

## Why Long Term Care Insurance is a must.....

Long term care can be an expensive burden for many older people. Few people can afford to pay the often-astronomical costs of long term care out of their own pockets for very long. Nationally, costs of long term care are about \$50,000 per year. Home health care services provided just three days a week could cost more than \$18,000 a year. Medicare provides only limited nursing home and home health coverage. Medicaid requires an individual to spend almost all of his or her savings and assets before becoming eligible for nursing home coverage. This is one of the main reasons that individuals need long term care insurance assistance.

Private Medigap policies only fill in gaps left by Medicare and does not extend coverage for long term care beyond Medicare limits. Employee group health and major medical plans cover acute illnesses, but provide very limited long term care coverage. Consequently, many people look to the private sector for long term care as a way to cover the catastrophic costs of nursing home care and other long term care services.

Long term care is different from other types of insurance in that it is designed specifically to pay for some long term care services. Long term care is not a substitute for either Medicare or Medigap insurance. Instead, it covers services neither of these includes. Moreover, availability of these policies is very limited because of restrictions on the age of potential purchasers, health screening, and the absence of policies in many geographic areas.

Long term care is a relatively new form of insurance. Long term care policies vary considerably in cost and benefits. The lack of consistency among long term care policies can make it difficult to compare policies. A long term care insurance comparison checklist will allow you to evaluate several different long term care insurance policies as you try to decide which policy to purchase. It lists the major elements and provisions of long term care insurance and some guidelines that may be considered as minimum standards when evaluating and comparing long term care insurance policies.

Your financial decision as to whether to purchase long term care insurance will be based on a number of factors: your assessment of your chances of entering a nursing home for a relatively long period of time; what services long term care insurance will cover; other resources, especially family support available to you relating to the provision of long term care, and the cost of a long term care insurance policy.