

# Are You Ready for the Cost of Long-Term Care?

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

You're young...

You're healthy...

You're self-supporting...

The idea of actually needing long-term care couldn't be further from your mind.

But what if that changed overnight?

An accident...

A sudden illness...

An unexpected diagnosis...

Any number of things can take away your health and your independence.

Chances are very good that your regular health care coverage won't cover the expense of long-term care.

And add to that the fact that statistically if you live beyond the age of 65, you are likely to spend an average of 2.5 years in a nursing home.

Don't wait until you're older to plan for any of these possibilities.

Now is the time to plan and this is what you need to know:

## **What Exactly Is Long-Term Care?**

Long-term care is a number of broad range supportive medical, personal and social care you need to take care of basic living for an extended period of time. The care can be given in your home or in a specialized nursing facility.

## **What Can You Expect to Pay?**

Long-term care averages about \$200/day. If you spend one year in a nursing home, that works out to about \$73,000 a year. Now imagine what it will cost for that average 2.5 years you can expect to spend in a nursing home.

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And contrary to popular belief, Medicare does not cover those expenses. Medicare will pay for 100 days of care to recover from a specific illness or injury. That's it.

One of the best things you can do to plan ahead is to purchase long-term care insurance.

## **What To Look For In Long –Term Care Insurance**

Make sure you pick a carrier that will be around awhile. You probably won't need to use your policy until you're at least in your 70's but you want the carrier you've chosen to still be around when you do need them.

Pick the right elimination period. The elimination period is the time between when you start receiving care and when your benefits kick in. Usually the longer your elimination period, the lower your annual premium. Since Medicare pays at least part of the first 100 days, you might want to consider having your benefits start after that first 100 days has expired.

Consider your current age. Most people buy long-term care insurance in their 50's while they're still healthy. The older you are when you buy the coverage, the higher your premium.

Decide how long you want the policy to pay benefits. The longer the period it pays, the higher your premium. The most popular choice for the coverage period is 5 years because that covers the average 2.5 year stay and still gives you some "wiggle room" if you need coverage beyond that point.

Think about how much you want your policy to cover per day. Check around with local long-term care facilities and see how much they cost per day. The cost will vary according to the care provided and your location. If you want to remain in your home, plan for a higher daily cost.

Make sure your policy takes inflation into account. Just like everything else, the cost of long-term care will continue to rise and will probably cost considerably more when you actually need the coverage. On average you should plan for an increase of about 5% per year.

# Are You Ready for the Cost of Long-Term Care?

Long-term care insurance is a great way to protect your assets and make sure that you have the help you need when you get older. There are a lot of options out there when it comes to insurance providers, benefits and costs.

Let us help you make the right financial decision for you and your family.

## About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](#) 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.

