

Create a Long Term Care Plan

Most people find that the costs of long term care require multiple sources of funding. Use the chart below to start figuring out the combination that will work best for you—and to put your plan into action.

Who is this plan for (self, spouse, parent, grandparent)? _____

Review the chart below and put a check in the left-hand column next to the financial options that might be available to you. Then check off the “next steps” in the right-hand column as you complete them.

For more information about these financial options, see **Plan for Long Term Care**.



✓	OPTION	PROS	CONS	NEXT STEPS
<input type="checkbox"/>	Disability insurance	<ul style="list-style-type: none"> • Replaces income when you cannot work • Does not require medical screening when obtained through employer 	<ul style="list-style-type: none"> • May not be enough to cover health or long term care expenses • Replaces only a percentage of income • Must meet disability trigger requirements to begin receiving benefit 	<ul style="list-style-type: none"> <input type="checkbox"/> Figure out your monthly expenses and any income you might receive from employers, investments, or the government to determine the coverage amount you'll need. <input type="checkbox"/> Verify that your employer offers both short and long term disability and that the policy amount will be enough to cover potential costs. <input type="checkbox"/> Even if your employer offers disability insurance, look into private coverage because employer-provided policies end when you change jobs. Be sure to get quotes from at least two insurance companies.
<input type="checkbox"/>	Employer-sponsored health plan	<ul style="list-style-type: none"> • Premiums already deducted from pay-check • Company may cover part of the plan cost 	<ul style="list-style-type: none"> • Doesn't generally cover LTC costs • Likely to be unavailable in retirement 	<ul style="list-style-type: none"> <input type="checkbox"/> Review your company's health benefit materials, including the evidence of coverage, to make sure it includes long term care coverage (most health plans do not). <input type="checkbox"/> Identify how you will keep or change health insurance coverage if you change jobs or retire.
<input type="checkbox"/>	Family-provided care	<ul style="list-style-type: none"> • Little or no direct cost • Least expensive option 	<ul style="list-style-type: none"> • Time costs can be prohibitive • Causes stress and may strain relationships • Family members can't deliver professional care 	<ul style="list-style-type: none"> <input type="checkbox"/> Talk to your family about your preferences and expectations for receiving and providing care. <input type="checkbox"/> Look into how state or county programs could benefit your family.

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<input type="checkbox"/>	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 for those over 70 • Policy recipient may need to pass medical screening • Must continue paying premiums to keep coverage 	<ul style="list-style-type: none"> <input type="checkbox"/> Read the outline of coverage for your company's long term care insurance benefit and follow up with human resources about enrolling in benefit. <input type="checkbox"/> Shop around for the best policy – get at least two quotes from different insurance companies to compare which works best for you.
<input type="checkbox"/>	Life insurance policy	<ul style="list-style-type: none"> • Already paying premiums • May be an option if you cannot qualify for LTC insurance 	<ul style="list-style-type: none"> • Very few life insurance policies cover LTC • Requires a special 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 	<ul style="list-style-type: none"> <input type="checkbox"/> Review your life insurance policy to verify that it includes long term care coverage. If it doesn't, explore options such as accelerated death benefits. <input type="checkbox"/> Meet with a financial advisor to identify how much life insurance you need and what coverage options to include.
<input type="checkbox"/>	Long term care annuity	<ul style="list-style-type: none"> • Can leave remaining investment to heirs • You may qualify even if you have medical conditions 	<ul style="list-style-type: none"> • May not be enough to cover long term expenses • Complicated tax implications • Inflation can devalue investment 	<ul style="list-style-type: none"> <input type="checkbox"/> Talk to human resources to see if your company offers annuities as part of its retirement benefits. <input type="checkbox"/> Shop around for an annuity – be sure to compare a few different investments before making your decision. Consider consulting a financial planner.
<input type="checkbox"/>	Medicaid	<ul style="list-style-type: none"> • Covers LTC costs for impoverished adults • Provided by state government 	<ul style="list-style-type: none"> • Must meet strict financial eligibility requirements, including depletion of most assets • Legislation could impact future levels of support • Very limited home care coverage, if any 	<ul style="list-style-type: none"> <input type="checkbox"/> Visit or call the Eldercare Locator, www.eldercare.gov, 1-800-677-1116, to get the contact information for your local Area Agency on Aging. <input type="checkbox"/> Visit or call your local Area Agency on Aging to learn about eligibility for Medicaid programs. <input type="checkbox"/> Visit a few facilities that accept Medicaid payment to ensure that they meet your standards and needs. <input type="checkbox"/> Contact your state's medical assistance office for information about Medicaid: www.cms.hhs.gov/apps/contacts/

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<input type="checkbox"/>	Medicare	<ul style="list-style-type: none"> • Variety of options cover healthcare and medication • Provided by federal government 	<ul style="list-style-type: none"> • Does not cover LTC costs after initial 100 days and care must be related to recent hospital stay • Does not cover custodial care 	<ul style="list-style-type: none"> <input type="checkbox"/> Check out Medicare’s web site, www.medicare.gov, to determine Medicare will provide adequate coverage. <input type="checkbox"/> Learn about Medicare’s programs and benefits by reading “Medicare and You” found on www.medicare.gov. <input type="checkbox"/> Get personalized insurance assistance from your state’s State Health Insurance Assistance Program office. The contact information can be found on the Medicare site.
<input type="checkbox"/>	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 every month • May not be sufficient; may deplete savings 	<ul style="list-style-type: none"> <input type="checkbox"/> Figure out your annual income and expenses to determine how much you can save each month. Use our savings calculator to confirm that monthly amount will be enough to cover potential costs.
<input type="checkbox"/>	Reverse mortgage	<ul style="list-style-type: none"> • Uses built-up equity in owned home 	<ul style="list-style-type: none"> • Complex financial transaction • High costs • Reduces value of home ownership • Must be age 62 or older to qualify 	<ul style="list-style-type: none"> <input type="checkbox"/> Consult with your financial advisor to determine if this is the right investment for you. <input type="checkbox"/> Check out the U.S. Department of Housing and Urban Development’s website about reverse mortgages at www.hud.gov/buying/rvrsmort.cfm. <input type="checkbox"/> Meet with a counselor before you apply – it’s generally required anyway.
<input type="checkbox"/>	Veterans’ assistance	<ul style="list-style-type: none"> • Limited coverage 	<ul style="list-style-type: none"> • Not all servicemen and women qualify for care. • Possible long wait time for services. 	<ul style="list-style-type: none"> <input type="checkbox"/> Visit or call the Department of Veterans Affairs, www.va.gov, or 1-800-827-1000 to determine eligibility. You may also visit your local VA hospital to determine eligibility.

In addition to the “next steps” listed above, you should also:

- Complete a retirement budget, including possible long term care costs.
- If possible, talk to an independent financial planner about retirement planning and paying for long term care costs.