

Rodger on Retirement

Long term care planning must be part of your retirement strategy!

Here are the basics:

- Medicare may be a temporary solution up to 100 days.
- Health insurance does not pay for long-term care expenses.
- Medicaid is for the impoverished.
- Affordable Care Act (ACA), or Obamacare, does not cover long-term care expenses.

According to the 2015 edition of the Cost of Care Survey that is conducted by Genworth Insurance, the median cost of a private nursing home room in the U.S. has increased 4.2% to \$91,250 a year in the last year. The cost of semi-private rooms grew 3.8% to \$80,300 a year. The survey was based on responses from over 15,000 assisted living facilities, adult day care facilities, and nursing homes. Now that I have your attention, you should know that this is the 12th year that Genworth has conducted this survey. Each year, I have reviewed the alarming results and discussed their implication with the families we serve.

Most believe that a stay in a nursing home will not happen to them. Experts agree that over half of people age 65 and older will require some kind of long-term care. You will find facts like this daily in newspapers across the country. In my view, the most alarming fact is that people prepare for retirement without even considering the idea that one day they may become frail or ill and require care. Alzheimer's and other forms of dementia are another reason to consider the idea of long-term care protection.

You most likely know someone who is in a nursing or assisted living facility. The average stay is between two and three years. I am familiar with many people who have resided in these facilities for much longer. My point is this: long-term care or catastrophic health care expenses, can be an extremely large expense in your retirement years. Failing to consider long-term care insurance is akin to an ostrich sticking its head in the sand. There are a variety of long-term care insurance programs to consider today, and any one of these may be a useful planning tool for you.

My point is, there is a lot of flexibility as to the type of program you feel is right for you and what might fit your budget. Start your research now. There is a superb reference guide entitled "A Shoppers Guide to Long Term Care Insurance," published by the National Association of Insurance Commissioners. The purpose of the guide is to educate and protect consumers as they shop for long-term care insurance policies. Arm yourself with knowledge. Read the guide cover to cover. You can find the guide on their website at www.naic.org.

*The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete.