

Long Term Care Planning

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Most people look forward to the benefits of retirement – traveling, time with loved ones, relaxation and reflection of the years gone by. However, a major issue is often overlooked while preparing for your future. What would you do if you or a loved one were unable to care for yourself on a daily basis?

One of the most important parts of your elder care planning is developing a strategy to protect your dignity, independence, financial security and choices should you need ongoing assistance with the basic activities of daily living. Options for such help may include paying for care yourself, depending on support from others or purchasing private insurance.

Having private Long Term Care (LTC) insurance safeguards your assets and protects the quality of life for you and your family. The most common reason given for not purchasing an LTC plan is that it is too expensive; however, there are too many variables to make this belief a true statement for everyone. A plan can be designed to meet a need or budget.

Recognizing that the government cannot pay for long term care, the federal tax code offers incentives for people to take personal responsibility for their future long term care needs. Some states also offer tax incentives. Consult with your accountant to benefit from the tax savings by

purchasing LTC insurance.

Here are some additional misconceptions people may have about long term care that may be preventing you from securing coverage.

I don't need LTC insurance because my family will take care of me.

POSSIBLE – This option can cause physical, emotional and financial strain to your family members. Who will take the overnight shift?

I don't need LTC insurance because I have Disability insurance and they cover the same things.

FALSE – Disability insurance provides income replacement if you become sick or injured and are unable to work. It is not designed to cover LTC expenses.

I don't need LTC insurance because Medicare covers the cost of long term custodial care when it is delivered by a Medicare certified agency or facility.

FALSE – Medicare does not cover the cost of long term custodial care, regardless of where it is delivered or who delivers the care. It is designed to cover medical expenses for acute conditions.

I don't need LTC insurance because Medicaid pays for nursing home care as well as long term care services at home and in the community.

FALSE - Medicaid is limited to those with low incomes or those who incur catastrophic medical expenditures. To be eligible for Medicaid, recipients must first “spend down” their assets to a level that qualifies them for benefits. Spending down occurs when private or personal finances are depleted to the extent that an individual becomes eligible for Medicaid – it is essentially a process of voluntary impoverishment.

Please give consideration to this important issue and contact a professional to help you start planning your Long Term Care strategy.

PSI Consultants, LLC is certified to market Long Term Care Partnership plans in NY, NJ, PA & CT.

In 1985, Ed Gaelick established PSI Consultants, LLC where he specializes in company sponsored employee benefits, business planning and personal insurance. Throughout his career, Ed has received many of the highest professional honors awarded in the insurance industry. His dedication, integrity and fortitude have earned him great respect from his clients, staff and peers.

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