

Rising Healthcare Costs, Long-term Care and Estate Planning

By: Doral Tuttle

Fidelity Investments released a recent report on a projected 4 percent increase of medical expenses throughout a senior's retirement. The report estimates that a newly retired couple can expect an estimated \$240,000 to cover medical expenses outside of Medicare. Last year's report estimated the additional cost at \$230,000.

Included in that \$240,000 is Medicare premiums, co-payments, deductibles and out-of-pocket costs, and it does not include dental and long-term care costs. The Employee Benefit Research Institute believes the number should be closer to \$287,000 in order to have a 90 percent chance of having saved enough.

Estate planning must include healthcare savings in order to meet the rising costs, especially if seniors do not have family to fall back on for financial support.

According to the recent testimony of Judith Feder, Ph.D and Bruce Chernof, M.D. before the Senate Special Committee on Aging:

“Average per person spending for Medicare beneficiaries with chronic conditions *and* long term care needs is at least **double** the spending of those who only have chronic conditions. This pattern of spending remains true regardless of how many chronic conditions an enrollee may have.

For enrollees with long term care needs, admissions to hospitals, emergency rooms, short term stays in SNFs and home health services are the largest sources of extra spending compared to those enrollees who only have chronic conditions.”

With the annual increase of 4 to 6 percent (the latter is the usual rise, but the economic downturn kept costs lower last year), budgeting for future healthcare costs must be a part of every estate plan, especially with costs rising faster than wages.

Getting Legal Help

I offer free assessments to determine if you or a loved one is currently eligible for benefits that might help pay for long term care to include service or non-service connected benefits such as special monthly pension, aid and attendance, or homebound. This eligibility report will also alert you to the possibility of eligibility for Medicaid through the Washington State Department of Social and Health Services (DSHS) or COPES. To start, simply request that a Client Worksheet be sent to you. Call today at **253-272-1904** **begin_of_the_skype_highlighting** **253-272-1904** **end_of_the_skype_highlighting** or request by email at info@daroltuttle.com.