



Why Plan Ahead for **LONG-TERM CARE?**

Long-Term Care is the on going assistance that allows someone who is chronically ill (loss of 2 activities of living or severe cognitive impairment) to maintain their abilities and quality of life. This type of care is needed by people of all ages; in fact 40% of the people needing care are under age 65. A long-term care event within a family can be a stressful time that impacts them emotionally, physically, and financially.

Long term care is expensive. Nationally, nursing homes average \$191 per day for a semi private room and \$212 for a private room, and could be much higher in your area. Home health aides average about \$19 per hour. The average nursing home stay is almost 3 years, but for an Alzheimer's patient it is closer to 8 years. How would this affect your savings?

Long-Term Care is not covered by: traditional health insurance, group health insurance, Medicare, disability insurance, or social security. It is also a myth that living trusts or prenuptial agreements protect you assets from Medicaid. Medicaid has also recently expanded its look-back period for transferred assets to 5 years.

Self Insure? Once you consider the math you may see why many people are considering long-term care insurance to provide leverage and protect their assets. If you put \$2,000 aside for your long-term care needs for the next 20 years, and you got an after tax rate of return of 5%, you would have saved \$69,400 for your long-term care needs. Currently one year in a nursing home with a semi private room costs \$69,715. If the cost of care grows by 5% over the next 20 years, the cost for that one year nursing home stay will be \$184,744.

Long-Term Care insurance should be used as a risk management tool to offset the enormous downside of long-term care that we all face. Insurance does not have to pay the full cost of care, just what you cannot afford to pay yourself without depleting assets.

Long-term care insurance design: Start by discussing the following options and choose what fits your needs best at each step along the chart.



It's that simple.

Have an experienced advisor help you compare and choose your plan wisely.