

## Long-Term Care Insurance - You'll Probably Need It!

By Jacqueline Marcell, Author, "Elder Rage"

When I suddenly had to become a fulltime caregiver to my elderly parents, both with health problems and starting to develop dementia (namely Alzheimer's), I had never even heard of Long-Term Care Insurance. After we burned through their life savings, and then started chipping away at mine, I was advised to apply for financial assistance for them through the government's Medicaid system--a program for those at the poverty level. It was quite a long process with mounds of paperwork and numerous investigations, but finally my parents were approved.

I was so happy that monetary help would finally be on the way, until I found out that the financial assistance would only pay to put my parents in a nursing home, not even in assisted living, and with very little help to keep them in their own home.

Since their levels of care were so different (my mother needed everything done for her), there weren't any facilities that would allow them to be together. They'd be across the street from each other in different wings of the home. After fifty-five years of marriage, my parents were adamant about wanting to stay together in their own home, in their own bed, where they could continue to cuddle and kiss--as they so frequently did. And, since my father was so "difficult" with a terrible temper and quite a long record of manipulative disruptive behaviors, the homes didn't want to deal with him anyway.



Jacqueline Marcell

It was challenging, but I committed to keeping my parents together in their own home and attending Adult Day Health Care five days a week. Then, with the help of two marvelous caregivers, after five more years of loving each other--they passed, just a few months apart. Even though caring for every aspect of my parents' last years was the hardest thing I have ever done--I am proud to say I gave them the best end-of-life I possibly could.

Had I only known to insist that we buy Long-Term Care Insurance for them prior to their illnesses, their years of in-home care could have been paid for, and I could have saved myself so much heartache, not to mention a small fortune. I encourage you to learn from my mistake and look into LTC insurance long before you need it--for your loved ones as well as yourself. Like fire insurance, hopefully, you'll never have to use it.

Also, call your local Area Agency on Aging, or Department of Aging, and ask if there are any financial programs, waivers or grants available in your area that you can apply for.

### **Startling Statistics**

- An estimated 4.5 to 5 million Americans have Alzheimer's disease. In a Gallup poll, 1 in 10 Americans said that they had a family member with Alzheimer's, and 1 in 3 knew someone with the disease.
- Increasing age is the greatest risk factor for Alzheimer's. One in 10 individuals over 65 and nearly half over 85 are affected. Rare, inherited forms of Alzheimer's can even strike individuals in their 30's and 40's.
- A person with Alzheimer's disease will live an average of eight years and as many as 20 years or more from the first onset of symptoms.
- More than 7 out of 10 people with Alzheimer's disease live at home, where family and friends provide 80 percent of their care. The estimated value of this informal care is \$257 billion annually.
- One half of the U.S. population has a chronic condition. More than one quarter (26.6%) of the adult population provide care for a chronically ill, disabled or aged family member or friend, which translates to more than 50 million people involved with caregiving.
- 37% of caregivers are living in the same household as the person they care for. 54% are between 35 and 64 years of age. 59% of the adult population either is or expects to be a family caregiver, and 2 million more caregivers will be needed in the next twenty years.
- An estimated 43% of Americans age 65 or older will spend time in a nursing home. By 2012, 75% of Americans over age 65 will require long-term care. Long-term care costs are rising at 6% annually.
- The annual cost of Alzheimer's care in the U.S. is at least \$100 billion, and it will soar to at least \$375 billion by mid-century, overwhelming our health care system and bankrupting Medicare and Medicaid.
- Alzheimer's disease costs American business \$61 billion a year, which is equivalent to the net profits of the top 10 Fortune 500 companies. \$24.6 billion covers Alzheimer health care, and \$36.5 billion covers costs related to caregivers of individuals with Alzheimer's, including lost productivity, absenteeism and worker replacement.

### **Three Ways to Pay for Long-Term Care**

1. Pay for in-home caregivers and assisted living/nursing homes out of pocket. This is expensive and can often deplete a family's life savings.
2. Meet a very specific poverty level and qualify for government assistance through the Medicaid program. Unfortunately, options are limited, only paying for nursing homes that accept Medicaid.

3. Buy a Comprehensive Long-Term Care Insurance policy. This protects your family's assets from the rising costs of caring for someone who needs full time care. An employer might even pay the tax-deductible premiums. Consider buying it at a younger age, when it is more affordable and accessible. It must be bought before a major chronic illness strikes. This policy pays for care in the patient's home, assisted living, board & care, and in nursing/dementia care facilities. Medicare and regular health insurance does not pay for long-term care. The average cost for a person who needs long-term care is \$40-\$70,000 annually, depending on where you live, plus the cost to the family caregiver who may have to leave their job.

### Questions to Ask Your Insurance Agent

- Is the coverage comprehensive--meaning it includes all levels of care: in the home, assisted living, board & care, and nursing/dementia facilities?
- What is the daily benefit?
- Is there 5% annually compounded inflation protection?
- What is the elimination period?
- Is it a lifetime benefit period or a limited time benefit policy?
- Is there a spousal discount?
- Can you hire caregivers privately as well as from an agency?
- Is the home care benefit based on a daily, weekly or monthly maximum, and if the benefit is not used, can it be used in the future?
- Does it cover home care coordination of services?
- How many ADL's (Activities of Daily Living) does it take to trigger a claim?
- Is there a time limit for filing a claim?
- Does it cover the cost of Adult Day Care & Adult Day Health Care, hospice and respite programs?
- Is it a tax-qualified plan?
- Is the company highly rated and have they ever raised premiums?
- Can you see the company's published annual audit to check their track record for paying claims?

Note: Jacqueline Marcell is an author, publisher, radio host, national speaker, and advocate for eldercare awareness and reform. She is the devoted daughter in her best-selling book, "Elder Rage, or Take My Father... *Please!* How to Survive Caring For Aging Parents", a Book-of-the-Month Club selection, being considered for a feature film. Jacqueline is also a recent breast cancer survivor, advocating for women to get mammograms and for caregivers to closely monitor their own health. She also hosts an Internet radio program "Coping with Caregiving" heard worldwide on [www.wsradio.com/copingwithcaregiving](http://www.wsradio.com/copingwithcaregiving).

For more information about Jacqueline Marcell's book "Elder Rage" visit <http://www.elderrage.com/>.

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