

A REALISTIC APPROACH TO LONG TERM CARE

“AN IDEALIST BELIEVES THE SHORT RUN DOESN'T COUNT. A CYNIC BELIEVES THE LONG RUN DOESN'T MATTER. A REALIST BELIEVES THAT WHAT IS DONE OR LEFT UNDONE IN THE SHORT RUN DETERMINES THE LONG RUN.”

—SYDNEY J. HARRIS

When it comes to long-term planning, the realist has an edge. No one wants to think about the prospect of his or her own failing health, but considering it now, in the short run, may make your future more comfortable and secure. One of the most important realities to face is that as people's longevity has increased over the latter half of the last century, so has the need for long-term care (LTC).



While the services available for assistance, such as nursing homes, assisted living facilities (ALFs), adult daycare centers, and in-home care options, have expanded and improved to keep pace with the “graying of America,” public programs and private health insurers have not necessarily adjusted to make long-term care a funding consideration.

THE REAL NEED FOR LONG-TERM CARE

Long-term care refers to the broad range of services that assists those with chronic conditions in performing the essential activities of daily living (ADLs), such as getting around the house, dressing, bathing, or eating, or the instrumental activities of daily living (IADLs), such as traveling outside the home, preparing meals, or taking medication. A person is generally considered to be in need of long-term care if he or she has difficulty performing two or more ADLs or IADLs, because of physical limitations, cognitive impairments, or both.

Already, increased longevity has spurred a “Sandwich Generation”—people who have the dual responsibilities of caring for aging relatives, as well as children. With public programs and private health insurers providing only limited coverage for long-term care, the burden of costs and services often falls on younger generations.

FUNDING REALITIES

No public program—neither Medicare nor Medicaid—is specifically designed to fund long-term care. While many people mistakenly assume Medicare will cover the costs, it actually only covers short-term care. Medigap—private health insurance intended to supplement Medicare—also generally does not pay for costs associated with long-term care. As a result, Medicaid has become, by default, the primary funding source, but an individual must be in a position of financial need to receive assistance.



A REAL ALTERNATIVE

An increasingly popular insurance alternative has emerged to alleviate the strain long-term care may place on your savings and younger generations—long-term care insurance. Long-term care insurance can help pay for long-term care expenses before you or a loved one become eligible for Medicaid, and it may allow you to keep significantly more of your savings. A policy tailored for your needs may assume the costs of a nursing home, an assisted living facility, adult day care, and/or care in the home. In addition, participation in certain policies makes you eligible for tax deductions. Thinking about it in the short run may save you in the long run.

SECURING LONG-TERM CARE INSURANCE IS A REALISTIC APPROACH THAT MAY ENABLE YOU TO MAINTAIN YOUR QUALITY OF LIFE, WHILE OFFERING YOU, OR A LOVED ONE, FINANCIAL INDEPENDENCE AND INCREASED OPTIONS FOR CARE.



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