

2010 proved to be an interesting and unusual year! The recent elections may have “changed the guard”, the weather in Chicago was surprisingly warm and sunny (just days ago!), and some of the Health Care Reform legislation kicked in on September 23<sup>rd</sup> with more changes on the way. Looking ahead, 2011 should continue to be ‘an interesting and unusual year’!

As your insurance professional, I feel it is important to bring to your attention one item I think many of us take for granted -- long term care insurance. When those words are spoken, many assume “nursing home” – but the reality is that approximately 80% of the claims being paid currently by a leader in this industry (Genworth) are for at-home care!

The Medicare.gov website defines long term care as:

“...a variety of services that includes medical and non-medical care to people who have a chronic illness or disability. Long-term care helps meet health or personal needs. Most long-term care is to assist people with support services such as activities of daily living like dressing, bathing, and using the bathroom. Long-term care can be provided at home, in the community, in assisted living or in nursing homes. It is important to remember that you may need long-term care at any age.”

There is a misconception that long term care charges are covered through government plans, but Medicare does NOT cover “custodial” or “unskilled” care expenses and State Medicaid programs usually require that all assets be depleted (and provide limited reimbursement for custodial care). Part of the health care reform legislation actually creates a voluntary, federally administered, consumer-financed plan called “Community Living Assistance Services and Support” (C.L.A.S.S.) that goes into effect in late 2012 to provide “long term care” benefits.

However, this CLASS program, which will be available to people over 18 who are working, provides a benefit ONLY after a person has contributed to the program for 5 years and offers a nominal benefit at a still unknown cost (that may or may not be a good value).

Obtaining a personal long term care policy provides you and your loved ones the choice of where you receive care, how you receive care and for how long – without worrying whether you will have to “spend down your assets” to qualify for a government based program or using your savings or retirement funds to offset the costs associated with a condition not requiring continued skilled care.

Although this can be an uneasy topic to talk about, it is very important to consider this type of coverage in anyone’s overall “financial plan”. The best laid plans for life and health care needs, college funding, and/or retirement income can be destroyed if a long term care need arises and has not been properly funded.

If you would like to know more about how adding long term care coverage to your “life planning” will provide one more layer of peace of mind to both you and your family, please give me a call.