

Ignoring Long-Term Care Won't Make It Go Away

Would you rather plan? Or leave it to chance?

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A typical person alive at age 65 can expect to live another 20.9 years, according to a [February 2016 ASPE Research Brief](#). About 52 percent can expect to have a need for help with activities of daily living, commonly referred to as long-term care (LTC) services. Nineteen percent of this group will need care for less than a year and 14 percent will need care extending beyond five years. On average, individuals can expect to spend about \$138,000 on LTC.

The clients who are most receptive to LTC discussions are typically those who have seen it and experienced it themselves with loved ones. They understand the long days, financial concerns, stress and emotional turmoil family and friends go through when a loved one needs care. In Portland, Oregon Marie and Marcia are two sisters currently taking care of their 93-year-old mother, Charlotte. Marie had recently retired when her mother became too ill to care for herself, and she now spends her days watching Charlotte. Marcia, a hairdresser, has filled her once peaceful home with a hospital bed, oxygen, walkers and wheelchairs. Together the sisters try to fulfill their mother's wishes, keep her as healthy and happy as possible, pay her bills, maintain her home, and still try to find some semblance of a life for themselves. Marie certainly never pictured spending her first year of retirement this way, and Marcia definitely didn't picture her home being turned into a care facility.

Whether an LTC event is unexpected or gradually progressive, how do we guide clients to understand the significant impact it can have on their family unit? It starts with education about the likelihood for care and who is typically responsible for filling the shoes of a caregiver.

The Great Need for Long-Term Care

With the [costs of LTC](#) steadily rising, and the demand for LTC services increasing as the baby boomers age, many will be in for a great surprise if they don't take the time to plan while they're young and healthy. For those whose health has already declined, their plan becomes finding alternative options to

insurance to cover their future needs. Because the odds are so great, with 70 percent of people over the age of 65 needing LTC services, most will need an LTC plan, and planning ahead goes a long way.

Long-Term Care Often Becomes a Partner's Issue

In many relationships, the younger partner often becomes the built-in [caregiver](#) for the other. Men typically need care or pass away sooner than women, leaving their partner to bear the emotional and physically demanding job of caregiving. The challenges and demands of caregiving can lead to a [decline in the health](#) of the caregiver and may even reduce their life span.

Long-term care insurance (LTCI) gives families more options. Since one partner may be physically unable to bear the burden of caregiving for the other, coverage can pay for care in the home or in a facility when even greater care is needed. For partners looking to protect each other's health and well-being, LTC coverage becomes a no-brainer when planning for the future.

Establishing a Plan – Any Plan – for Long-Term Care Needs in the Future

There's more than one way to prepare financially for an LTC event. Looking into insurance options for all or part of the risk can be a good place to start. After educating themselves, if couples or individuals decide an LTC insurance plan is not right or affordable for their budget, the need for planning ahead is still in their best interest.

Other options to consider may include utilizing veterans programs, getting life insurance with an LTC rider (also known as hybrid solutions), prioritizing assets when self-insuring, researching state Medicaid qualifications or finding what other community programs are available in the area such as Meals on Wheels or adult daycare. When the plan includes some reliance on adult children or other close relationships it's important to discuss it with them in advance to help alleviate some of the emotional, physical or financial stress that is magnified if the timing of care needs is unforeseen or unexpected.

Getting Down to Nitty-Gritty – Keep Loved Ones in the Loop

When clients apply for LTC coverage and are approved, anyone who could possibly be involved in the LTC plan should hear about it. First note the policy in a durable power of attorney and notify the agent. Then include children and close relatives or friends who may be involved in their [future care plan](#). If clients are reluctant to share insurance and financial information with loved ones, it may lead to missed resources later on.

Those in their inner circle should know where they keep their policy or be given authorization to receive basic information on how the plan works and what to expect at claim time from the carrier. An LTC insurance policy should be kept in a safe place where select individuals can access it when the time is right. The more loved ones are in the know about your client's LTC plans and wishes, the more their wishes can be carried out if they experience a cognitive impairment or suddenly can no longer care for themselves.

The need for long-term care is real, and not talking about it won't make it go away. Speak to your clients today and find out if long-term care insurance should be part of their plan.