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# LONG TERM CARE PLANNING

Long Term Care planning is a very hot topic today. That is partially driven by the fact that the conventional LTC insurance market is imploding. Many of the biggest Insurance Companies have either suspended the sale of their LTC insurance products, pulled out of the market entirely or limited their benefits to be much leaner; mostly a result of poor claim experience. That means there are less choices to safeguard your assets and protect the quality of life for you and your family.

One of the most important parts of yours or your elder parents 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.

Think Medicare and/or Medicaid will pay for care? Think again. Medicare does not cover the cost of long term custodial care, regardless of where it is delivered or who delivers the care. To be eligible for

Medicaid, recipients must first “spend down” their assets to a level that qualifies them for benefits. It is essentially a process of voluntary impoverishment.

One planning option is to pay for services yourself. But the rapidly escalating cost for all levels of care can quickly drain what you have worked so hard to accumulate.

Another is to depend on others to care for you. These individuals, often family members, may only be available off work hours. For the times you are alone, you can purchase a service where you’d have a quick emergency response if necessary. I can share some personal experience we had with my mother, where over a 3 years period she pushed that red button many times, often in the middle of the night. Mom’s visits to the local hospital sometimes lasted hours, other stays were days, some a week or more. Regardless, this was no way for the family or my mother to live.

The best option is to purchase private insurance. This way you’d have the resources to provide the proper level of care should professional care be needed, whether it be Home Health Care, Assisted Living or Skilled Nursing. Make this choice and you’ll be able to focus on the good things and have quality time with your family. And those needing the care will have a quality of life that’s safe.

But if the conventional LTC insurance market is so limited, what’s the solution? A Hybrid policy. The newest products combine Life Insurance with a LTC “Rider” allowing the policy owner to use that policy’s benefits to pay for care in the event the insured becomes benefit eligible. Never need the care, your policy builds cash value, which could eventually exceed your outlay and will ultimately provide a death benefit. This could be a great solution for you. Explore your options today!

*In 1985, Ed Gaelick, CLU, ChFC, established PSI Consultants, LLC, where he specializes in life, disability, long term care insurance, employee and executive benefits. Throughout his career, Ed has earned many of the highest professional honors awarded in the insurance industry. [www.psi-consultants.com](http://www.psi-consultants.com)*