

Articles



Here's to Your Health

When you hear the phrase “long-term care,” what do you think of? If you’re like most people, you think of a nursing home. While it’s true that nursing homes are a big part of the overall long-term care picture, the topic encompasses much more. In general, long-term care refers to help with basic activities of daily living (referred to as ADLs) such as bathing, dressing, eating, and using the bathroom. This help can be provided in the home, in assisted-living facilities, or in nursing homes.

Financial Impact of Long-Term Care

The cost of one year in a nursing home can exceed \$50,000 for room and board alone. The cost of home care for only three 8-hour shifts per week can easily exceed \$20,000 a year. Also, people admitted to a nursing home spend an average of about two and a half years there and run up an average bill of \$139,500.

Daily cost of a private room in a nursing home

Place	Cost
Manhattan, NY	\$300
Birmingham, AL	\$105
Kansas City, MO	\$117
Newark, NJ	\$228
Portland, OR	\$144
Tampa, FL	\$128
Denver, CO	\$141

Source: Metlife Mature Market Institute, as published in Kiplinger's Retirement Report (September, 2000).

Part of your retirement planning process should involve looking at some unpleasant “what-if” scenarios. If you become severely ill, disabled, or mentally impaired to the extent that you can’t take care of yourself, you’ll need some help. If you’re not hospitalized or you don’t have the help of a capable caregiver, you’ll need to hire help. Unfortunately this kind of help is very expensive and health insurance usually doesn’t cover it, not even Medicare.

Medicare and Long-Term Care

Medicare is a Federal health insurance program for people who are age 65 or older, some people with disabilities under age 65, and people with end-stage renal disease (permanent kidney failure requiring dialysis or a transplant). Medicare will cover the first 100 days of care in a nursing home if: 1) you are receiving skilled care, and 2) you enter the nursing home immediately following a hospital stay of at least 3 days. Medicare also covers limited home visits for skilled care. It’s important to realize a few realities about Medicare’s coverage of long-term care:

- Most long-term care is not skilled care
- Most long-term care does not take place in a nursing home
- Most nursing home stays do not immediately follow a hospital stay
- Most people who require care in their home usually need more or different types of care than Medicare covers
- Most people won’t start Medicare coverage until age 65

Seek Out Knowledge

Because long-term care needs can have a major financial impact on your retirement nest egg, you may want to consider long-term care insurance. For many people, long-term care insurance is a planning tool that can help you protect your retirement assets, preserve your choice of care and reduce the financial burden on your family. Check out the following resources to learn more about long-term care planning and insurance:

Longtermcareinsurance.org

Long-Term Care Planning: A Dollar and Sense Guide (order via unitedseniorshhealth.org)

The Complete Idiot's Guide to Long-Term Care Planning, by Marilee Driscoll (available at bookstores or amazon.com)

Consumer Reports Complete Guide to Health Services for Seniors (available at bookstores or amazon.com)

Article sources: Metlife Mature Market Institute, as published in Kiplinger's Retirement Report (September, 2000); U.S. Office of Personnel Management Long Term Care Facts September, 2001; Long Term Care Insurance National Advisory Council.