

The Importance of Long-Term Care Planning



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Long-term care coverage can fill in the gaps other health care insurance leaves behind.

Long-term care insurance helps cover the cost of assistance with daily living tasks, including bathing, dressing, eating, and mobility. This type of care is not covered by Medicare, supplemental Medigap policies, or other traditional health care insurance.

If you're relatively young and healthy, you may feel you have plenty of time before you need to worry about long-term care—or you may even think you won't need it at all. But consider this: Someone turning 65 today has a 70 percent chance of needing this kind of assistance at some point in their lives. What's more, the cost of long-term care can quickly add up. According to the U.S. Department of Health and Human Services, a one-bedroom in an assisted living facility costs an average of \$3,628 a month (more than \$43,000 a year). Planning for long-term care now can help prevent the cost from becoming a financial burden down the road.

What is long-term care insurance?

The various parts of Medicare typically cover doctor's office visits, hospital stays, and prescription drugs. Medicare will also cover custodial care in a nursing home if you are recovering from illness or injury. But the program typically covers 100 days or less of care. After that, you're on your own.

Long-term care insurance can cover a variety of costs that Medicare won't, including:

- Skilled nursing care
- Occupational, speech, and physical therapy

- Nursing homes that provide around-the-clock care along with room and board.
- Assisted-living facilities or residential care facilities that provide an apartment and access to care as needed
- Home modifications, such as wheelchair ramps, remodeled bathrooms, and enlarged doorways

When choosing a long-term care insurance policy, it's essential to keep in mind that they often place a limit on [how long they will cover care](#). Some may cover you for two to five years, and others may cover you for the rest of your life.

How to choose a long-term care insurance policy

There's no one-size-fits-all policy. Different policies cover different kinds of care, so if you have an idea of the type of care you'll need—such as services affiliated with a chronic illness, for example—be sure to choose a policy that covers you. If you aren't sure what services you'll need, try to choose a policy with built-in flexibility.

Some policies also cover adult care, which provides medical care and social opportunities during the day, relieving the daily burden on caregivers. Some plans require participants to use services from a certified home-care agency or licensed professional, while others give you the option of hiring independent care providers.

Buying the right policy can be a tricky balancing act. You don't want to buy a costly policy that has benefits you don't end up using. On the other hand, you don't want to end up with too little insurance. One good thing to be aware of is that you can often reduce your coverage, but it's harder to increase it as you age and your health declines.

How to buy long-term care insurance

Many employers offer long-term care plans, so if you're still working, consider buying one before you retire. You may even be able to purchase a long-term care plan at a discount. Once you retire, you can usually still hold on to the policy as long as you continue to pay the premiums.

You can also buy a policy through an insurance agent or broker, but make sure they have had training in long-term-care insurance and that they're licensed to sell insurance in your state. Contact your state insurance department for a list of companies approved to sell long-term care insurance policies where you live.

When to buy long-term care insurance

Unlike health care policies, long-term care insurance providers can turn you down due to a pre-existing medical condition. Waiting to shop for long-term care insurance until you're older and

your health is less stable may hinder your ability to find a policy. Policies also cost less when you're younger, so it may be better to buy a policy a few years before you retire rather than wait until you require care.

Long-term-care insurance may not seem like a pressing priority if you're still fit and active, but preparing for it now can help you to avoid harsh financial realities later—plus, you'll have peace of mind knowing your care will be provided for as you age.

SOURCES:

<https://www.medicare.gov/coverage/skilled-nursing-facility-snf-care>

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<https://longtermcare.acl.gov/the-basics/what-is-long-term-care.html>

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