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Nancy Curtin, CLTC

Nationwide, the annual cost for a private nursing home room is \$74,208, or \$203 per day, representing an increase of 4 percent annually since 2005.

Source: Reuters

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Long-Term Care- Counting the Cost – From Nancy Curtin, CLTC

As Americans we should all be greatly concerned over how shockingly expensive health care has become. Of equal concern to us is the rising cost of long-term care (LTC). I always emphasize to my readers that the cost of care will continue to increase, and the time is now to get coverage for yourself and your loved ones to stay ahead of these rising costs.

Statistically, more than 50% of all people living now will need some form of long-term care during their lifetime. And remember that 40% of LTC benefits are paid out to 18-64 year olds who have had accidents or strokes.

It's a simple equation – if you don't have long-term care insurance then get ready to pay for care out of your own pocket. Do you have enough money stashed away specifically for your care? Since Medicare does not pay for LTC your choices are to pay out of pocket or get a good LTC insurance policy to cover yourself.

For 2009, here are the national averages on LTC costs:

- A private room in a Nursing Home is \$74,000 per year.
- For an Assisted Living Facility it's \$34,000.
- For a Medicare-certified Home Health Aide the rate is \$46 per hour.
- For a Home-Health Aide or Homemaker Service Provider the average rate is \$18 per hour.

For an 8-hour day of service, you can expect to pay between \$144 and \$368 per day today. As an example of costs 30 years from now, a private room in a nursing home will be \$240,000 per year!

When planning for LTC, try to decide ahead of time on the type of care you might like to receive. Your Insurance Planner can guide you through some of the available options, and you can put it in writing with a Health Care Power of Attorney. The most popular choice is to stay home and have someone come in to care for you. This will involve a Home-Health Aide or Homemaker. Many people now elect to start with home care. In 2008, 42% of LTC benefits paid were used for home care. Staying home and receiving care in one's own environment is comforting, and home care is often combined with adult day-care, which offers activities and some social support.

Some of my clients have told me that they may want to go to an Assisted Living Facility (ALF) as soon as they need care, and perhaps well before that time. ALF's provide a comfortable community setting with planned activities and meals. It should be clear that LTC insurance does not pay for an ALF if you are not sick, but once your benefit triggers occur most policies do cover ALF costs. For most of us, nursing homes are the last choice, as many of the homes have a waiting list, are quite crowded, and tend to house the oldest and sickest as well as some psychiatric patients.

Get a long-term care plan in place now – don't wait for a certain age. The outdated custom of waiting until you are in your 50's or 60's to purchase LTC insurance is obsolete. Have your Insurance Planner work up a cost-of-waiting analysis for you. You will see that paying lower premiums for a longer time is much cheaper in the long run, and you lock in insurability. Also, ask your Planner about cash plans. They offer the most flexibility, and you do not need receipts as in a traditional reimbursement plan. Long-term care insurance has some very strict underwriting requirements, so getting a policy early on while still in good health is key to smart planning for your care. These days, there is just no good reason to wait to purchase long-term care insurance!