

Caregiving Corner

Resources & Solutions for Caregivers

Paying for Long Term Care

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Though the expense of caregiving can significantly impact one's income, there are some cost considerations that can be made to prepare for having to pay for long-term care in later life. The golf course retirement dream that many people have for their later years is not always a realistic picture of the future. There is a large expense of caregiving that falls not on the adult child, but on the older adult should they find themselves needing services. Fortunately, in addition to there being new ways of protecting one's assets, there are many ways to be proactive about how you will pay for some of the expenses you are likely to incur as a retiree.

Long-term care insurance is the newest option for payment of care that is being accepted in more and more retirement communities across the country. Service providers are now also able to accept these policies as payment in some cases. Though every long-term care insurance policy is different (as are the companies who sell them), many more comprehensive policies are now also beginning to cover nursing home stays, assisted living, and the aforementioned services such as caregiving. These policies gained popularity in the 1990's and are now readily offered by most of the larger insurance firms. Because of the uncertainty surrounding Social Security, and even such programs as Medicare and Medicaid which are sometimes in jeopardy of losing funding, any alternative way of utilizing assets when you are younger to ensure that costs are reduced after retirement is a smart consideration.

Premium rates for these policies vary depending on coverage and the age of the applicant. While the expense can seem to add up if you are a younger, healthier policyholder, the expense of paying for long-term care out of pocket could be financially devastating. Some individuals are quite surprised to find themselves locked out of policies due to a diagnosis – even if it seems to be a minor medical concern. As with any type of insurance, persons without it are taking a gamble that they will not need it.

There are other ways of paying for long-term care, though private pay is the most common method of payment for most assisted living, retirement communities, and senior-related services and programs. Financial advisors and elder law attorneys are both excellent professionals to consult when figuring out the best way to stretch resources to last through whatever occurs during later life. When possible, it is best to utilize those professionals who are well-versed in the area of retirement or geriatrics due to their familiarity available options and resources. In many cases, these professionals will also refer you to the assistance of someone else if your issues cross into unfamiliar territory for them. When the ability for a person to pay privately no longer exists, these same professionals can be consulted to determine what other options exist. Without the ability to continue to pay for services privately, even if a family member begins paying on your behalf, some services or places of residence will need to be

altered to accommodate the new financial reality of that older adult.

Sometimes it sounds like a broken record, but people still don't do this all of the time – plan ahead! Making smart decisions that save you money and time is almost as easy as simply developing a strategy for how you will prepare for your later years. For most Americans, this post-retirement time of life is growing increasingly long and will require more diligent preparations to ensure that you are able to live comfortably and not be a burden for your family members. Do your research and explore your options to find out the best strategy for you and you will find that paying for long-term care does not have to be devastating for you or your wallet!