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HEALTH

Don't wait to plan long-term care

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AS A NEUROLOGIST with patients who include those affected by Alzheimer's disease, Parkinson's disease, and strokes, I'm all too aware that, like it or not, many of us will need help caring for ourselves someday. And we can't always predict when that day might come. I worry about my older patients who need to move into assisted living and lack the funds to do so. But I also worry about my younger patients—those age 45 to 60—who might need help someday (potentially very expensive help) and haven't made any provisions for it.

The reality is that an estimated 70 percent of people now turning 65 can expect to require some form of long-term care in their lifetime, either at home or in a residential or day-care facility, according to the Department of Health and Human Services.[1] Here are answers to some basic questions about long-term care and why you should have a plan in place—even long before you need it.

What is long-term care, exactly?

The term refers to ongoing care to help you with the activities of day-to-day living. That could range from having a home health aide a few hours a day help with bathing, dressing, and meals, to skilled nursing services (such as giving medication or monitoring a catheter) at a nursing home or assisted-living facility. Unless a spouse or adult child will fulfill the role of your permanent, primary caregiver, it's likely that you'll need at least some outside help if you become disabled.

Is long-term care expensive?

Yes; in fact, the cost can be staggering. It currently costs an average of $6,235 a month for a semiprivate room in a nursing home, $3,293 a month for a one-bedroom unit in an assisted-living facility, $21 an hour for a home health aide, and $67 a day for an adult day-care center.[2] That's probably why the financial guru Suze Orman says that long-term-care insurance is something everyone should have as long as they can afford it. But the coverage is complicated and costly. And the longer you wait to buy it, the more expensive it becomes.

When is the best time to buy a policy?

You'll pay less if you buy one before age 60. Premiums rise after that age, as does your risk of disability. But there's a caveat: You should buy a policy only if you can afford to keep paying the premiums, which can almost double over time. Most policies terminate if you stop premium payments, so you'll lose any benefits you've accrued. Some

policies offer a nonforfeiture option that preserves some benefits even if you stop paying, but that increases the cost, and you typically need to have the policy for at least three years first.

What do policies cover, and what do they cost?

They vary, but services might include expenses related to home health care, hospice care, adult day care, or care in a nursing home or assisted-living facility. The price varies widely as well, depending on your age, your current health, where you live, and the benefits you want. A 50-year-old buying a new policy will pay an average of $888 a year; a 65-year-old, $1,850; and a 75-year-old, $5,880, according to the National Association of Insurance Commissioners.[3] If you have questions, a financial planner can help you explore your options.

Won't Medicare pay for some of this?

Not for truly long-term help. Medicare in certain cases will pay for up to 100 days in a skilled nursing facility after you've been hospitalized, or for the same number of days of skilled nursing services at home (not basic assistance like cleaning or help with meals). In contrast, the average stay for custodial care in a nursing home is more than two years. So unless you have ample savings to cover prolonged care, it's worth considering at least partial coverage through a long-term-care policy.

Where to learn more

- ***ConsumerReports.org/cro/2012/08/long-term-care-insurance.*** There's advice from our money experts for people considering long-term-care insurance as well as those with existing policies.
- ***longtermcare.gov.*** This government site has information about the limitations of coverage within Medicare and resources for learning more about long-term-care insurance.
- ***naic.org/documents/consumer_alert_ltc.htm.*** This is a consumer primer on long-term-care insurance from the National Association of Insurance Commissioners.
- ***dehpg.net/ltcpartnership.*** A promising initiative called The Long-Term Care Partnership Program lets you use long-term-care insurance first, then Medicaid as a safety net without losing all of your assets.

ILLUSTRATION: DAVID SENIOR

1. DHHS Administration on Aging. Also reported in JAMA August 28, 2013. See facts.kff.org/jama_082813.
2. See http://longtermcare.gov/costs-how-to-pay/costs-of-care/.
3. NAIC see naic.org/documents/consumer_alert_ltc.

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