



The Myths of Long-Term Care Insurance



What would you do if you or someone you love suddenly became unable to care for him or herself and needed assistance with the most personal daily activities, such as dressing and bathing? Long-term care services are expensive and most of us are unable to provide the kind of care that is often required. You may want to consider the following myths with respect to long-term care planning.

Myth # 1: It is Unlikely I Will Need Long-Term Care.

- It is estimated that approximately 49% of elderly turning age 65 will be admitted to a nursing home at some point in their lives. Approximately 72% will use home care services.¹
- Two in five of people turning 65 may need long-term care at some point in their lives.²

Myth #2: Only the Elderly Need Long-Term Care.

While we all hope for many happy years of good health and activity, unforeseen events can occur at any stage of life. Of the 12 million Americans needing long-term care, 3% are children, 43% are working age, and 54% are the elderly.³

Myth #3: Long-Term Care Insurance is Expensive.

Actually, it is much more affordable than you may realize. The cost of such coverage is based on your age when you enroll. The younger you are, the lower your premiums will be.

Myth #4: Long-Term Care Insurance Only Covers Nursing Homes.

Many people are surprised to learn that coverage includes not just nursing homes, but also care in your home, a qualified adult day health care center, and other types of care facilities.

Myth #5: Medicare, Medicaid or My Company's Health Insurance Plan Will Cover Long Term Care.

Most employer group plans do not generally cover the costs of long-term care. Post-hospital care and home health care can be very limited with government and employer programs. Strict waiting periods and limited facility choices are typical. In addition, individuals and families often have to spend all or almost all of their assets to become eligible for Medicaid benefits.

Myth #6: I Can Save Enough on My Own.

Home care can cost from \$15 to \$50 per hour. The average costs of a nursing home is now more than \$40,000 per year and in some parts of the country can be as high as \$60,000 to \$80,000 per year.⁴

¹ Lewin-VHI, in the Health Insurance Association of America, Long-Term Care: Knowing the Risk, Paying the Price, 1997, p.12.

² Long-Term Care. AHRQ Focus on Research. AHRQ Pub. No. 02-M028, March 2002. Agency for Healthcare Research and Quality, Rockville, MD.

³ Kaiser Family Foundation. Kaiser Commission Medicaid and the Uninsured. November 1999.

⁴ United Seniors Health Cooperative, August 1997.