



How to Help Your Clients Understand Their Long-Term Care Options

Knowing the long-term care options that are available to your clients is an important starting point when helping them plan for the future. It's important to encourage your clients to think about where they want to live and what type of care, they believe they might need.

Most people want to stay in their homes, but it's not the right choice for everyone. Others prefer the services and amenities that come with certain types of living arrangements. Many also prefer or need the activities and social interaction that come with communities that provide services.

What Are The Options?

Many options for long-term care settings include:

- Living with family
- In-Home Care
- Home Sharing
- 55+ Active Adult Communities
- Retirement Communities and Senior Apartments
- Adult Foster Care
- Assisted Living
- Nursing Home
- Memory Care

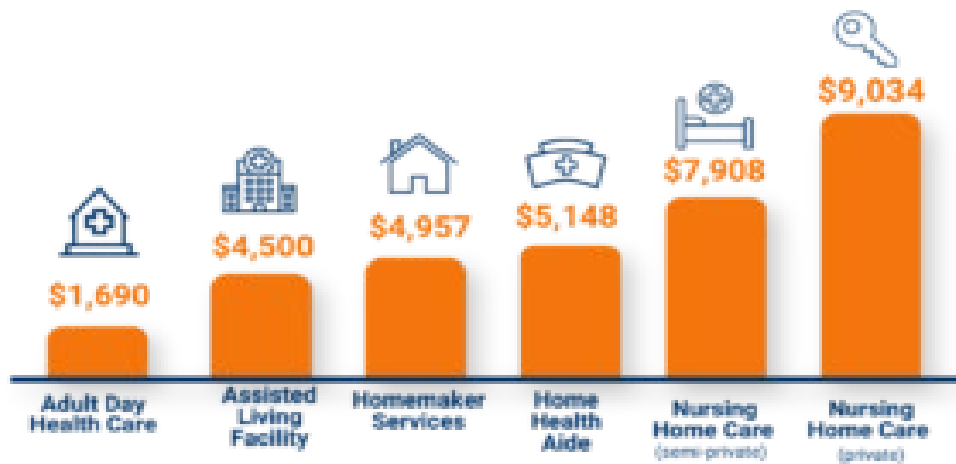
How much does long-term care cost?

The short answer is: It depends. Many variables affect the cost of care.

Did you know family and friends provide about 80 percent of the long-term care people receive at home? But when it becomes necessary to hire paid caregivers or move to a different living arrangement, care can get expensive quickly. The following information can give your clients an idea of the national average costs of long-term care today.

The cost of long-term care usually depends on four main factors: where you live, the type of care you need, how much care you need, and how long you need it.

In the chart below are some national average monthly costs for 2021, according to a market study conducted by Genworth Financial.



Doesn't Medicare pay for long-term care?

Many people believe that Medicare covers long-term care since both involve elder care. This is one of the most common misconceptions when it comes to long-term care! In fact, 56% of boomers believe Medicare covers long-term care.¹ Your clients should be aware that since long-term care isn't considered medical care, it isn't covered by Medicare. This is why it's also not covered by regular health insurance.

Medicare covers doctor visits, hospitalizations, and medication. It can cover some long-term care, such as a short stay in a skilled nursing facility, medically necessary in-home care, or hospice treatment if you meet very strict conditions. Options will be very limited, and it won't help with copayments or deductibles.

What about Medicaid?

Medicaid is a government program for those with low income and assets who cannot pay their medical and long-term care bills. Clients must meet strict financial, health, and functional ability to receive long-term care services through Medicaid. For Medicaid to even cover long-term care, you have to first spend down whatever assets you have. Medicaid is for those who truly don't have any money to cover long-term care expenses. It should never be a client's first choice since it will limit your control over where you want to receive care and the quality of care may be limited.

Bottom line? Don't rely on Medicare or Medicaid to determine long-term care options or strategy!

Questions For Your Clients to Consider

Where do you plan to retire?

Are you planning to move out of state? Will you have any family nearby who might be able to assist with your care? Cost of care can vary dramatically by state so make sure you do your research.

What type of care do you prefer?

Do you want the option for home health care? Would you want to be able to use less costly informal caregivers? Do you want the option for a really nice, assisted living facility, sometimes referred to as a “country club” assisted living facility?

What can you comfortably afford over the long term?

If you're considering long-term care insurance, meaningful coverage can have many benefits. Make sure that whatever plan you choose, you can afford it for the long term. A nice feature of many plans is that the premium is waived when you start receiving benefits. Some plans have guaranteed premiums, so you never have to worry about a rate increase.

What impact will long-term care have on your income?

What will happen to your income should you or your spouse require long-term care while one or both of you are still working? Relying on Medicaid to pay for your long-term care options means that you and your spouse will be subject to asset thresholds that can wipe out most of your retirement savings.

What impact will long-term care have on your assets?

Retirees typically use assets for income. You should speak with your financial advisor regarding the impact to your income if you spend a significant amount of your assets on long-term care.

Help Your Client Create A Plan

Make sure your client doesn't make a costly mistake. Don't expect Medicare or Medicaid to cover long-term care. Do not let the rising cost of long-term care wipe out the financial assets you worked so hard to save. Instead, help your clients take control of their future and start planning for long-term care today!

Long-term care planning is a complex issue that necessitates the assistance of an experienced long-term care specialist. Be the person to walk your clients through the planning process and create a custom long-term care solution that works.

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