



Learning about long-term care options is easier than you think.

Your guide to long-term care
planning after age 50.



Long-Term Care
Options from



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Protect the ones you love.

You've worked hard to save for retirement and make sure you have the financial security you want for you and your family. And you've tried to plan for whatever life may bring in the future. But even the most well-thought-out plans may not be enough to prepare you for the high costs associated with a need for long-term care.

If you need long-term care in the future, it could affect your family and your finances. Planning for it now may help you maintain your lifestyle and minimize the impact on your loved ones and your assets.

This guide will help you begin to understand some of your options and start planning what's right for your specific needs. And as part of AARP Long-Term Care Options from New York Life, our specially trained agents are also available to answer questions and help you understand your coverage choices.

Understanding long-term care

What is long-term care?

Long-term care differs from traditional medical care because it doesn't generally involve treatment of an illness or injury. Instead, it includes services designed to help you maintain your quality of life and perform everyday activities if age, illness, injury, or cognitive impairment make it challenging to take care of yourself for an extended period of time. For example, it may include anything from help with dressing, bathing, eating, or other common daily functions to skilled nursing services such as giving medication.*

Where is care provided?

Long-term care may be provided in a variety of settings, including at home, in an assisted-living facility, or in a nursing home. In fact, long-term care is often provided outside a nursing home—either at home or in a community setting. And depending on the amount of care needed, it's often provided on a part-time basis by a family member or home health worker.**

70% of people over age sixty-five will need some form of long-term care.†

* To be eligible for Long-term Care benefits the insured must be a chronically ill individual, with qualified long-term care services provided pursuant to a plan of care prescribed by a licensed health care practitioner.

** Congressional Budget Office (2013) *Rising Demand for Long-Term Care Services and Supports for Elderly People*, www.cbo.gov.

† U.S. Department of Health and Human Services, 2015, www.longtermcare.gov/the-basics/.



How much does care cost?

The cost of care depends on where you live and the type of care needed. Many people start out needing just a little help. A home health aide can come in for just a few hours per week at an average cost of \$22 per hour. If needs increase and more full-time care is required, some people choose an assisted-living facility, which can average more than \$49,000 per year. If needs are even greater, a skilled nursing home may be the best option, at an average cost of \$95,000 per year or more.^{††}

It's common for a person to use a combination of different services that meet their needs over time. And since few people know their long-term care needs in advance, it makes sense to plan for the cost of care now to help protect your assets.

^{††}New York Life Cost of Care Survey, 2014, www.newyorklife.com/products/Long-Term-Care/nyl-costs-of-ltc-survey.

Why plan now for long-term care?

Protect your financial plans.

Planning for long-term care needs now may help you avoid depleting your assets. It could free up money you'd otherwise need to set aside as a 'just in case' fund to be used for living costs or travel, entertainment, and other retirement expenses. And it may help protect your family from bearing the financial responsibility of funding your care.

Protect your family.

Covering yourself may alleviate some of the stress on family members if they are confronted with issues of caregiving, which can take a physical, emotional, and financial toll. And you'll feel good knowing you are helping protect your assets for your spouse or family should you need care in the future.

Protect your independence.

Planning ahead may allow you to maintain more control over how and where you receive care. It may help give you the option to get care in a variety of settings, including in the comfort of your own home. And it may help provide the resources and flexibility to choose the best care possible.

Protect your ability to get coverage.

You never know when you might need long-term care. And if you wait to apply for coverage, you may not qualify due to your health. It's best to buy when you are younger, healthier, and more likely to be approved.





How will I pay for care?

An unexpected need for long-term care services could disrupt even the best-laid financial plans. And many people are surprised to learn that government-run programs have limitations, and private health insurance doesn't generally cover these services.

Medicare doesn't cover extended care.

Medicare coverage is designed to assist during a short-term recovery and does not include long-term personal care or supervision services. In fact, Medicare may cover only a maximum of 100 days of services per benefit period after a hospital stay.*

Medicaid requires that assets be depleted first.

You must demonstrate financial need to qualify for long-term care services through Medicaid. That may mean paying out of pocket before Medicaid begins paying benefits. Receiving services through Medicaid may result in the state making key decisions on your behalf, including where you receive care.

*U.S. Department of Health and Human Services, 2015, www.longtermcare.gov/medicare-medicaid-more/medicare.



Self-funding is expensive.

If you do not have Medicaid or another form of coverage, you may pay long-term care expenses out of pocket. The type and length of services needed may be unpredictable, making it difficult to know how much money you will require. Savings and assets may be depleted quickly, leaving little for a spouse to live on or for family members to inherit.

Long-term care coverage may help protect your savings.

You could help protect your independence, your assets, and your family by planning for long-term care needs. There are a variety of options available, including long-term care insurance and life insurance that allows you to use part of the death benefit in advance to help pay for care over an extended period of time.

The cost of this coverage varies, depending on the options you choose and your age when you apply. That's why it makes sense to buy when you are younger and healthier, so you'll pay a lower rate.