



Planning for Long-Term Care

Protecting Your Life Savings

[V20N1]

PREVIEW

Is Long-Term Care in Your Future?

Statistically, **52%** of people over age 65...

...that's **more than half**...
will need long-term care.

Source: U.S. Department of Health and Human Services, 2020



How many people in this room expect to need long-term care one day? It's not surprising that few of us do, because it's hard to face the fact that our health might decline. But statistics suggest that the risk is greater than we think. Approximately 52% of us--that's over half the people here today--will need some type of long-term care services during our lifetimes at some point after we reach age 65. And though it's good news that people are living longer, a long life span increases the chance of developing serious health problems. In fact, according to the Alzheimer's Association, one in ten people age 65 and older has Alzheimer's disease, which often leads to the need for nursing home care. And while older people are more likely to need long-term care, younger people may need care too, as a result of a disabling accident or illness such as multiple sclerosis or Parkinson's disease.

This isn't meant to scare you, but rather to remind you that the need for long-term care can happen to anyone at any time. The need to be prepared is real, and something that you shouldn't ignore.

What Is Long-Term Care?

- Ongoing services and support needed because of chronic health condition or disability
- Three levels of care: skilled, intermediate, and personal care
- Care can be provided in a variety of settings



Let's begin by talking about what's meant by the phrase "long-term care." Long-term care refers to the ongoing services and support needed by people suffering from chronic health conditions or disabilities.

<CLICK> There are three levels of ongoing care someone might receive:

- The first level of care is skilled care, which is generally round-the-clock care provided by professional health-care providers such as nurses, therapists, or aides under a doctor's supervision.
- The next level of care is intermediate care, which is also provided by professional health-care providers, but on a less frequent basis than skilled care.
- The third level of care is custodial or personal care, which is often provided by family caregivers, nurses' aides, or home health workers who provide assistance with what are called "activities of daily living" such as bathing, eating, and dressing. This is the most common type of long-term care.

<CLICK> All three levels of care can be provided in many different settings, including your own home, an assisted-living facility, or a nursing home.

The patchwork quilt on the screen is an image that I'd like you to remember as we continue through the rest of this seminar. Like this quilt, a long-term care plan is usually made up of different pieces, with many people involved in putting it together. A good long-term care strategy will account for the different types of care you might need, and the different settings in which you may someday receive that care.

Where Can You Receive Care?

- At home
- At an assisted-living facility or other senior living facility
- At an adult day-care center
- In a nursing home



So let's talk a little bit more about where you might receive care. You're probably already familiar with some of these options.

If you want to stay in your own home for as long as possible, family caregivers, friends, or trained homemakers may be available to provide the bulk of assistance with everyday tasks, and professionals such as nurses, therapists, and home health aides can provide occasional home health care.

Another long-term care option that has become very popular is assisted living. How many of you have ever visited an assisted-living facility? If you have, then you know that these are usually home-like facilities that combine housing, personal assistance, and limited health care. Generally, assisted-living facilities offer intermediate and custodial care round-the-clock, but not the skilled care a nursing home provides. This option may be ideal for someone who can't continue to live alone but who wants to remain independent.

The third option, adult day-care facilities, are community-based centers that provide health care and social services for people who can't be left alone. Often, adult day-care facilities specialize in caring for people with Alzheimer's disease, and they especially benefit family caregivers by providing a few hours of much-needed respite care during working hours or on the weekend.

The last option, nursing homes, generally offer all three levels of care--skilled care, intermediate care, and personal care. Most nursing home residents have disabling illnesses, including cognitive disorders such as Alzheimer's disease, that are so serious that these individuals cannot be adequately cared for anywhere else.

If you haven't already done so, I urge you to visit some of the facilities available in your community so you can get an idea of what long-term care services will be available to you or your family members.

How Will You Pay for Long-Term Care?

- Pay out-of-pocket
- Rely on government programs such as Medicare or Medicaid
- Buy long-term care insurance



As we talk about ways to pay for long-term care, remember that nursing home care is only part of the picture. Over the course of a lifetime, you or someone you love may need several types of long-term care in different settings, and you may end up using several different strategies to pay for that care.

There are three basic options for paying for long-term care plus a new program that we're going to discuss today.

These are:

- Paying out-of-pocket
- Relying on government programs such as Medicare or Medicaid, and
- Buying long-term care insurance