

# The Rising Cost of Care:

Owning LTCi Is more important than ever

The cost of long-term care services has the potential to be one of the largest expenses your clients will have in retirement.



Let's face facts. The U.S. Department of Health and Human Services estimates nearly 70 percent of people over age 65 will need long-term care services at some point in their lives. That's a lot of people poised to face staggering expenses.

Take a look at today's national average costs. Historically, the cost of long-term care services goes up about 5 percent per year on average. So, consider what these costs will be 10, 15 or 20 years down the road when your clients are likely to need care.

<b>Home Health Care</b>
\$58,916.00 per year   <i>Based on care provided 44 hours per week</i>
<b>Assisted Living</b>
\$52,591.08 per year   <i>For a one bedroom unit</i>
<b>Nursing Home</b>
\$86,765.15 per year   <i>For a semiprivate room</i>

Source: Mutual of Omaha's Cost-of-Care Study conducted by LTCG; released 2016

How do people pay for long-term care services? Some think they'll be able to self-fund their long-term care expenses. But people who have the resources to pay out of pocket often find the money isn't accessible when they need it. And no one wants to liquidate assets they'd planned to use for other things.

Other people mistakenly believe the government will provide for all their long-term care needs. Not true. Medicare pays only for a limited amount of care...just enough to help people recover from an illness or injury. After that, they're on their own. And Medicaid is for people with limited resources. Others would have to spend down assets before they could qualify.

Purchasing a long-term care insurance policy is a good funding option for many people. Long-term care insurance provides the funds to help them pay for qualified services. It also offers these advantages:

- People actually get the care they need. Long-term care policyholders are more likely to use services because they know they'll have help paying the bills.
- It keeps them out of a nursing home. Most people who need long-term care services don't need the "skilled care" nursing homes provide. Instead, they need "custodial care" – help with the activities of daily living (ADLs). Medicaid doesn't cover custodial care, but long-term care insurance does.
- Family relationships are preserved. Being a full-time caregiver can put a lot of stress on family relationships, particularly on adult children who have their own family and career obligations. A long-term care policy allows people to supplement the care they receive from family members with hired services.
- Retirement assets are protected. Long-term care insurance provides the funds to help people pay for the care they need. And that gives them more freedom to enjoy their retirement years as planned.

With the cost of long-term care services on the rise, purchasing a long-term care insurance policy is more important than ever.

**Learn More**  
Get complete information about our long-term care insurance policies on Sales Professional Access at [mutualofomaha.com/broker](http://mutualofomaha.com/broker).