

L | T | C

LONG TERM CARE PLANNING ESSENTIALS



2 IMPORTANT LEARNINGS OF LONG TERM CARE

Have you assessed the impact that providing a prolonged period of extended health care would have on your investments, income and family? In addition, the impact on your spouse and/or family as care givers? You cannot fully assess this 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 future, investment portfolio, current and future income and overall financial plan going forward, not to mention relationships within and outside family.

The need for Long Term Care can be triggered at any stage of life by a car accident, stroke or the onset of Alzheimer's.

WHAT IS LONG TERM CARE?

Put simply, Long Term Care can be required as a result of a prolonged illness or disability. It can also include caring for a family member who needs help or support as a result of living a long life. Examples are a grandmother with dementia or a parent with multiple sclerosis. More specifically, Long Term Care is defined by the need for help with 2 (or more) of the 6 following activities of daily living:

1. Eating
2. Bathing
3. Dressing
4. Toileting
5. Transferring
6. Continence

OR it can mean that a loved one needs help with Cognitive Impairment which can present itself as 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. Memory matters

WHY CONSIDER LONG TERM CARE? 1) FINANCIAL COSTS

First, Long Term Care can cost in excess of **\$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 escalate by as much as 3%-5% annually, so the ongoing cumulative costs can be **even more significant**. If unfunded by insurance, Long Term Care costs quickly undermine a financial plan and can negatively impact retirement planning.

Generally, the annual premium for a Long Term Care plan is less than one month's care.

WHY CONSIDER LONG TERM CARE? 2) YOUR HEALTH INSURANCE PAYS FOR LITTLE TO NO LONG TERM CARE COSTS

Second, health insurance pays for little to none of your Long Term Care costs if the situation arises. Health Insurance, whether private insurance or Medicare is designed to cure using skilled care that is delivered by a licensed medical professional. Examples of skilled care can include tube feeding and physical therapy. Long Term Care is providing assistance with the activities of daily living or cognitive impairment and is not provided by licensed medical professionals, but by individuals classified as unskilled. Examples of unskilled caregivers can include 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 and the other helps you when there is no expectation of improvement using unskilled care.

Consider making an appointment now with your financial advisor to learn more and discuss potential funding strategies for Long Term Care.

BUYER'S GUIDE AND TIPS TO CONSIDER:

- Take the time to educate yourself on this issue further
- Consider the costs for long term care in the city and state where you currently reside
- Consider your ideal retirement location and the costs of long term care in that city and state
- Engage with an LTC Specialist that has been trained by the CLTC organization (www.ltc-cltc.com)
- Use an LTC Specialist that has access to multiple carriers and instruments and is carrier and instrument neutral.
- Review your LTC Specialist's experience

You should consider the costs for long term care:

- In the city and state where you reside in currently
- For the city and state you may be living in at some point in the future, and this includes your ideal retirement location.

If you are interested in the costs for long term care in the city and state in which you reside, or expect to reside at some point in the future please email Corey at: corey@thelongtermcareplanninggroup.com.

If my experience and expertise may be of further service you may visit my website at:
www.thelongtermcareplanninggroup.com or you can email me personally at:
corey@thelongtermcareplanninggroup.com