

Planning For Long-Term Care

Financing Option	Pros	Cons	Cost
Personal Savings	<ul style="list-style-type: none"> - No premiums - No limitations on how funds are spent 	<ul style="list-style-type: none"> - Requires discipline to save money - May not be sufficient 	Your are responsible for creating private savings
Long-Term Care Insurance	<ul style="list-style-type: none"> - Covers LTC costs - Premium rate is calculated at age of obtaining policy 	<ul style="list-style-type: none"> - Premiums can be expensive, especially over age 70 - May need to pass medical screening - Premiums continue into coverage 	Monthly premiums for the life of the policy
Life Insurance	<ul style="list-style-type: none"> - Already paying premiums - Good option for those who don't qualify for LTC insurance 	<ul style="list-style-type: none"> - Few policies cover LTC - Requires agreement with carrier such as an accelerated death benefit, viatical, or life settlement - May not be able to obtain the full value of the policy 	None
Disability Insurance	<ul style="list-style-type: none"> - Replaces income while not working - Does not require medical screening 	<ul style="list-style-type: none"> - May not be enough to cover costs - Replaces only a percentage of lost income - Must meet disability requirements 	Varies by area
Employer-Sponsored Health Plan	<ul style="list-style-type: none"> - Premiums already deducted from paycheck - Company must cover part of the plan cost 	<ul style="list-style-type: none"> - Doesn't generally cover LTC cost - likely to be unavailable in retirement 	Varies by area

Family Provided Care	- Little to no direct cost	- Time costs can be prohibitive - Family member can't deliver professional care	You must pay for supplies and services that family members are unwilling to pay
Long-Term Care Annuity	- Can leave remaining investment to heirs - Easy to qualify if you have medical conditions	- May not cover LTC - Complicated tax implications - Inflation can devalue investment	Varies by area
Medicaid	- Covers LTC for impoverished adults - Provided by state government	- Strict financial eligibility legislation could impact future levels of support - Very limited care coverage	You pay for services not covered by Medicaid
Medicare	- Variety of options to cover healthcare and medication - Provided by federal government	- Does not cover LTC costs after 100 days - Care must be related to recent hospital stay - Does not cover custodial care	Co-payments and deductibles
Reverse Mortgage	- Uses built-up equity in owned home	- Complex financial transaction - Reduces value of home ownership - Must be age 62 or older to qualify	Processing and origination fees to establish mortgage
Veteran's Assistance	- Limited coverage	- Not all servicemen and women qualify - Possible long wait time for services	None

For assistance with your options, please contact a Preferred Care at Home specialist at 1-866-690-7733.