

## How important is Long Term Care Insurance?

### The Need for Long Term Care Insurance

**When planning for your retired years, it is important to think about your retirement and the activities that you would like to pursue over the long haul. It is equally important to consider the possibility that, at some time, you or a loved one might require some type of long term assistance with ordinary everyday activities that could be covered with a long term care insurance policy. This is where the need for long term care insurance arises for the elderly community.**

**Usually, when people think of long term care insurance, they think of insurance that will help pay for the costs associated with nursing home assistance. However, long term care insurance can cover much more than just long term nursing home assistance. For example, long term care insurance can cover costs associated with a health professional that will come to your home and assist with routine activities of daily living. The problem is that many people have limited financial resources, preventing them from obtaining the type of assistance that they need.**

### Where the need arises

**Long term care insurance is much more than nursing home care. Long term care insurance covers medical, personal, and social services provided at home, or in a community program such as an adult day care center or a nursing home.**

**If an illness or disability made it impossible for you to carry on as you do today, would you be prepared to get the help you needed? Do you know how much long term health care services cost? Do you know what protection Medicare and your current private insurance coverage offer regarding long term care?**

**Long term care is distinguishable from acute care such as that provided in a hospital. Long term care refers to the level of care needed by people with chronic long term illnesses or disabilities requiring continued support.**

**Private long term care differs from the usual health insurance with which most people are familiar. Long term care insurance helps cover the costs of caring for the chronically ill. Long term care insurance covers costs that would not be covered by your health insurance plan. Private long term care insurance is an excellent approach to cope with the high costs of chronic long term illness that plagues over half of the adults over age 65.**

### How serious is the need?

**Long term care insurance has come to the aid of many individuals who have the need for long term care. Long term health care represents the primary catastrophic health care expense today. Nearly one in every three people that are age 65 or older will need the assistance of long term care insurance. For every person in a nursing home, another two or three people in the community have at least the same, if not greater, need for long term care insurance assistance.**

**The nature of long term care services required may vary widely. People may need help around the house, with shopping, or with transportation. They may need personal long term**

**health care, or rehabilitative long term health care. For many people the cost of receiving long term care services can reach devastating proportions. The only way to avoid crisis decision-making and to cope with exorbitant financial demands is to purchase a long term care insurance policy.**

Insurance will help with the cost of long term care

**Depending on the level of assistance provided, the cost of long term health care in a nursing home averages \$30,000 to \$50,000 a year, and can easily exceed \$75,000 or even \$100,000 depending on location and the level of assistance which is required.**

**Half of all nursing home expenses are paid directly by individuals and their families. A recent study conducted by the House Aging Committee found that approximately two-thirds of single older people and one-third of couples were impoverished after only 13 weeks of nursing home assistance.**

**Long term health care provided at home is also costly. Home health care provided by licensed professionals can range from \$10,000 per year for skilled nursing services to \$120,000 per year for home health aides and other supportive services.**

Understanding the insurance coverage

**Medicare is not intended to cover chronic long term assistance with ADL's. However, this type of assistance would be covered under a long term care insurance policy. Medicare coverage for long term care is limited and currently pays less than two percent of the nations nursing home bills. Such insurance policies generally cover only 100 days of skilled nursing care if an individual meets specified criteria and even then, there is a substantial co-payment. They rarely cover custodial care, which is most commonly needed by those with chronic long term illnesses and is provided with a long term care insurance policy.**

**Medigap or supplemental health insurance does not generally cover additional services, but rather pays the costs Medicare does not. Some insurance plans may pay for drugs or services such as private duty nurses, but it is important to understand the coverage and limitations of supplemental insurance policies.**

**Insurance companies in the private sector have begun to respond to these gaps in the financing system with long term care insurance policies that can be tailored to an individuals specific long term health care needs. Long term care insurance represents a response that is crucial to the financial security of the elderly community. Therefore, it is extremely important to protect yourself over the long haul. Don't wait. Look into a long term care insurance policy today!**