people in March 2026.

Medi-Cal asset limits are back

- Since January 1, 2026, aged and disabled Medi-Cal programs again count assets: **$130,000 for one person, plus $65,000 for each additional household member** ($195,000 for a couple). The home, one car and household goods are exempt.
- The enacted 2026–27 state budget lowers the limit to **$21,000 for one person and $31,000 for a couple starting July 1, 2027**.
- Income limits for the aged and disabled program are set at 138% of the federal poverty level.
- Medi-Cal looks back 30 months at asset transfers for nursing home coverage. Rules are complex; talk with HICAP or an elder-law attorney before moving assets.

CHAPTER 7

Medicare and hospice

- **Medicare does not pay for assisted living** rent, meals or personal care, because it does not cover long-term custodial care.
- It does keep paying for the resident's doctor visits, hospital care, and prescriptions through a Part D plan.
- **Hospice:** when a doctor certifies a life expectancy of six months or less and the person chooses comfort care, Medicare Part A pays a hospice agency to care for them where they live — including assisted living. It pays for the hospice services, not room and board, so the monthly community fee continues.

> **Free Medicare counseling:** HICAP gives unbiased help with Medicare choices: (800) 434-0222 or, in Merced County, (209) 385-7550.

CHAPTER 8

Other ways to pay

- **Life insurance.** Some policies can be surrendered for cash value, or pay part of the death benefit early (“accelerated benefits”) when someone is chronically or terminally ill. A **life settlement** sells the policy to a third party; brokers and providers must be licensed by the California Insurance Commissioner. Check a license with the California Department of Insurance at (800) 927-4357.
- **Reverse mortgage.** A federally insured reverse mortgage (HECM) lets homeowners 62 and older borrow against home equity; the 2026 limit is $1,249,125. The loan generally becomes due when the last borrower no longer lives in the home, so it suits families where a spouse stays at home, not a full move to assisted living. Counseling is required.
- **Renting the home** can provide monthly income while keeping the property in the family.

CHAPTER 9

Taxes

- Unreimbursed medical expenses, including qualified long-term care services, are deductible to the extent they exceed **7.5% of adjusted gross income** if you itemize.
- Long-term care services qualify when the person is **chronically ill** (unable to do 2 daily activities for at least 90 days, or needing supervision due to severe cognitive impairment) and the care follows a plan prescribed by a licensed health care practitioner.
- How much of an assisted living fee is deductible depends on the situation. Keep monthly statements and ask a tax professional.

CHAPTER 10

Your monthly budget worksheet

Fill this in with your family to see the gap, if any, between income and the cost of care.

Monthly income	Amount	Monthly costs	Amount
Social Security		Community rate (residence)	
Pension / annuity		Care level	
VA pension with A&A		Medications and pharmacy	
Long-term care insurance		Health insurance premiums	
Investment / IRA withdrawals		Personal spending, phone	
Rental income		Other	
Family contributions			
Total income		**Total costs**	

One-time costs to plan for: community fee, moving, and any home repairs before a sale.

CHAPTER 11

Free counseling

These offices help families for free. Velora's team also offers free financial counseling: (209) 440-0565.

Who	Phone	Online
Merced County Area Agency on Aging	(209) 385-7550	countyofmerced.com/1475/Area-Agency-on-Aging
HICAP — Medicare Counseling	(800) 434-0222	countyofmerced.com/1485/Health-Insurance-Counseling-Advocacy-Pro
Merced County Veterans Service Office	(209) 385-7588	countyofmerced.com/2242/Merced-County-Veterans-Service-Office
California Department of Aging	(800) 510-2020	aging.ca.gov

Sources

1. CareScout Cost of Care Survey 2025, median cost data tables (March 2026) — carescout.com/cost-of-care
2. CDSS PIN 25-19-CCLD (Dec 8, 2025) and SSI/SSP payment amounts 2026; SSA SSI federal payment amounts and 2027 COLA
3. VA Veterans Pension and Survivors Pension rates (effective Dec 1, 2025); 38 CFR §3.278 — va.gov
4. DHCS Assisted Living Waiver application CA.0431.R04.00 (2024) and enrollment/waitlist data (March 2026); Health Consumer Alliance summary of Medi-Cal asset limits (March 2026); LAO 2026–27 spending plan
5. Medicare.gov: long-term care; hospice care
6. California Department of Insurance: long-term care insurance guide; life settlements
7. HUD No. 25-145 (2026 HECM limit); IRS Publication 502; 26 U.S.C. §213