

ADVANTAGES TO PURCHASING LONG TERM CARE INSURANCE

Many adults do not see the need to purchase long term care insurance. They believe that the combination of Medicaid, Medicare, social security, and personal savings will be able to fund any treatment they may need. Sadly, this is most likely not the case. The cost of medical procedures and assisted living facilities is growing at a fantastic rate. Many people find out too late that they

underestimated their savings and benefits



Long term care is not guaranteed to cover all of the expenses of old age, but it can supplement the cost of living in a nursing home or private nurses.

- Medicare and Medicaid Coverage

Medicaid is a government social welfare program available for low-income individuals. It is mainly focused on providing health care coverage to those that can't afford it. Many elderly people living on a fixed income are eligible for Medicaid. This program, in conjunction with Medicare, does cover some long term care expenses. Medicare is an entitlement program for those 65 and older that is federally funded. Some qualify for both programs, but some only receive Medicare.

According to government guides on ways to pay for long term care, Medicaid and Medicare will most likely not cover all of these expenses. Medicare still requires co-payments and has other limits. Medicaid provisions for care will vary greatly from state to state, but almost never fully cover the cost of a helper or facility.

- Paying from Personal Savings

Very few people have the means to save as much as they would like for retirement. Even those who think they have a sound retirement strategy can be caught off guard by inflation and a rise in the cost of living.

Currently, the cost of health care is rising at twice the rate of inflation. This means that not only is the money saved before retirement increasingly worth less, but it can also buy less treatment. These trends also do not show signs of slowing.

Recently, the cost of long term care in an assisted-living facility rose to more than \$30,000. The cost of nursing home care was twice that. Add food and other expenses to these figures, and it is easy to see how personal savings may not be enough.

- Solving These Problems with Long Term Care Insurance

Planning for old age can be stressful, and it is unwise to rely on public health systems or personal savings. A long term care insurance plan guarantees that a certain amount is paid out to the insured for each day of care.

The gap left by Medicaid and Medicare coverage can be filled by a smart insurance plan. Those who rely on public and private insurance options often cut out-of-pocket expenses down to a minimum. Even those who will have a significant portion of their care covered by the government programs can offset the extra cost.

Long term care insurance providers know that inflation and medical costs can eat away at benefits. Many plans have an inflation protection benefit clause in which the insurer agrees to compound benefits yearly. This assures that each year the policy is active the benefits will continue to grow. Hopefully, this will offset the ever-shrinking value of currency.

Many of the advantages of long term care insurance directly address the insufficiencies of other income plans for the elderly. Even though long term care is optimal for any situation, it can be used in conjunction with other strategies for superior protection.