



## What Long-Term Care Means and How Much It Can Cost

Many people are surprised to learn what long-term care really means and, given the statistics, may want to start planning before they have these needs.

About 44 percent of people reaching age 65 are expected to enter a nursing home at least once in their lifetimes, according to *The Shopper's Guide to Long-Term Care Insurance* from the National Association of Insurance Commissioners. In addition, many individuals need long-term care in their homes, at adult day care and assisted living facilities, in hospice or as respite care: “Long-term care involves a wide variety of services for people with prolonged physical illness, disability or cognitive disorder... (Services) are aimed at helping people with chronic conditions compensate for limitations in their ability to function independently” (*The Shopper's Guide*).

Long-term care is different from traditional medical care. The goal of traditional medical care is for the person to correct or improve acute medical problems severe in nature with skilled care. In contrast, *chronic* medical conditions are long-lasting or recurring. They don't 'go away'; individuals live with them for the rest of their lives. The goal of long-term care is to assist the chronically ill with their personal care needs, including the activities of daily living (ADLs) such as bathing, eating, dressing, using the toilet, maintaining continence (bladder and bowel) and transferring (moving into and out of a bed, chair or wheelchair). This is sometimes called custodial care. People with severe cognitive impairments such as Alzheimer's disease also need long-term care, especially when they are a threat to themselves or someone else's safety.

Long-term care is provided in a variety of settings and can be expensive. The cost depends on the amount and type of care you need and where you receive it:

- Nursing home care: the national average cost of nursing home care is \$56,000 per year, or \$153 per day (U.S. Department of Labor, Bureau of Labor Statistics, 2001). This excludes medications, additional therapies and miscellaneous expenses.

- Assisted living facility care: costs average \$1,873 per month (\$22,476 per year), including rent and most other fees (*Facts and Trends: The Assisted Living Sourcebook*, National Center for Assisted Living, 2001).
- Part-time basic home care: costs range from \$12,000 to \$16,000 per year (U.S. Department of Labor, Bureau of Labor Statistics, 2001). Home care expenses vary based on the number of days per week that care is provided, the type of care required and the length of each visit. If round-the-clock care is needed, the costs will be even more expensive.

Those who pay for long-term care are individuals or their families and long-term care insurance. For those who qualify, there is some assistance from Medicaid. Medicare, Medicare supplement insurance, and employer-provided health insurance will not pay for long-term care.

**Resources:**

*The Shopper's Guide for Long Term Care Insurance.* The National Association of Insurance Commissioners, 2301 McGee St., Suite 800, Kansas City, Missouri 64108-2604; (816) 842-3600, [www.naic.org](http://www.naic.org).

*Long-term Care: Your Financial Planning Guide* (2003). Shelton, Phyllis R., Kensington Publishing Corp., New York, NY.

*The Complete Idiot's Guide ® to Long-Term Care Planning* (2003). Driscoll, Marilee, Alpha Books: Indianapolis, IN 46290.

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