

Phyllis Shelton Responds to *Money Magazine*

The biggest failure of this article is that it continues the myth that LTC is mostly about nursing home care. Only 15% of LTC happens in a nursing home and most people will NEVER be in a nursing home. However, home care can cost as much or more, depending on how much you have. Long-term care insurance can be the only thing that keeps one out of a nursing home...and your article says that long-term care insurance only pays for certain in-home care. The truth is that there are a number of policies available that provide CASH which can be used for any reason - to pay for informal caregivers like family or friends, to pay for medical equipment, physical therapy that isn't covered by health insurance, medicines, or even to pay bills with. Services do not have to be incurred and eligible providers do not have to be used - the money belongs to the family.

Receiving cash does put the family in the position of being an employer but services are springing up to offer that service to families to help them manage the money appropriately. Cash policies also answer the objection that no one knows what services will look like in the future. Your advice is excellent to purchase inflation coverage to keep up the purchasing power of the policy. Many traditional policies also contain a benefit for informal caregivers or pay for licensed professionals outside of a home health agency, so home care benefits for 8-10 hour shifts are not difficult to obtain.

When to get long-term-care insurance

It can be a great way to protect your heirs - or a giant waste of your savings. Here's how to tell which.

By Justin Martin, Money Magazine contributing writer
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(Money Magazine) -- It's not alarmist to think that you'll need long-term care in your lifetime. Among Americans who reach their 65th birthday, 45% will have to pay for some kind of long-term-care services, according to the actuarial firm Milliman.

Yet the decision whether to buy a long-term-care insurance policy, which pays out for nursing-home and certain at-home care, is one of the toughest calls you'll ever have to make. Insurance could preserve your estate for your heirs and save incredible heartache. On the other hand, it's expensive and chances are you won't need it.

Unlike most stories you'll read in Money Magazine, this one won't give you a definitive answer. But we'll tell you what to consider as you weigh your comfort level with playing the odds.

Strictly by the numbers

There's no question that years in a nursing home can decimate your savings. The average facility now costs \$213 a day, according to a MetLife survey; based on last year's 3% yearly price increase, by 2030 you can expect to pay \$408 a day, or \$148,967 a year. For a 2½-year average stay, the tab would be about \$372,000.

The chances that you'll need that much care, however, are small. Only 9% of 65-year-olds can expect a lengthy nursing-home stay, according to Milliman (another 18% will need long-term assisted-living care).

But even a long-term stay could be a matter of months, not years. Suppose you're a healthy 58-year-old. You'd pay at least \$1,000 a year for a policy with a \$150 daily benefit that adjusts for inflation each year.