

NO Escaping Long-Term Care

Everyone, at some point in their life, will fall into one of these four categories:

1. They **have been** a caregiver in the past
2. They **are currently** providing care to a loved one
3. They **will provide** care in the future to someone
4. They **will need** care at some point in time themselves

The Weighty Price of Waiting

Age when buying LTCi	Total of premiums paid to age 80	Cost of Waiting
50	\$20,440	NA
55	\$25,182	\$4,742
60	\$34,492	\$14,052
65	\$47,826	\$27,386
70	\$69,870	\$49,430

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Aging Issues & Solutions

HELPING YOU with...
Long-Term Care Insurance
and the **NEW**
LTC State Partnership Plans



We work with a number of top rated insurance companies so we can use the company and product that is best for your situation.

Long-Term Care is a Generational Concern

What is Long-Term Care

Long-term care is the daily care needed by individuals who require care for an extended period of time. This could be the result of degenerative conditions such as a stroke or Parkinson's disease, a prolonged illness such as cancer, or a cognitive disorder such as Alzheimer's and even an accident.

Care can embrace a wide range of medical and support services. Care can be of the custodial nature involving activities of daily living (ADLs) such as:

- ♦ Getting out of bed
- ♦ Walking to the bathroom
- ♦ Taking a bath or shower
- ♦ Dressing yourself
- ♦ Preparing and eating a meal
- ♦ Cleaning up after your meal

For a person with a prolonged illness or degenerative condition, these activities can be difficult, if not impossible, to do.

Will You Need Long-Term Care?

According to the New England Journal of Medicine, the odds of you needing long-term care are...

Women - 1 out of 2
Men - 1 out of 3

Would it surprise you to know that 40% of the people needing long term care are under age 65? In large part, these are due to accidents and unforeseen illnesses.

The Cost of Long-Term Care

According to The Federal Long Term Care Insurance Program the costs associated with long-term care can vary from state to state. The national averages...

- ♦ Home Health Care: \$29,640 annually
- ♦ Assisted Living Facility: \$41,124 annually
- ♦ Nursing Home: \$82,855 annually¹

The costs in your area could be more and the average stay is around 2.5 years.

Options to Pay for Care

You can rely on Medicaid, but it has limitations as to what it will pay for and when it will pay.

However, before Medicaid will start paying for your care, you assets have to be spent down to a certain amount. All states are different but the amount is close to \$2,000 that you assets have to be spent down to.

Transfer the Risk to an Insurance Company

The advantages of have a long-term care insurance policy are...

- ♦ Financial independence & personal dignity
- ♦ Control over when & where you receive care
- ♦ Control over the quality of care
- ♦ Peace of mind knowing you won't be a burden on your family
- ♦ Protective of assets for spouse & heirs

Partnership Programs

The Long-Term Care Partnership Programs was developed back in the 1980s, and the Deficit Reduction Act of 2005 (DRA 05) allowed all states the option to enact these programs. They have been designed to encourage people who might otherwise turn to Medicaid (to finance their long-term care) to purchase long-term care insurance.

These qualifying plans have special benefits. All partnership policies must meet the following:

- ♦ Federal tax-qualified
- ♦ Identified consumer protections
- ♦ Inflation protection
- ♦ Consumers purchasing partnership qualifying policies may even retain a specified amount of assets

Mr. & Mrs. Jones have liquid assets totaling \$600,000. They purchase a Partnership Plan policy that pays \$300,000 in benefits.

- ♦ They enter a nursing home and deplete the entire \$300,000 in benefits provided in the policy.
- ♦ They only have to spend their assets down to an amount equal to the Partnership Plan benefits; remaining care is paid for by the state.

Mr. & Mrs. Jones retain \$300,000 of their \$600,000 liquid assets.

¹ https://www.ltcfeds.com/start/aboutltc_cost.html