



Long Term Care Insurance: As Common As Auto Insurance?

By Lynn Rockwell, President of Rockwell Financial

Suze Orman, in her book The Road to Wealth, points out that One in 1200 people will use their Fire Insurance, One in 248 will use their Car Insurance, but **One** in **Two** people who have Long Term Care insurance will use it.

Ironically, this is the insurance you are least likely to possess, and the insurance that will most profoundly impact your life. Insurance advisors across America are in court because they did not recommend Long Term Care Insurance to clients who are now destitute and their family members who were robbed of their inheritance.

In a nutshell, Long Term Care Insurance (LTCI) is a policy that preserves your assets while paying for any assisted living or in-home care services related to chronic illness, including home modification benefits, home care, adult day care, and the many levels of eldercare from assisted living to the nursing home.

Without LTCI, Medicare will pay for rehabilitation up to 100 days per calendar year (only 20 days are 100% paid for, the rest require an out-of-pocket payment), unless they feel that your rehabilitation progress has stopped and that you are going to become chronically ill and require custodial care, at which time you will be cut off. At this point, you will have to pay for everything yourself until Medicaid kicks in. Medicaid eligibility is dependent upon "Spending Down" your assets from the day that you apply, and this includes the assets of your spouse, savings, IRA, pension, 401K, and real estate holdings to mention only a few. You will be expected to cover your own expenses until Medicaid decides that you are eligible for funding, at which time you will have reduced your financial means considerably.

The Journal of Financial Planning notes that, "No one wants to go to a nursing home. Yet Medicaid planning accomplishes only one thing: qualifying the individual for payment in a nursing home. Medicaid pays little or nothing for home care, adult care, and assisted living." Do you really want to spend your Golden Years meeting federal poverty guidelines?

As we have demonstrated, Medicare and Medicaid are not comprehensive, viable options for most people. Long Term Care Insurance offers a sensible alternative.

Those lucky enough to have Health Insurance know that it only pays for doctor and hospital bills and maybe prescription costs, but also requires various co-payments. Family members provide the lion's share of care giving in America, but even individuals with children can't impose on them for the long-term, assuming that they live close enough to actually provide any kind of assistance. Statistics show that care givers suffer more than the afflicted party, because of the struggle inherent in managing two lives. The care giver's health suffers, their relationships suffer and their careers suffer. Living a long life has consequences for your family. LTCI can help make those consequences manageable.

There are so many complex variations in assembling a Long Term Care Insurance policy that comparing them is like comparing apples and oranges. Everyone wants to drive the nicest car, but in fact, the nicest mini-van, the nicest SUV and the nicest sports car can't really be compared fairly, and so depending upon how many kids you're taking

to the pool, how many water toys you're transporting, and how many cup holders you want, the nicest car for you is what works best for you. So it goes with LTCL, and a Certified Long Term Care Advisor will be able to help you ascertain your needs. Furthermore, your Long Term Care Advisor will know which insurance carriers are reputable and financially stable for the long term.

You can't afford not to have Long Term Care Insurance.

According to a recent MetLife survey, home health services (i.e. a visiting nurse, meal delivery, etc.) currently cost an average of \$66,000/year. Twenty years from now, it will \$198,000/year. If you can't afford it now, you won't be able to afford it then.

No matter how much money you have, you cannot buy LTCL unless you qualify. Like other types of insurance, Long Term Care Insurance Rates are based upon your health, age, marital status and finances. Discounts are given for youth, health and the presence of a significant other in your life. The younger you are, the lower your rates, but in fact, money doesn't buy long term care – your health does.

Do yourself and your family a favor and explore Long Term Care Insurance. In the words of Rosalyn Carter,

"There are four kinds of people,
Those who have been caregivers
Those who are caregivers
Those who will be caregivers, and
Those who will need caregivers."

Which will you be?

For More Information, Contact Lynn Rockwell
856-228-9570
email: Rockwellfincl@aol.com

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info@LifeSpanCM.com

LifeSpan Care Management, LLC
Personal Healthcare Concierge Service

1-800-808-9844 ♥ Fax: 856-795-1297

The Waterfront Technology Center at Camden, 200 Federal Street, 2nd Floor, Camden, NJ 08103
www.LifespanCM.com ♥ info@LifespanCM.com