

Should You Consider Long-Term Care Insurance?

There is a good possibility that you or your spouse will eventually require some form of long-term care (LTC). According to the U.S. Department of Health and Human Services, at least 70% of people aged 65 will require long-term care at some point in their lives. It may be wise to consider whether long-term care insurance is a good idea for you.

LTC includes a range of nursing, social, and rehabilitative services for people who need ongoing assistance due to a chronic illness or disability. Long-term care policies are complex and can vary widely, but typically cover the following:

- Nursing home care
- Adult day care
- Visiting nurses
- Assisted living
- In-home assistance with daily activities

LTC coverage may be necessary to cover gaps in other types of insurance. Neither Medicare nor Medicare supplemental insurance, known as Medigap, typically cover long-term care. Medicaid will cover a large share of such services only for those with very limited assets. Standard health insurance may cover some of the costs associated with long-term care, but it typically does not cover an extended stay in a nursing home.

Average Costs of Long-Term Care¹

With health care costs rising every year, long-term care expenses can be expected to grow substantially over time.

Semi-Private Room in a Nursing Home	\$74,825 annually
Private Room in a Nursing Home	\$83,585 annually
One-Bedroom Unit in an Assisted Living Facility	\$39,516 annually
Home Health Aide	\$21/hour
Homemaker Services	\$19/hour
Care in an Adult Day Health Care Center	\$67/day

¹Sources: U.S. Department of Health and Human Services; National Clearinghouse for Long-Term Care, 2011. Data represent national averages for 2010.

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