

WHY WE FAIL TO PLAN FOR LONG-TERM CARE

WHO WILL NEED LONG-TERM CARE

According to the Genworth Cost of Care Survey of 2015 ("Genworth Survey")⁽¹⁾, seventy percent (70%) of Americans over the age of sixty-five (65) will eventually need some type of long-term care. In addition, by the year 2040, twenty-two percent (22%) of the population will be over the age of sixty-five (65), which is a ten percent (10%) increase from the year 2000.

COST OF LONG-TERM CARE

The study showed a lack of understanding by many of coverage for long-term care by Medicare, Medicaid and private health insurance. The truth is Medicare does not pay for ongoing long-term care (although it will pay for intermittent stays at nursing facilities). Yet, thirty-four percent (34%) surveyed thought Medicare would pay for long-term care while twenty-seven percent (27%) were unsure.

As for private insurance, most health insurance plans will not cover long-term services like a nursing home or ongoing care provided at home. Yet, eighteen percent (18%) of Americans age 40 and older believe that their insurance will cover the costs of ongoing nursing home care.

Medicaid is the largest payer of long-term care services⁽²⁾. Medicaid is a federally and state funded needs-based benefit that will provide for various types of long-term care depending on the state's regulations. In 2013, Medicaid paid for fifty-one percent (51%) of the national long-term care bill totaling \$310 billion. The actual costs for long-term care are staggering. The Genworth Survey reported that, nationwide, the average bill for one year for a nursing home is approximately \$80,300 and for home health care, approximately \$44,616 with a variety of options among and in between these levels of care.

PLANNING FOR LONG-TERM CARE

The survey results lead to the conclusion that many Americans are reluctant to face the possible loss of independence related to aging. Apparently, this plays a role in the unwillingness to plan for the possibility of needing assistance later in life. As an example, there was an interesting difference in the number of people surveyed who had planned or talked to loved ones about, their funeral arrangements (nearly sixty-five percent (65%)), and in those who had saved money for long-term care (approximately thirty-three percent (33%)). Some things, including how we want to be memorialized are just easier to think about than how we may end up dependent on others.

CONCLUSION

Although not a popular topic among Americans over the age of forty (40), long-term care is an increasingly important one. We are in the business of providing options for people in planning for their potential long-term care needs. If you, a loved one or a client needs help figuring out their options, please think of us. We can help and we are always happy to hear from you.

1. <https://www.genworth.com/corporate/about-genworth/industry-expertise/cost-of-care.html>
2. <http://kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>

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Why might I need an Elder Law Attorney?

- Asset Preservation in the face of long-term care costs.
- Qualification for Medicaid and VA benefits.
- Planning for incapacity and making sure your wishes are followed.
- Families with loved ones with special needs and preservation of their benefits.

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