

Planning for Future Long-Term Care Needs

As individuals age, the likelihood of needing long-term care (LTC) increases dramatically. Planning for this eventuality is crucial to ensure both financial security and access to the desired care options. Here's a breakdown of key considerations:

1. Assessing the likelihood and duration of needing care

- **High probability:** An estimated 70% of individuals turning 65 will require some form of long-term care services during their lifetime, according to the Department of Health and Human Services.
- **Variable durations:** While the average duration of care is 3.1 years, some individuals may need care for shorter or significantly longer periods. Women typically require longer care durations (3.7 years) compared to men (2.2 years).

2. Understanding the costs

- **National median costs (2025):**
 - Assisted living facility: \$70,800 per year.
 - Home caregiver: \$77,796 annually.
 - Nursing home (semi-private room): \$111,324 per year.
 - Nursing home (private room): \$127,752 per year.

3. Proactive planning

- **Start early:** All insurance companies issue policies based on certain health criteria. Begin the planning process well before care is needed – otherwise it would be like trying to get fire insurance while your house is burning.

4. Work with an expert

- **A Long-Term Care Specialist:** Navigates the complexities of long-term care planning and works together with financial advisors to provide the best solution for the Long-Term Care needs of their client based on budget and desired benefits.

5. Other ways to pay for long-term care

Personal savings: Paying out of pocket can provide flexibility but requires significant financial resources to cover long durations and high expenses. According to recent studies, individuals may need \$300,000 to \$700,000 in liquid assets to consider self-insuring.

Medicare: It's important to note that Medicare does not cover a long duration of time, extended nursing home stays, or non-medical in-home care.

Medicaid: Covers long-term care for low-income individuals who meet strict eligibility requirements. Benefits and coverage vary by state.

VA Benefits: Provide long-term care for eligible veterans at VA facilities or in their homes.

Reverse mortgages: Allow homeowners aged 62 or older to convert home equity into cash for LTC expenses without selling their home.

6. Involving family

- **Communication is key:** Open and honest conversations with family members are crucial to discussing preferences, expectations, and potential caregiver roles.
- **Potential challenges for family caregivers:** Providing care can significantly impact a caregiver's health, finances, and career. Many caregivers experience work-related consequences and incur personal expenses related to caregiving.
- **Consider professional care:** Professional long-term care can reduce the burden on family members, offering specialized assistance with daily activities and medical needs.

By addressing these key areas, we can approach your future long-term care needs with greater confidence and make informed decisions that align with your personal values and financial goals.

For your personalized quote, contact Peggy Fields, Sr. LTC Consultant:

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