

LONG-TERM CARE PLANNING

What is Long-Term Care and What Does it Cost?

The second in a six-part Long-Term Education and Planning Program (LTCEPP®) Series

What is Long-Term Care (LTC)?

LTC is the need for ongoing care, at any age, as a result of a disability, critical illness, cognitive impairment or simply the effects of aging. Such care is custodial assistance for routine activities that we, as healthy adults, take for granted. Known as ADLs (Activities of Daily Living), they are; bathing, continence, dressing, eating, toileting and transferring.

The assistance with two or more ADLs can be either hands-on or supervisory and it is expected to be needed for 90 days or more.

An easy way to distinguish LTC from other care is to think “curing” vs. “caring.” Any medical or rehabilitative care is the “curing,” while **assistance with daily, custodial needs is the “caring.”**

Where is Care Provided?

When most people hear “LTC,” they immediately think of a nursing home, but **80% of elderly people receiving assistance, live in private homes in the community, not in institutions.**¹

LTC is not a place, it’s an event; an event that can happen at any time for any number of reasons

Other community-based settings are adult day cares or family homes, which can complement the need for home care, or assisted living facilities that are typically the next step when care can no longer be provided adequately or safely in the home. When more skilled and/or medically necessary assistance is required, skilled nursing homes are best suited to provide this level of care.

Due to a growing need, dedicated Alzheimer’s facilities are increasing in number. **One in three seniors dies with Alzheimer’s or another dementia**².



How Much Does Care Cost?

A 2015 Cost of Care Survey found that the annual median cost of a nursing home (private room) in Pennsylvania was \$113,150, while an assisted living facility was \$42,660 and. Home health aide services for in-home care were \$21 per hour.

If you needed care today, what would be the impact on your family and where would the money come from?

Barring a catastrophic event now, the real concern is with future costs; care costs are increasing and expected to double every 15 years – that’s over \$225,000 for a PA nursing home in 2030. Don’t believe it? The same study shows the 2015 annual median assisted living facility cost in Alaska at \$68,430, while a nursing home was \$281,430! Care costs can vary based on location, but as you can see, the potential for such high costs in our future is very real.

So what is your plan to handle the future higher cost of care?

To consult with a Long-Term Care Education and Planning Specialist, please contact Edward Althof, CLU, CEBS, CLTC or Michael Ocilka, CLTC at 814-833-5433, toll free 877-718-9935, or ealthof@LSinsure.com or mocilka@LSinsure.com.

¹ Congressional Budget Office (2013) Rising Demand for Long-Term Services and Supports for Elderly People

² Alzheimer’s Association Quick Facts, 2016