

10

**Most Dangerous
Myths About
Long-Term Care**

By William Spear

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Disclaimer

The report is informational. It is NOT an offer to sell Long-Term Care Insurance, Life Insurance, Annuities or any investment products! This report should not be construed as pertinent to your situation or as tax advice. You are strongly encouraged to speak with a Long-Term Care Specialist for advice that is specific to your needs. Also, consult with your tax and legal advisors before taking any actions that may have legal or tax consequences. The Author is a licensed Life and Health Insurance Agent in multiple states.

Copyright Notice

© 2013 by Jercon, LLC. All rights reserved.

No part of this document or the related files may be reproduced or transmitted in any form, by any means (electronic, photocopying, recording, or otherwise) without the prior written permission of the publisher.

Copyright holder is licensing this under the Creative Commons License, Attribution 3.0. [Creativecommons.org/licenses/by/3.0/us/](http://creativecommons.org/licenses/by/3.0/us/)

All photos used in this work were categorized as "free to use or share" as of the date of this reports publication.

Please feel free to post this on your blog or email it to whomever you believe would benefit from reading it.

Thank you!

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Praise for William's Latest E-Book:

*"This is a must read informational article. William Spear has laid out the pitfalls of not addressing the Long-Term Care issues in today's environment." - Donald Pert
- Long-Term Care Insurance Agent*

"This reference and guide helped me take steps to provide me and my family the care and security we will need in the near future. It's easy reading and filled with many helpful tips and references." - Dr. Robert Wall

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Table of Contents

Introduction

Myth 1. "Long-Term Care is About Insurance."

Myth 2. "I Don't Need to Worry About Long-Term Care...It Won't Happen to Me."

Myth 3. "The Governments Got My Back, They'll Pay for My Long-Term Care."

Myth 4. "Worst Case, I Can Go On Medicaid."

Myth 5. "My Family Will Take Care of Me."

Myth 6. "I Have Enough Money...I'll Pay For it Myself."

Myth 7. "I'm Already Covered...My Other Insurance Will Cover Long-Term Care."

Myth 8. "It's Too Early/Late to Plan."

Myth 9. "Long-Term Care Means a Nursing Home, And I Don't Want To Go Into A Nursing Home!"

Myth 10. "Long-Term Care Insurance is Too Expensive."

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Introduction

In markets and industries that are complex and confusing, myths often appear that allow people to simplify what they don't understand and enable them to process what they hear.

One of the largest risks facing American Adults is the specter of Long-Term Care.

Over the last few generations, scientific advances have increased life spans, and defeated diseases that have killed those in previous generations. We are living longer, but living a long life does not necessarily mean living a healthy life.

*"Life is inherently risky. There is only one big risk you should avoid at all costs, and that is the risk of doing nothing."
Denis Waitley*

As people live longer, the odds that they will need Long-Term Care in their lifetime has increased substantially.

Many people have never heard of Long-Term Care, have formed baseless opinions or have made faulty assumptions about this ticking "Time-Bomb."

I have witnessed the impacts of Long-Term Care within my own

*"Long-Term Care Expenses are one of the greater economic risks that older American's face."
Richard Johnson - Director of The Program on Retirement Policy @ the Urban Institute*

family. I know both the positives of planning and the negative impacts of failing to plan. While the negative financial impacts are bad enough, the emotional and relational impacts on a family can be truly devastating.

Given the potentially devastating impacts that a Long-Term Care event can have on a family, makes the following 10 myths exceptionally dangerous.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Myth 1: "Long-Term Care is About Insurance."

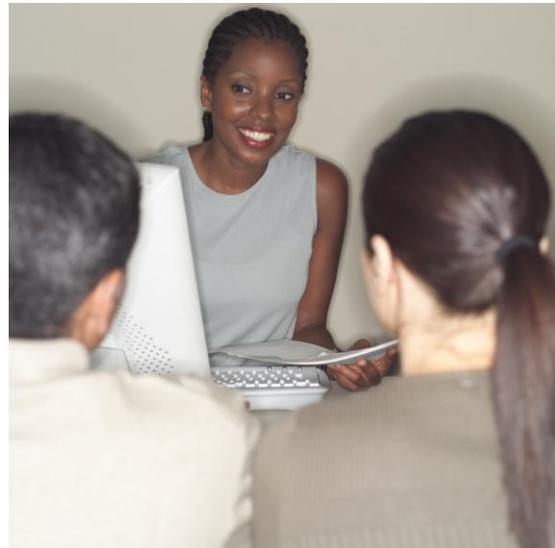
While many financial professionals consider Long-Term Care Insurance to be the most cost effective way to fund a potential future event, Long-Term Care planning is not just about insurance. Insurance may be one strategy for funding an event, but Long-Term Care is about planning and encompasses a number of decisions.

Long-Term Care insurance is not for everyone.

"If your only source of income is a Social Security Benefit or Supplemental Security Income, you probably should not buy Long-Term Care insurance, as you may not be able to afford the premium."

Long-Term Care is the care people receive when they can't care for themselves. Generally, it involves chronic illnesses such as strokes, memory loss, frailty, or recovery from accidents, injuries or falls.

Long-Term Care planning is about recognizing the facts and probabilities about Long-Term Care events and reviewing your options within the frame-work of your specific financial situation and options.



Determining a plan in advance, even if it doesn't include insurance, will allow you and your family to make the best decisions without the confusion and urgency that often accompanies unexpected Long-Term Care events.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



A lot of people have strong negative opinions about insurance in general and myth # 1 may cause some people to just pigeon hole "the whole Long-Term Care thing" as a pitch to sell more insurance.

Failure to plan can devastate your financial portfolio and retirement. The money you have worked your entire life to save could be eaten up by just one Long-Term Care event.

Meet with a Long-Term Care Specialist, and ask them about your risks and exposure to an unexpected event. Then work with them to develop a plan that will lessen or eliminate your risk. Do it today!

Final Word: Long-Term Care is about planning. It is this proactive step that enables you and your family to identify the risks that you face, outline your options and determine in advance how to best mitigate those risks. For more information about Long-Term Care, and your funding options visit <http://www.jercon.com>.

Myth 2: "I Don't Need to Worry About Long-Term Care...It Won't Happen to Me!"

Toddlers cover their eyes and believe that since they can't see you, you can't see them. Unfortunately, many American adults take the same approach with Long-Term Care planning.

Studies over the years have observed that people perceive their risks to be lower than what they really are. It seems we all want to believe that bad things will never happen to us. These studies conclude that people are good at self-delusion.

"At least 70% of people over 65 will need LONG-TERM CARE services at some point in their life." US Department of Health & Human Services.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



When I was younger, it was not uncommon for people to die in their 50's and 60's. In fact, both of my grandfathers were under 62 when they died. Today, the average life expectancy is over 78. That means that half will live even longer.ⁱⁱ

Just because you are healthy today, doesn't mean that you will be when you are 70, 80, or 90. And, good health doesn't account for the risks associated with accidents. "One in three adults age 65 and older fall each year."ⁱⁱⁱ "Of those who fall, 20 to 30% suffer moderate to severe injuries that make it hard for them to get around or live independently and increases their risk of early death."^{iv}

I hope everyone who reads this report is healthy and looking forward to decades of vitality, but if it doesn't work out that way, don't let this myth cause you to be unprepared and desperate due to lack of planning. As the old saying goes, expect the best, but plan for the worst. If you want to roll the dice, go to Vegas, but don't do it with your financial future.

Special Section for Women:

Ladies, you won't be surprised to learn that "Myth#2" is most frequently uttered by men. Guys are especially good at self-delusion, which you've known for years.

Even if the man in your life "doesn't need Long-Term Care", you probably will. If you have been to a nursing home or assisted living facility recently, you probably noticed that there weren't many men around. In fact, seven of ten nursing home residents are women. They also represent a whopping 76 percent of assisted living residents, and two-thirds of all home-care recipients."^v



Statistically, women live 8-10 years longer than men and unfortunately, "Of the elderly living in poverty, 75% are women and

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



80% of those women were not poor when their husbands were alive."
Kim Kiyosaki

Many of those in or near retirement say their two biggest concerns are that they will be forced to liquidate their assets to pay for Long-Term Care and they will lose their independence and burden their family as a result of their care needs.

If your husband believes that he will be the exception to the staggering statistics, keep in mind that his failure to plan doesn't just affect him, but it will affect you and the rest of the family as well.

Final Word: The odds of having a Long-Term Care event during your life time are stacked against you. And as our population lives longer, these odds will most certainly get even worse. The impacts of ignoring this risk can devastate even the best retirement plans and the impacts often impact women the most. Don't bury your head in the sand. Start planning today.

For more information about Long-Term Care, and your funding options visit <http://www.Jercon.com>.

Myth 3: "The Governments Got My Back - They'll Pay For My Long-Term Care."

While the government provides some minor short-term coverages, they are not appropriate or comprehensive enough to meet people's Long-Term Care needs. The available programs only cover a few care options, and eligibility is restrictive and qualifications will only get tougher as government subsidies dwindle.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



In spite of the moves the Federal Government has made in recent years to nationalize the healthcare system, other actions they have taken seem to indicate that they want nothing to do with the funding of Long-Term Care.

Medicaid:

Medicaid has been the de-facto safety net for many years. The Health Insurance Association of America defines Medicaid as a "government insurance program for persons of all ages whose income and resources are insufficient to pay for health care."^{vi} While it was designed for the indigent and destitute, people found a way around the restrictions. Medicaid has strict poverty requirements and people who would not otherwise be eligible could wait until their health started to deteriorate and then transfer their assets to their children. As long as they did it three years prior to needing care, any facility with an open bed was required to take them.



In 2006 there were major changes that have effected this practice. The look-back period was increased from three to five years making it much more difficult for a person to anticipate when they will need care. But a more significant change was that facilities are no longer required to accept Medicaid patients.

The Elimination of mandatory acceptance, increased regulations and audits of facilities, along with less favorable payment practices by the government have significantly discouraged facilities from accepting Medicaid seniors. In fact, in many communities, few facilities will accept Medicaid patients. This trend has effectively removed a viable safety net for many lower income seniors and will have devastating impacts on the quality and availability of care in the future.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Additionally, "Baby-Boomers" represent a demographic tidal wave that may have severe economic consequences for state and federal governments. The Medicaid system which is jointly funded by the state and federal governments is nearly maxed out. It's estimated that of the 78 million "Baby-Boomers" more than half will need to rely on Medicaid due to a failure to save and properly plan for Long-Term Care. The writing is on the wall, our debt laden governments cannot absorb an exponential increase in Medicaid expenditures.

So what's going to happen? Rationing care, reductions in the quality of care, limitation on the services that are available...Regardless of the answer, it won't be pretty, and Medicaid is not likely to be a viable or preferable option in the future if you have ANY other.

Medicare:

All of us are eligible for Medicare when we reach 65, and Medicare advertises that it covers 100-days of "Long-Term" Care. To qualify, the patient must spend a minimum of three-days in a hospital. Then Medicare will pay for the first twenty-days, in a facility, at full cost. Medicare will NOT pay for any home or community care... your care will only be covered in a facility.

After twenty-days Medicare may pay for up to an additional eighty-days of care in a facility, but only after you pay the first \$140/day. Do that math: 80-days x \$140/day = \$11,200.00. Quite a bit of money for someone on a fixed income! It's no wonder a lot of people go home after twenty-days under Medicare's "Long-Term" Care.

"Contrary to what most Americans believe and expect, Medicare does not provide meaningful coverage for LONG-TERM CARE." Senator JD Rockefeller IV

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



So, when the government indicates that Medicare covers 100-days, technically I guess they are being truthful, but it's not 100-days at full coverage as most assume.

The following link provides an overview of what Medicare will pay and what they won't.

<http://www.medicare.gov/longtermcare/static/payingoverview.asp>

VA - Aid and Attendance:

The Veterans Administration offers "Aid & Attendance and Housebound Improved Pension Benefits" which covers the cost of caregivers in the home (including sons & daughters who are paid, but not spouses), and can be used for assisted living or nursing home care."^{vii}



"Generally, a Veteran must have at least 90-days of active duty service, with at least one day during a wartime period to qualify for a VA Pension. If you entered active duty after September 7, 1980, generally you must have served at least 24-months or the full period for which you were called or ordered to active duty (with some exceptions), with at least one day during a wartime period."^{viii}

Eligible Wartime Periods^{ix}

Under current law, the VA recognizes the following wartime periods to determine eligibility for VA Pension benefits:

- *World War I (April 6, 1917 – November 11, 1918)*
- *World War II (December 7, 1941 – December 31, 1946)*
- *Korean conflict (June 27, 1950 – January 31, 1955)*

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



- *Vietnam era (February 28, 1961 – May 7, 1975 for Veterans who served in the Republic of Vietnam during that period; otherwise August 5, 1964 – May 7, 1975)*
- *Gulf War (August 2, 1990 – through a future date to be set by law or Presidential Proclamation)*

If you meet one of the minimum eligibility requirements above please contact an Elder Care Attorney in your area. Do not rely solely on the VA to determine your eligibility. An Elder Care Attorney recently reported to me that misclassifications of eligibly by the VA are commonplace. Consult an attorney to make sure you receive the benefits for which you and your spouse are eligible.

"ObamaCare":

In the early stages of "ObamaCare", there were discussions about a portion of the program called "The Class Act" (Community Living Assistance Services & Support) which was intended to be Government funded Long-Term Care. But don't spend anytime memorizing the name because just as quickly as it was introduced, it was abandoned for being "financially untenable". ObamaCare won't be coming to your rescue.

Final Word: The bottom line is that there are no comprehensive Long-Term Care funding options coming from the government. So if this was your plan...think again. Contact a Long-Term Care specialist to find out how to start your plan today. Click here <http://www.Jercon.com> or call (888)944-2288 to discuss your options.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Myth 4: "Worse Case, I can go on Medicaid."

When you fail to make a decision, the decision is often made for you!

Whether they have chosen this path or not, a large portion of the baby boomers will find that their only Long-Term Care option is Medicaid.

Given the negative national savings rate, how many of the 78 Million "Baby-Boomers" will have an extra \$70,000/year to pay for their own Long-Term Care? Since facilities are no longer required to accept Medicaid patients, and government regulations increasingly discourage them from providing these services, fewer facilities are accepting Medicaid patients.



So, what are people going to do while they sit on a waiting list for a dwindling pool of beds?

What impact will these issues have on the quality and degrees of care provided in the Medicaid facilities? You can come to your own conclusion.

Final Word: Start your research today and create your plan so that you don't have to depend on the government for your care. Contact a Long-Term Care specialist to find out how to start your plan today. Click here <http://www.Jercon.com> or call (888)944-2288 to discuss your options.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Myth 5: "My Family Will Take Care of Me."

Family care-giving falls into two general categories: voluntary and necessity.

Voluntary: Early on during an illness or recovery from an accident families will often step up to provide many levels of care for an ailing family member, and as long as the term of this care is limited, the experience can be emotionally rewarding for all parties involved.

Necessity: unfortunately, the flip side is a more common scenario. When a person has failed to plan, or has a lack of resources but is not destitute, the care receiver is left with no other option but to burden family and friends with physically and emotionally draining care... indefinitely. Most families I know would happily take care of Mom or Dad but the cost, time commitment, career impacts and the physical and mental toll adds up quickly.



"The caregivers who were surveyed find themselves in a downward spiral of health that worsens as a result of giving care, and now their overall health status is fair to poor. Fifteen percent of them say their health has gotten *a lot* worse because of providing care, and four in ten say it has gotten *moderately* worse (44%). The remaining 41% say their health is a *little* worse as a result of their care-giving."^x

Not only are caregivers at risk for exhaustion, worry, and increased stress, their career and earning abilities can be affected as well. With the negative trends that have dogged the U.S. economy in recent

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



years, taking valuable income generation time away from a family member can financially hobble them for years to come.

Necessitated family care can also have a direct impact on your family's finances as they are frequently forced to pay for your care when they can't provide it themselves. A recent study by the SCAN Foundation titled "The State of Long-Term Care Financing" indicated that families bear the lion share of uncovered Long-Term Care expenses, providing \$450 Billion in unpaid care annually and \$63 Billion out of pocket for non-family caregivers.

The negative health and financial impacts of necessitated care-giving should not overshadow the potential relational impacts on the family. "Never-ending" care, and disproportionate care-giving responsibilities can even destroy the relational dynamics of strong families.

Here's an example -

Jack had always been thankful for the strong relationship between his daughter and two sons. After his wife died, Jack suffered a series of debilitating strokes. His failure to plan for Long-Term Care forced his children to figure out how his care would be administered. They decided that since his daughter was a homemaker, she would provide Jack's care. After three long years, the simmering hostility over the unbalanced responsibilities erupted. Jack has since died, but the relationship between his kids has never been the same.

Before burdening your family with your future care ask yourself a few questions:

- Which of your adult children or their spouses will you ask to quit their job, or put their life on hold to take care of you?
- Who will take care of you when they need to go home, take a break, or get some sleep?
- How much can you afford to pay them?

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



- Are they healthy enough to take care of you? For how long?
- Would you want your Son/Daughter/Daughter-in-Law, changing your diaper or giving you a bath?

No matter how willing and helpful your kids, care-giving can quickly cross the line of what is desirable for both parties.

Here's another example -

John and Ann were running out of money for their Mom's care. They were going to need to let the daily caregiver go and split time taking care of their Mom. On the caregivers last day, she ran through the procedures for their Mom's care with them and pointed out the rubber gloves. When John asked what the gloves were for, the caregiver told him that they would need to wear the gloves when they pushed their Mothers hemorrhoids back into her after a bowel movement.

Long-Term Care planning will give you the opportunity to determine your choices in advance and potentially reduce the chance that you will become a burden to your family out of necessity.

Final Word: The benefits of Long-Term Care planning are options, flexibility and choices. A viable plan can enhance all three. Contact a Long-Term Care specialist to find out how to start your plan today. Click here <http://www.Jercon.com> or call (888)944-2288 to discuss your options.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Myth 6: "I Have Enough Money, I'll Pay For It Myself."

The reason many people end up falling back on their children for their care is that Long-Term Care is EXPENSIVE. Most are just not aware of the costs of these services.

The three most common types of Long-Term Care and their average annual costs (2013):^{xi}

- Home Care - \$44,600.00
- Assisted Living Facilities - \$54,000.00
- Nursing Homes (Semi-Private Room) - \$69,300.00

It is important to note that these costs vary dramatically across the U.S. and they are just the starting point. Historically, inflation in the LONG-TERM CARE sector of the economy has been around 5%. Therefore, if you're 55 today, and the average annual cost of care is \$57,000.00 then your cost for the same care at 84 is likely to be as high as \$220,000.00/year!



The U.S. Department of Health and Human services estimates that 40% of those who will need LONG-TERM CARE will require care in a nursing home,^{xii} and the average LONG-TERM CARE event last 1040 days or (2.8) years^{xiii}. Using these numbers an average claims event could end-up costing between \$124,000 and \$194,000, or as much as \$496,000 in just 24 years. And that's just for you! What if your spouse needs care too?

How would your lifestyle change if you were forced to spend \$100,000, \$200,000 or \$300,000 from your nest egg to pay for Long-Term Care? How much money would be left for your spouse?

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Given the costs above, the ability to self-pay for yours and your spouse's Long-Term Care needs come down to how many hundreds of thousands of dollars extra you have laying around.

In the last decade, economic woes, stock-market gyrations, layoffs, and real estate devaluations have forced many to re-evaluate their retirement plan and portfolio. Running out of money in retirement was once a common worry, but in the last few years it has become a horrific reality.

Many Americans are asset rich and cash poor. Long-Term Care events don't usually schedule their arrival 6/months in advance...giving you plenty of time to sell your stock at the highest price, or the time needed to wait for the best offer on your rental properties. Timing and urgency can often conspire to discount the asset you are liquidating so that their value is greatly reduced.

Additionally, selling assets often has tax consequences that further reduces the return from a liquidation.

Potential Sources of Money to Self-Pay for Long-Term Care include:

- Personal Savings
- CD's
- Money Market Accounts
- Brokerage Accounts
- IRA's
- 401K
- Real Estate
- Cash Value in Life Insurance Policies
- Annuities
- Reverse Mortgages

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Even though there may be enough money from the sources above to cover a lot of Long-Term Care needs, these are the same funds that you will be using to live over the next few decades.

After her dad's death in his late 60's Janet's mom thought she had enough money to last the rest of her life. Twenty-five-years later, an unplanned Long-Term Care event depleted the meager resources that remained and she was forced onto Medicaid and into a less than desirable facility that was a two-hour drive away from her family.

Even a million dollars may not be enough. Over the last seven years of her life, Eric's grandmother spent over \$1 million for the round the clock care that she needed...and that was on top of the hundred thousand dollars in capital gains taxes she paid.

A well planned and funded retirement portfolio is worthless without a thorough Long-Term Care plan!

*"Millions of Consumer have only one plan for covering long-term health care costs. It's to spend themselves into poverty until Medicaid picks up the tab."
Bloomberg.com - Ben Steverman
- Apr 9, 2013 'Stalking the silent financial killer in our midst.'*

Final Word: The cost of Long-Term Care makes is just too high for many to consider paying for it themselves. Do not wait till you no other options for how to pay for care in the case of an event. Contact a Long-Term Care specialist to find out how to start your plan today. Click here <http://www.Jercon.com> or call (888)944-2288 to discuss your options.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Myth 7: "I'm Already Covered (My Other Insurance will Cover it)."

Some people believe that Medicare will cover their Long-Term Care needs. A myth that's already been dispelled.

Some people think that disability insurance will cover it. But, the reality is the most short-term disability policies only cover you for a limited time and at a huge discount to your regular pay. But the main disadvantage of these policies is that the coverage usually goes away when you leave your job...like when you retire.

Others think that a group Long-Term Care policy will be sufficient, but many group policies are designed to be "stop gaps" and rarely cover the amounts necessary to adequately protect you. Just like short-term disability policies, group Long-Term Care policies often go away when you retire which is when you would be likely to need it most.

Final Word: Long-Term Care insurance was designed to fill the gaps in traditional insurance coverages. Discuss your current coverages with a Long-Term Care insurance specialist so they can customize a plan that economically fills the gaps in your current coverages. Click here <http://www.Jercon.com> or call (888)944-2288 to discuss your options.

Myth 8: "It's Too Early/Late to Plan."

Too Late:

It is never too late to plan! Age may limit your choices but planning gives you, your family and caregivers a chance to discuss your options and to understand and clarify your wishes.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Since Long-Term Care events are often emergency situations, they don't allow a lot of time to research your options. By crafting a plan in advance, you can know your options and be able to make decisions that are not hampered by the stresses of urgency and crisis.

Too Early:

Long-Term Care and its related issues are not something most people want to think about, let alone plan for in great detail. I get it. I personally believe this is one of the factors that leads people to say "I'm only (fill in an age), it's too early to plan for Long-Term Care." However, the younger you are when you start planning, the more options that are available and the lower your costs will be over the remainder of your life. Every year over 40 that you wait to start planning for Long-Term Care can end up costing your tens of thousands of dollars over the remainder of your life.

In my opinion, this is one of the most costly myths about Long-Term Care.

Since many conclude that the most cost-effective way to fund Long-Term Care is through Long-Term Care insurance, waiting can completely eliminate this option for some due to cost alone. Age plays a big part in the cost of Long-Term Care insurance, especially over 60. By delaying purchasing Long-Term Care insurance, you only insure that you will end up paying more over the life of the policy.

Additionally, as cost in the Long-Term Care industry rise, insurance companies have made changes in their pricing and are starting to reduce coverage option for future policies to control their exposure. Many of the comprehensive coverages that were common 10-years ago are no longer available in policies written today, and coverage provisions and riders that are available today are likely to be a distant memories 10-years down the road.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



A few of the changes that are currently being implemented in the Long-Term Care insurance industry:

- Gender based pricing - Long-Term Care insurance Companies have concluded that they can no longer charge men and women the same price. Women make up a large portion of those receiving care, and so companies are starting to charge women as much as 25% or more for the same coverage as men. If you are a woman and are considering purchasing Long-Term Care insurance, now is the time! Waiting will only cost you more and may make this options too expensive in the future.
- Inflation protection riders enable the Long-Term Care policies to keep pace with inflation in the cost of care. Some companies are starting to scale back the inflation options or price them so high that they are no longer appealing.
- Age limits for purchasing Long-Term Care insurance are being reduced.
- Underwriting for all ages is getting tougher.

You cannot buy Long-Term Care insurance; you can only apply for it, and you won't get it after you need it. Try increasing your auto insurance coverages from the scene of an accident. The reality is that procrastination not only increases your cost, but also increases the likelihood that your health will make you uninsurable. The American Association for Long-Term Care Insurance's 2010 Sourcebook reports that 45% of the applicants over 69 years of age, are rejected for unacceptable health conditions.

Also, don't make the mistake of believing that Long-Term Care is only about elderly related illnesses and disabilities. "40% of people receiving Long-Term Care are working age adults between the ages of 18 and 64."^{xiv}

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



Final Word: Believing this myth is an unnecessary gamble for you and your family. Contact a Long-Term Care specialist to find out how to start your plan today. Click here <http://www.Jercon.com> or call (888)944-2288 to discuss your options.

Myth 9: "Long-Term Care Means a Nursing Home and I Don't Want to go into a Nursing Home!"

Twenty-years ago, there were few care options in the marketplace, and in many parts of the country Long-Term Care usually meant a nursing home. Today, there are a variety of care options that are both facility and home and community oriented.

Today's Long-Term Care insurance policies are designed to pay for comprehensive care in a variety of settings. "Home Healthcare" has become a big industry across the U.S. and many people plan for and prefer to receive their care services at home for as long as possible. In fact, 73% of Long-Term Care insurance claims are paid for home care.^{xv}

Home care service providers typically provide a wide choice of care options ranging from licensed nursing to homemaker services. Home care is preferred by many because it allows them the comfort of familiar surroundings, enables them to maintain their independence for as long as possible, and the costs for home care is a fraction of facility care.

Even though most Long-Term Care is provided in the home or community, in recent years facility choices have increased as well. Assisted living facilities are becoming more popular. 31% of new Long-Term Care insurance claims are for care in assisted living facilities.^{xvi} Since they allow the person to live independently in a

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



controlled environment, they are frequently less expensive than traditional nursing homes and many feel they are more pleasant environments with great choices and amenities available for the residents.

Final Word: Even if the only source for your care is a nursing home, Long-Term Care insurance will provide you with more choices and options as to the type, location and level of care you can afford to receive.

Myth 10: "Long-Term Care Insurance is Too Expensive."

If you believe that you have a two out of three chance of requiring Long-Term Care in your lifetime, you really only have three options on how to pay for it:

1. "Buy" yourself down to the poverty line and hope Medicaid will still be there to cover you.
2. Pay out of your own pocket - dollar for dollar.
3. Transfer the risk to a third party.

1. See "Myth 4" for the realities of Medicaid.

2. Doing it yourself means you will either have to liquidate your assets and pay 100% of the costs till you run out of money, or burden your children with caring for you. Even if you have millions of dollars sitting around, why would you choose to pay dollar for dollar when Long-Term Care insurance gives you the ability to pay for dollars of care with pennies of your own money? While un-confirmed, it is widely reported that both Warren Buffet and Oprah Winfrey have Long-Term Care insurance policies. If anyone in America can afford to "Self-Insure" these two can, yet they haven't...maybe making decisions like these are further evidence of their financial acumen.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



3. Transferring risk is the foundation of insurance. Whether you are insuring your home, car, life, health, or Long-Term Care, insurance allows you to pool your money with others who have the same risk and pay a fraction of the actual cost in case you need the coverage.

The most common response that I hear from people when they hear the words Long-Term Care insurance is that "it's too expensive." Upon further

digging, you'd find that they have never gotten a price for themselves, they are only repeating what their brother-in-law said at Thanksgiving dinner or what their hair-dresser told them.

The reality is that Long-Term Care insurance is not for everyone. If you are living on a fixed pension or social security benefits, and struggling to get by, Long-Term Care insurance is not for you.

While I don't see the financial logic, some would suggest that if you're a multi-millionaire, you don't need Long-Term Care insurance because you can pay for it yourself.

That leaves a lot of people in the middle whose only cost effective option is Long-Term Care insurance. Is it expensive? That's subjective and people make value judgments every day. When someone tells me that Long-Term Care insurance is too expensive...then drive away in a BMW, what I believe they are telling me is that they are not convinced that they will need it or they are too embarrassed to tell you that they are overextended and can't afford it.

"The single greatest misconception held by consumers is the actual cost of coverage. Most People perceive the cost is actually quite a bit higher than the real amounts paid by large percentages of those purchasing coverage." Jesse Slome - Exec Director - American Association of Long-Term Care Insurance.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



The only way you will know if Long-Term Care insurance is an option for you is to contact a Long-Term Care specialist and discuss your options. Click here to learn how - <http://www.jercon.com>

If you find that you can't afford to completely cover your Long-Term Care risk, consider covering a portion of the risk. Even a little coverage will provide you with many more options and choices in the event you need care.

"Better to buy a policy that will cover 25-50% of the future costs than no policy at all." Suze Orman - "What you need to know about Long-Term Care insurance" Feb 2010 The Oprah Magazine

If Long-Term Care insurance is totally out of your price range, ask your Long-Term Care specialist to give you other options on how to mitigate your risk. Act today, get the information you need to determine once and for all how you and your family will address your Long-Term Care risk.

Final Word: In the case of an event you will pay one way or the other. You can either plan ahead and pay pennies on the dollar for Long-Term Care, or pay the full cost until you run out of money. The choice is yours.

Contact a Long-Term Care specialist today to find out how to start your plan. Click here <http://www.Jercon.com> or call (888)944-2288 to discuss your options.

At the end of the day, Long-Term Care insurance is not about coverages, riders, or pools of available funds...it's about choices, peace of mind, your vision of aging with dignity, and protection for you and your family against the devastation that a custodial care event can bring.

A recent Study by Sun Life Financial indicated that "among workers ages 40 and 50, nearly half fear the financial consequences of a critical

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



illness—compared with just 29 percent who rate dying as their biggest concern."^{xvii}

So what should you do now?

Challenge the myths that you hear about Long-Term Care. Do the research and consult a Long-Term Care specialist to determine how best to protect you and your family from this risk.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



About William and The Jercon Group:

With 20-years of commercial and consumer risk management experience, William Spear's career has been defined by his straightforward approach to helping his clients to mitigate the unexpected.

In 2012, his practice became solely focused on the Boomer and Senior markets and the unique risks they face. William helps people assess their Long-Term Care and Medicare requirements and build plans to help protect their financial futures.



William is a dedicated Long-Term Care & Medicare specialist and the founder and Managing Partner of **The Jercon Group**. William is a licensed insurance agent in multiple states and passionate advocate and proponent of Long-Term Care planning, and Boomer/Senior issues.

To contact William and his team call **(888)944-2288** or email them at info@Jercon.com

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288



-
- ⁱ "A Shoppers Guide to Long-Term Care Insurance" (2010 - National Association of Insurance Commissioners).
- ⁱⁱ www.cdc.gov/nchs/fastats/deaths.htm
- ⁱⁱⁱ Hausdorff JM, Rios DA, Edelber HK. "Gait Variability and Fall Risk in Community-Living Older Adults: a 1-year Prospective Study" - Archives of Physical Medicine and Rehabilitation 2001;82(8):1050-6.)
- ^{iv} Alexander BH, Rivara FP, Wolf ME. "The Cost and Frequency of Hospitalization for Fall-Related Injuries in Older Adults" - American Journal of Public Health 1992;82(7):1020-3.
- ^v AARP Public Policy Institute Fact sheet, Long-Term Care Insurance: 2012 Update.
- ^{vi} www.Wikipedia.com - "Medicaid"
- ^{vii} Seliger, Susan - "A Little Known Benefit for Aging Veterans" - New York Times - The New Old Age - 9/19/12
- ^{viii} http://benefits.va.gov/PENSIONANDFIDUCIARY/pension/aid_attendance_housebound.asp
- ^{ix} <http://benefits.va.gov/PENSIONANDFIDUCIARY/pension/wartimeperiod.asp>
- ^x "Evercare® Study of Caregivers in Decline - A Close-up Look at the Health Risks of Caring for a Loved One" - Findings from a National Survey September 2006 Evercare in collaboration with National Alliance for Care-giving.
- ^{xi} www.longtermcare.gov
- ^{xii} US Department of Health and Human Services - National Clearinghouse for Long-Term Care Information. www.nasuad.org/documentation/hcbs2011/.../M2RegencyC.pdf
- ^{xiii} <http://www.aalctci.org/long-term-care-insurance/learning-center/fast-facts.php>
- ^{xiv} U.S. Department of Health and Human Services National Clearinghouse for Long Term Care Information, 10/22/08. www.nasuad.org/documentation/hcbs2011/.../M2RegencyC.pdf
- ^{xv} American Association of Long-Term Care insurance, "The 2011 Sourcebook for Long-Term Care Insurance Information "(Westlake Village, CA: American Association of Long-Term Care Insurance, 2011).
- ^{xvi} American Association for Long-Term Care Insurance - "The Most Asked Questions About Long-Term Care Planning" - September 28, 2012
- ^{xvii} Mangan, Dan - "Worse Than Death: Critical Illness Money Fears" - July 24 2013 - <http://www.cnbc.com/id/100907706>.

Brought to You By: **The Jercon Group**

www.Jercon.com

Phone - (888) 944-2288

