

I Won't Ever Need Long Term Care—Or Will I?

Every day clients come to my office and say, “I never thought I would ever have to think about how to pay for long term care services.” None of us dream about the day we will need assistance at home, move to an assisted living community or reside in a nursing home. However, the statistics tell us that approximately 43% of Americans over the age of 65 will spend some time in a nursing home. Women face a 50% greater chance of entering a nursing home than men after the age of 65. Statistics from 2004 show that 14% of those 85 and older live full time in a nursing home.

Given the likelihood that we will spend at least some time in a long term care setting, it is important to understand the sources used to pay for the needed services. In general, long term care services are paid from our pockets (private pay), long term care insurance, ALTCS (Arizona's form of Medicaid), and Medicare. The average cost of care in a nursing home in Maricopa County is approximately \$5500 per month, while assisted living costs average \$3800 per month.

Few individuals have the resources, after retirement, to fund their own costs and an additional \$5500 per month bill to pay for the care of a loved one. Nearly one half of all nursing home residents will qualify for ALTCS benefits within the first year of care because they have depleted their savings.

Medicare is not a long term care insurance program. Medicare covers some of the costs of long term care if certain conditions are met (ex. the individual was hospitalized for at least 3 days prior to entering the skilled nursing home). Medicare covers a maximum of 100 days for skilled nursing home care. This does not mean that you are guaranteed to get 100 days of coverage since “custodial care” is not a covered service. Additionally, after the 20th day of care, a daily co-payment of approximately \$128 will be assessed by Medicare.

Approximately 11% of the costs of long term care services are covered by private long term care insurance. It is important to review your policy with an experienced long term care insurance agent. Some policies cover only nursing home care and not home care or assisted living services. You also need to know how much of your care will be covered by the insurance policy. If you wait too long to purchase a policy, and your health has deteriorated, your application to purchase a policy might be denied.

Nationally, Medicaid covers about half of the costs of all long term care services. Medicaid benefits and eligibility requirements vary widely between the states. In Arizona, our form of Medicaid is called ALTCS (Arizona Long Term Care System).

Veterans and the surviving spouses of veterans who served active duty during a period of war may also be eligible for some additional income to cover the costs of long term care.

An elder law attorney can help you understand the options that might be available to you and your family.

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The Law Office of Emily B. Kile, P.C. provides services related to: Wills, Trusts, Powers of Attorney, Estate/Trust Settlement, Medicaid (ALTCS) and VA benefits information and planning, conservatorships and guardianships.

Please call us at: 480-348-1590 with questions.