

Insuring Long Term Care for Quality and Dignity of Life

Most people look forward to the benefits of retirement—traveling, volunteering, revisiting pastimes, interacting with grandchildren, relaxing and enjoying the moment. Ideally, it's when the investments of a lifetime pay off. With advanced medicine and superior healthcare, you can reasonably expect many years of meaningful activity following your professional career.

Inevitably however, age involves declining health that may require a certain level of assistance. In fact, there's a 60% chance that you will eventually need some form of long term care. Often, it's minimal, but it can progress to an advanced level that could last for years. In any circumstance, the goal is to maintain the highest possible level of dignity and independence. But this care—even if it's only for a few years—is more expensive than most people realize. And while Medicare and private health insurance cover acute care—surgeries, illness, injuries and short-term rehabilitation—neither covers long term care. That's why long term care (LTC) *insurance* makes sense. Just like home and auto insurance, it's better to have what you don't need, than to need what you don't have.

Fact vs. Fable

Long-term care describes the assistance required when a chronic illness, injury or frailty makes it too difficult for you to function independently. Although most commonly associated with nursing homes, it also includes custodial care for assisted living facilities and in-home caregivers. In fact, 95% of long-term care services are custodial in nature. This is what makes LTC insurance especially valuable. It offers flexibility. Given the opportunity, most people would choose to remain in their homes. LTC insurance provides the financial support to make this possible.

Many people can function independently most of the time, but may need help with certain tasks. About 80% of long term care claims are paid for individuals living at home and in assisted living facilities. LTC benefits may be used to cover costs for a variety of professional caregivers: registered and practical nurses, nursing aids, therapists,

home-health aides, live-in companions, and homemakers. And contrary to popular belief, long term care is not just a “senior” issue—40% of long-term care is provided to people under age 65.

Protection of Assets

When long-term care becomes necessary, you must determine how to pay for it. Medicare provides acute medical coverage to people age 65 and older. Medicaid picks up most of the nation's long-term care bill. **But many people don't realize that you must first deplete your assets to welfare levels before you even qualify for Medicaid.**

Once your assets are drained, there may be little or nothing left for your family. Worse still, the financial burden might fall on them. In a day of steadily rising healthcare costs, LTC bills could easily triple over the period that care is provided. Few people would ever consider going *without insurance* on their home, yet most seem unaware of the catastrophic financial risk and potentially devastating expense of not insuring for their long term care.

Details to Consider

Although there are no hard and fast rules, keep in mind that LTC insurance works like a life insurance policy. The younger and healthier you are when you purchase the policy, the less expensive it is (for the entire time). Once a condition begins that requires long term care, you will no longer qualify for a new LTC insurance policy. So taking out a policy at age 50, or even younger, is not too early.

An estimated nine million people age 65 and over needed long term care in 2006. That number is expected to increase to 12 million by 2020. So take some time to understand the facts, and *plan for the possibility*. LTC insurance safeguards your assets—beyond that, it protects your quality of life and preserves your dignity. Regardless of what happens to your health, you know you'll receive quality care without financially burdening your family or draining their inheritance—making LTC insurance an investment that genuinely provides peace of mind.

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