

# Life Can Change Suddenly



Have you done all you can  
to protect your family?

# What is Long Term Care?

- ▶ Long Term Care is the assistance that people need when they are unable to perform activities of daily living such as:
  - bathing, dressing, eating, toileting, continence, and transferring
- ▶ Long Term Care can also mean the supervision required due to a cognitive impairment

# The need for Long Term Care can result from:

- ▶ An accident
- ▶ A medical condition
- ▶ Normal aging

# What are the chances of needing Long Term Care?

- The percentage of people over age 65 that will require some Long Term Care services during their lives is 70%.
  - Shoppers Guide to Long Term Care Insurance - 2013
- More than 40% of those receiving Long Term Care services are under 65.
  - Georgetown University Long-Term Care Financial Project, “Long-Term Care Financing Policy Options for the Future,” June 2007.
- One in two Americans will need Long Term Care Services

# How much does Long Term Care cost?

- ▶ Home Care Services - The national average hourly rate for home health aides is \$21. The average hourly rate for homemakers/companions is \$19 an hour.
- ▶ Assisted Living Communities - The monthly private room base rate is \$3,293 monthly or \$39,516 annually in 2010.
- ▶ Nursing Homes - The average cost of a semi-private room is \$213 daily or \$78,000 annually.

# What's your plan?

- ▶ Where do you envision receiving care?
  - At home from a family member or friend
  - At an assisted living facility
  - At a nursing home

# How will you pay for care?

- ▶ Health Insurance
- ▶ Medicare
- ▶ Medicaid
- ▶ Long Term Care Insurance
- ▶ Personal Assets

# Who pays for Long Term Care?

	Home Care	Adult Day Care	Assisted Living	Nursing Home
Medicare	Very limited coverage for homebound patients getting skilled nursing care. Homemaker care is not covered.	No	No	May provide some coverage in certain situations. Skilled care only. No more than 100 days, co-pay after 20
Medicaid	Very limited coverage for low income people, subject to spend down rules.	Very limited coverage for low income people, subject to spend down rules.	No	Very limited coverage for low income people, subject to spend down rules.
Health Insurance	No	No	No	No
Long Term Care Insurance	Yes, Homemaker & Health Aide Services	Yes	Yes	Yes



If you haven't made a plan...

**Your plan is  
to use your assets.**

Will your assets support your care and family's needs?

# Long Term Care Insurance can...

- ▶ Transfer the risk
- ▶ Give you and your family peace of mind
- ▶ Give you the freedom to make the decision on where and how you receive care

# Is Long Term Care Insurance Right for You?

You should **NOT** buy long-term care insurance if:

- ▶ You can't afford the premiums.
- ▶ You don't have many assets.
- ▶ Your only source of income is a Social Security benefit or Supplemental Security Income (SSI)
- ▶ You often have trouble paying for utilities, food, medicine, or other important needs.
- ▶ You're on **Medicaid**.

# Is Long Term Care Insurance Right for You?

You **SHOULD** consider buying long-term care insurance if:

- ▶ You have many assets and/or a good income.
- ▶ You don't want to use most or all of your assets and income to pay for long-term care.
- ▶ You can pay the insurance premiums without a problem.
- ▶ You don't want to depend on support from others.
- ▶ You want to be able to choose where you receive care.

# Is Long Term Care Insurance Right for You?

If you itemize your income tax deductions, you may be able to deduct part or all of the premium you pay for a qualified policy. You can deduct total medical expenses, including your long-term care insurance premium, that are greater than 10% of your adjusted gross income. The most you can deduct for your long-term care insurance premium depends on your age, as shown in the table.

Your Age	Maximum Amount You Can Deduct
40 years old or younger	\$390
Older than 40 but younger than 50	\$730
Older than 50 but younger than 60	\$1,460
Older than 60 but younger than 70	\$3,900
Older than 70	\$4,870

2016 figures.

You purchase Long Term Care  
with your health, you pay for it with  
your money.

For more information, call  
Walters & Associates at  
317-889-5949.

