

## Care Funding Solutions for the Silent Crisis

The need for Long-Term Care is real. But it is most often ignored until it is too late.

According to government statistics, 70% of Americans over age 65 will need care during their lifetime. The need is non-discriminatory. Neither one's wealth, social status, family heritage, geographic location, nor any factor other than luck will control who needs care. Doing nothing, relying on luck, is not a plan.

When the need occurs, it impacts the entire family. Four generations could be affected. There are over 850,000 families each year that enter a care need situation. Planning for the need is vital, but most people fail to plan. Some mistakenly believe Long-Term Care (LTC) will be covered by Medicare (it won't) or Medicaid will pay (it's only for those in poverty and not for home care). And even if one qualifies, Medicaid is not free (recovery of benefits paid is mandated by statute from the patient's estate, and in some states from the family).

Failing to plan will likely result in a crisis when the need happens. But there are some solutions even when the care need is present or imminent:

1. Protecting the Family: Existing permanent life insurance may have the death benefit reduced so that no further premium need be paid, freeing up dollars for care but keeping some death benefit in place.
2. Income for Life: An annuity will create a lifetime stream of income and protect assets from depletion. A medically underwritten annuity will generate a larger payout if the annuitant has medical conditions, thus increasing the funds available for any purpose, including care.
3. Health Care Benefits: An existing life insurance policy, even term insurance, can be sold, and the funds deposited into an FDIC insured account to be used for care costs.
4. Cash Settlement: Rather than allowing a life insurance policy to lapse, it can be sold on the secondary market for a cash payout, typically substantially greater than the "surrender value".
5. Veterans Benefits: Veterans may qualify for Aid in Attendance that helps cover the cost of care.
6. Age in Place: A home equity conversion (reverse mortgage) eliminates mortgage payments, creates a guaranteed credit line with tax-free funds, is a non-recourse program, that allows the homeowner to stay in place and does not require repayment until the home is sold or the last borrower dies.
7. Guaranteed Issue: Extremely low cost home health care insurance plan is available up to age 86 as long as applicant is not already in a care facility and can do activities of daily living.

Consult with a care funding solution specialist for guidance.

Joseph Sperling, J.D.

[joe@joesperlinginsurance.com](mailto:joe@joesperlinginsurance.com)

301-980-8869