

UNDERSTANDING THE IMPACT AND COSTS OF LONG TERM CARE

Two Important Long Term Care Considerations by D. Corey Rieck, MBA, CLTC

What would be the impact of a prolonged period of health related struggles on your family, income, personal assets and investments? You cannot fully assess the impact unless you understand the costs of long term care.

An unfunded or underfunded long term care event can do irreparable harm to your family's plans, investment performance, current and future income and overall financial plan going forward. There is also the emotional, mental and physical stress that long term care can put on family relationships. Without a plan, long term care is almost always provided by a person's family.

WHAT IS LONG TERM CARE?

Put simply, long term care can be required because of a prolonged illness or disability. It can also include caring for a family member who needs help or support because they are living a long life.

The need for long term care can be triggered at any stage of life by an accident, stroke, disease or the onset of Alzheimer's. Examples include a grandmother with dementia or a parent with multiple sclerosis.

More specifically, long term care is required when a person needs help with two or more of these six activities of daily living (ADLs):

1. Bathing - The ability to wash oneself and perform personal grooming (i.e. shaving, brushing teeth).
2. Dressing - The ability to dress oneself including buttoning and zipping as needed.
3. Eating - The ability to feed oneself.
4. Transferring - The ability to either walk or physically transfer oneself from a bed to a wheelchair and back again.
5. Toileting - The ability to get on and off the toilet.
6. Continence - The ability to control one's bladder and bowel functions.

Or, long term care can be required when a loved one needs help because of cognitive impairment. For example, a person needs daily help when they struggle with one or more of the following:

1. Orientation as to person, place or time.
2. Issues with abstract or deductive reasoning.
3. Judgment as it relates to safety awareness.
4. Frequent or complete loss of memory.

WHY CONSIDER LONG TERM CARE PLANNING?

The financial cost of long term care will impact your other financial plans.

Long term care can cost more than **\$250 per day** in cities like Atlanta in the United States today. That is \$7,500 per month and \$90,000 annually, of which your health insurance will cover little to none. Long term care costs vary by service and the city and state where you are receiving care. These costs can increase 3%-5% annually. The ongoing cumulative costs can be **even more significant**. If long term care expenses are unfunded, long term care costs quickly undermine a financial plan and can negatively impact retirement planning.

WHY CONSIDER LONG TERM CARE INSURANCE?

Your health insurance or Medicare will not pay for long term care expenses.

Health insurance covers little to none of long term care related expenses. Private health insurance or Medicare only covers expenses to cure a person using skilled care delivered by a licensed medical professional. Examples of skilled care can include tube feeding and physical therapy. Long term care expenses incurred when a person needs assistance with the activities of daily living or cognitive impairment. Long term care is not provided by licensed medical professionals, home health aides and personal care attendants.

This distinction between skilled and non-skilled care is critical. Consider your health insurance and long term care insurance as book ends. One helps you with skilled care when there is an expectation of you getting better. The other helps you when there is no expectation of improvement using unskilled care.

HERE ARE THE NEXT STEPS YOU NEED TO TAKE...

- Sit down with a long term care planning professional to educate yourself further.
- Learn the costs for long term care in the city and state where you currently reside.
- Identify your ideal retirement location and learn the costs of long term care in that city and state.
- Work with a long term care planning expert who has access to multiple insurance carriers and coverage options to provide you the best recommendations based on your individual health and preference of long term care.

ABOUT COREY RIECK, PRESIDENT & FOUNDER OF THE LONG TERM CARE PLANNING GROUP

Corey Rieck helps high net worth individuals better manage long term care expenses to avoid sacrificing their financial plans and family relationships.

Corey became focused on long term care planning after managing his parents' finances as they aged and needed long term care. He realized there had to be a better way for people to receive the best possible long term care without forfeiting assets and depleting their bank accounts.

Corey knows how to help protect your financial assets and wealth management with a funding strategy for long term care. He can answer your questions and explain why you should not rely upon government programs or only your family members for long term care.

When a person decides to explore long term care financial solutions, Corey takes them step-by-step through a highly confidential and systematic process to optimize their funding options.

Corey helps people in these ways:

- Review an existing personal long term care policy.
- Discuss personal options for long term care funding.
- Create a long term care employee benefit as part of an executive compensation plan.
- Assist financial advisors and insurance agents with a review of their clients' existing long term care policies or discuss their funding options.

Feel free to contact Corey with your questions. To reach him personally, call 678-814-5088 or send an email to corey@thelongtermcareplanninggroup.com.