

# LONG TERM CARE INSURANCE: Is it right for you?

BY MIMI SCHILLER, P.T., CDP, CADDCT

AS OUR POPULATION AGES, one of the biggest questions we face is how we will be able to care for ourselves or our loved ones. And thanks to advances in medicine, we are living longer than ever before. Unfortunately, with age comes increased risk for various diseases and illnesses. In fact, age is the number one risk factor for Alzheimer's Disease and cancer. And the older we get, the more likely it is that we will need some type of long-term care.

According to Fidelity's 2018 Annual Survey, the average couple will spend approximately \$280,000 to pay for medical expenses after retirement; and this does not include any form of long-term care. Even the most thought out retirement plans can be derailed in a healthcare crisis.

Currently, one in seven people (14%) over 65 require in-home care, and that figure escalates to nearly 40% of people 85 and over. So how do we pay for long term care costs?

One option is Long Term Care Insurance. Long Term Care policies cover a large portion of services including private home care, adult day care, respite care, skilled nursing and assisted living facilities. Traditional or "hybrid" policies are available and are activated when the insured's disabilities reach levels specified in the individual contracts.

Generally speaking, the insured must need assistance with two or more activities of daily living (ADLs), or must be diagnosed with severe cognitive impairment. ADLs are defined as the basic things that we do for ourselves every day: Eating/feeding ourselves, bathing, dressing, walking/mobility and toileting. Individuals wishing to use their Long-Term Care Insurance would require assistance with at least two of these functions and need help for generally 90 days or more.

Policies specify how much they will pay per day and for how long. An individual's premium depends on the type of benefits and the individual's age and health at the time the policy is issued. Similar to life insurance, the older one is when purchasing a Long-Term Care policy, the higher the premiums will be. With regard to the "hybrid" policies, waiting to purchase can affect the coverage/benefit amounts. All potential Long-Term Care policies can ultimately be denied for a variety of reasons including poor health or previous illness or disease.

However, based on the statistics, looking into Long Term Care Insurance is a wise approach as we consider how we will care for ourselves into our advanced years. Speak with your financial planner as many are licensed to



present solutions and sell Long Term Care Insurance. Keep in mind that there are many types of policies at varying costs available in the current marketplace.

Is there anything else that you can do to help reduce the cost of Long-Term Care? Yes! As a healthcare professional that treats many clients with chronic conditions, lifestyle is a significant factor in helping to prevent conditions such as heart disease, cancer and diabetes. Adopting a healthy lifestyle of proper diet and exercise is a viable – and vital – part of your overall plan to manage healthcare expenses in retirement.

Remember... focusing on a healthy lifestyle is always a good policy! ■



**Mimi Schiller, P.T., CDP, CADDCT** is a practicing physical therapist with 38 years of experience, with emphasis on geriatrics, including dementia residents in Assisted Living Facilities, Long Term Care Facilities and Home Care. Mimi also worked with various Hospice organizations on effective treatment for clients with end stages of dementia. Additionally, Mimi recently established Schiller Healthcare Initiative, LLC to assist families negotiating the healthcare maze for a loved one or elder parent.