

Long-Term Care: Be Prepared in an Area of Uncertain Options

**By Matthew Crider, JD
Family Wealth Protection Attorney**

It's flu season again, and the strain going around this year has been a difficult one, mainly because of how long it keeps its victims out of commission. So the article we recently found on Time.com about Long-Term Care seems particularly timely and relevant, if only because this year's flu could be seen as an omen of what's to come as Baby Boomers age into their golden years.

According to the article, "A huge wave of baby boomers may need long-term care in their golden years — and yet fewer than half have taken steps to prepare for it... two-thirds of Americans believe it's important to plan for long-term care, but only 44% have taken steps to protect themselves." Part of the reason for this lack of preparedness is that Baby Boomers underestimate the likelihood that they'll need long-term care, or they overestimate the likelihood that their children or families will be able (or willing) to provide that care.

But there's another reason why Baby Boomers are statistically unprepared for the crisis of old age; to put it simply, there aren't any clear avenues to solid and reliable financial preparedness. "While it's clear that not enough people are thinking about preparing for their long-term-care needs, it's not at all clear what, if any, the best solutions are."

Some think that extra savings in the bank will cover the cost of long-term care; others believe that government programs such as Medicaid or Medicare will take care of them. Unfortunately, both of these beliefs are mistaken. "The average cost of a nursing home ranges from \$85,000 to \$120,000 a year, while hiring an aide to spend six hours a day on average in the home starts around \$40,000 a year... Medicare, meanwhile, only covers up to 100 days of long-term care and often involves co-payments. Medicaid will cover long-term nursing-home care but only after the person has drained his or her savings account."

The only other obvious solution is long-term care insurance; but even with long-term care insurance, nothing is clear cut, and too many people have found themselves paying into a policy and ending up with no return on their investment. This isn't to say that long-term care insurance shouldn't be an option, only that it's one to be well-researched. Long-term care insurance is still one of the best options out there, but "There have been horror stories of people paying premiums on long-term-care insurance policies for years, only to find the benefits won't cover their needs 20 or 30 years down the road when health care and long-term-care costs are significantly higher."

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The best advice we can give is to do your research and ask for the help of an advisor with experience in elder law, elder care, and senior financial planning. Whatever you do, don't throw the baby out with the bathwater—we may have no clear and easy answers yet, but that's no excuse to remain completely unprepared.

About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](http://www.criderlaw.net) in 1999 so he could help individuals and business owners by providing creative solutions and be their trusted advisor and legal counselor. He serves his clients by listening closely to their goals, dreams and concerns and working with them to develop superior and comprehensive estate and asset protection plans. His estate planning practice focuses on preserving and growing wealth by providing comprehensive, highly personalized estate planning counsel to couples, families, individuals and businesses.

