

Planning For Your Future

Seven Myths You May Mistakenly Believe About Long-Term Care

(NAPS)—As you develop your retirement plans and think about how a potential need for long-term care may impact those plans and your loved ones, certain misconceptions may prevent you from taking action.

So—let's dispel these seven common long-term care myths:

Myth #1: I'll never need long-term care.

According to the U.S. Department of Health and Human Services, almost 70 percent of Americans turning 65 today will need some type of long-term care in their remaining years.¹

Myth #2: Government programs will cover all of my long-term care expenses.

Medicare pays for nursing home care, but only a portion of the costs for a maximum of 100 days and only if the three-day hospital stay requirement has been met. And, while Medicaid covers certain long-term care costs, it's intended to be a safety net for those with limited or minimal income and assets. To qualify for benefits, you must spend nearly all of your savings and reduce most of your assets before the government will step in to help.

Myth #3: My family will take care of me.

The financial, physical, and emotional stress that full-time caregiving may place on families can be overwhelming. Sometimes the best way to take care of a loved one needing long-term care is to ensure they have access to professional care. With advances in home care services, many people needing long-term care are actually able to stay at home, with or near family, and still receive the professional care they need.

Myth #4: I can pay for my long-term care out-of-pocket.

In 2018, nursing home costs averaged more than \$91,000 a year nationally.² The majority of Americans would quickly deplete their retirement savings if they needed care for an extended period of time. Even if you can afford to cover long-term care services out-of-pocket, consider the benefits of sharing the risk and costs using a long-term care planning solution such as insurance.



Preparing for a pleasant retirement should include considering a long-term care planning solution.

Myth #5: I am better off waiting until I am closer to retirement to obtain long-term care coverage.

Generally, it is best to plan for long-term care in your 40s or 50s when you are younger and more likely to be healthier and insurable (underwriting is required). Also: premiums are generally lower when you are younger. Your insurability can change any time and a need for care can arise at any age, so purchasing coverage earlier can be a wise decision.

Myth #6: Long-term care coverage is just too expensive.

Long-term care coverage options have evolved to meet most any need, with some options starting at \$100-\$150 per month per person. Plans can be personalized to suit your budget and discounts may be available to partners and spouses. Even a small policy can help reduce the financial and emotional burden of a long-term care event and provide access to valuable benefits.

Myth #7: Long-term care policies only cover nursing homes.

Long-term care solutions may offer valuable benefits that allow you to stay in your home for as long as possible. Some even reimburse family members for providing care. Long-term care solutions can also help cover the cost of adult day care centers, assisted living facilities, and nursing homes as care needs evolve.

Some of these misconceptions may have prevented you or a loved one from creating a plan to address future long-term care needs. It's important to take a step back, consider your financial plan and desired future care, and how you want to address it with you and your loved ones in mind.

¹ U.S. Department of Health and Human Services, October 10, 2017.

² 2018 New York Life Cost of Care Study.