

Understanding **Long-Term Care (LTC)** Risk When Mom and Dad Have no LTC Insurance

By: Michael Carbone, CFA, CFP®

What is long-term care?

Medical or non-medical care provided to those who can no longer perform basic activities on their own, including bathing, safely moving across the room on their own etc.

What are the risks of a parent needing long-term care?

Long-term care services may be very expensive and are *rarely* covered by health insurance. So, the primary risk of a parent needing care is a situation where a healthy parent is left impoverished, or a parent is unable to afford the optimal care for their situation.

Median LTC Costs in Massachusetts 2021 (Annual \$\$)

Homemaker Services	\$70,928
Homemaker Health Aide	\$70,928
Adult Day Health Care	\$19,045
Assisted Living Private, One Bedroom	\$78,000
Nursing Home Semi-Private Room	\$151,475
Nursing Home Private Room	\$162,425

Source: www.genworth.com/costofcare

On the Risk of Impoverishing a Healthy Spouse

If one parent needs care, but the other is healthy – a lengthy long-term care need may leave the healthy “community” spouse with little to no assets. This may especially be an issue if the healthy spouse is active and lives a long time.

On the Risk of a Parent Not Being Able to Afford the Optimal Care for their Situation

If a parent cannot afford the optimal care for their situation, they’ll likely have to rely on Medicaid. This may be an issue if the parent is not quite ready for a nursing home. For example, if Mom or Dad runs out of money while living in an Assisted Living Community – Medicaid generally won’t cover Assisted Living Costs. In this case, Mom or Dad may have to be placed in a nursing home.

On Preparing for Mom and Dad’s Potential Long-Term Care Need

These situations may be incredibly challenging for families. Having a plan in place may be extremely valuable should a parent need long-term care. Please join me for an educational webinar where I’ll review:

- The different types of long-term care (LTC) needs
- The different types of long-term care (LTC) services
- The typical costs of LTC services in MA
- The potential benefits and pitfalls of a "buy-in" assisted living community
- Important legal documents to discuss with your Attorney
- Common Medicare and Medicaid covered situations
- Common asset protection strategies often used by families without long-term care insurance

Please use the embedded link to register. Thanks for reading!

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