

WHERE WILL YOU LIVE? ENVISIONING YOUR OWN BEST CHOICES FOR EVENTUAL LONG TERM CARE

The fact is, every individual should plan for their potential long term care needs, as well as those of a spouse or partner, long before those needs arise. This is tough, because none of us likes to think that we will ever require support with basics of everyday living such as getting dressed, bathing, eating, moving from place to place or using the bathroom. But, with average life spans increasing, the chance that any individual will require long term care at some time is substantial. In fact, people of age 65 face at least a 40% lifetime risk of needing long term care, according to the Health Insurance Association of America's 2002 publication *A Guide to Long-Term Care Insurance*.

Much as adults in their forties, fifties and sixties dislike facing the eventuality of declining health in their final years, they are at least equally uncomfortable with the thought of saddling their spouse or offspring with unnecessary expense, physical responsibility or wrenching late-in-the-day decisions about their long term care. The adult children, in particular, will probably at that point have busy lives, growing offspring of their own, looming college expenses or other challenges. Many of these children live far away or have full-time jobs, and will not be in a position to provide intensive daily support if it is needed. What's more, the concept of an older parent moving in with the children has become less popular with many families.

However, the bright news is that there exists an increasing number of quality alternatives for long term care, and early planning can help assure that, should you ever require support in daily living, you'll be in an excellent position to maintain your dignity, independence and a good portion of your assets.

Early preparation for the faraway possibility of long term care is largely a matter of planning how to fund such care. If you decide to purchase a long term care insurance policy, which is an increasingly popular choice among people with assets to protect, you should also look ahead at the types of care you may need or prefer. Long term care insurance typically covers assisted living or nursing home care when individuals meet the criteria for collecting benefits. Many plans also offer options for coverage of care provided at home or through a community care service, but may require you to elect this coverage when you purchase the policy.

Staying At Home

According to the resource Web site *carepathways.com* (December 10, 2003) when seniors are asked about their preferences for housing and long term care during retirement years, they will often reply, "I want to stay in my own home." However, the ability to fulfill this wish may eventually depend on having significant assistance. This assistance may include frequent visits from a nurse or aide, live-in care, and perhaps even a homemaker or therapist. Perhaps your home may require modifications including ramps, wheelchair access, a senior-friendly shower or other alterations that

allow you to stay there. Someday, you may even need to take part in an adult day care program, which will provide the care and companionship from which many older people greatly benefit.

These services are expensive. The Health Insurance Association of America estimates that just three visits per week by a home health aide cost a national average of \$12,000 per year, with some areas of the country costing nearly twice that. Of course, many people need more care than simply three visits a week from an aide.

While home and community care service expenses are high, being able to pay them may allow you to continue living in your own home for longer than you would otherwise be able to. In addition, the services you pay for will save your spouse or children from shouldering the full responsibility for your day-to-day care.

For this reason, many people considering a long term care insurance plan elect a policy that covers home and community care services in addition to assisted living and nursing home care. This plan still allows you to consider (and potentially use your insurance to fund) assisted living, which often becomes an appealing alternative if staying at home proves to be too difficult. Of course, your policy should also cover all qualified expenses for nursing home care when you meet eligibility requirements for benefits. Even the senior who elects home or community care services may eventually require a short or longer-term nursing home stay.

The assisted living alternative

Choosing a long term care insurance policy that covers home and community care services may be a wise choice if you suspect that you will want to stay home as long as possible. Remember, though, that assisted living has become the long term care option of choice for an increasing number of seniors. For many, assisted living provides a good lifestyle that helps meet important needs including comfort, security, socialization, and health care. It can help avoid the isolation some seniors may experience living at home during their later years.

As you consider long term care options, you may feel that, once your ability to live independently declines, you will be best served by the community setting of assisted living. If you are confident that you will elect assisted living as opposed to staying at home when you need long term care, you may want to consider purchasing a long term care insurance policy that covers nursing and assisted living care but not home and community care services. This choice will likely save you premium dollars.

Smart choices

Perhaps the most important step in early long term care planning is thinking about the way you like to live, how flexible you are about moving to a new setting, and how your spouse and family feel about the issues of long term care. You can't predict the future, or the health circumstances you may face. But you can make informed decisions about your lifestyle in the future, and the time to make these decisions is when you are healthy, relatively young and can allocate some of your financial resources to help protect your future independence, comfort and destiny.