

A Closer Look at Long-Term Care



Why is Long-Term Care Insurance Important?

Long-term care insurance is important because of the likelihood of needing the types of services covered by the insurance and the cost of paying for those services. We frequently think about long-term care services being focused on older people like retirees or our parents. It is important to remember that about 40% of the individuals needing long-term care services are of working age. About one-third of stroke victims are under age 65.

The Society of Actuaries reported in 1995 that:

- The odds of having a house fire with damages of \$3,400 — one in 200
- The odds of having a car accident with \$3,000 in damages — one in 14
- The odds at age 65 of spending 2.5 years in a nursing home — one in 3

Overall there is a likelihood that one half of the population will need long-term care services during their lifetime.

And long-term care services are very expensive. Nationally and in Tennessee the average cost of nursing home services runs between \$45,000 and \$50,000 per year. Long-term care services provided in the home costs about \$26,000 per year.

Most employees cannot afford that level of expense even for short periods. Many workers simply have no savings. Even among pre-retirees, most employees have less than \$100,000 in savings. The limited functional ability of a family member has an impact on the family members that care for that loved one. This in turn affects the lifestyle of all family members and could jeopardize the family's financial security. Informal support systems of family and friends may not be available particularly in today's world where families are spread out and live great distances from each other.

Additionally, a majority of caregivers are women and about 2/3 of them already work outside the home. Over half of the caregivers report missing at least one day of work and other attendance issues. One in five caregivers report leaving their jobs either temporarily or permanently.

You can learn more about the State's new long-term care coverage by:

- going to the website (www.LTC-TN.com)
- calling MedAmerica at 1.866.615.5824
- returning your interest postcard to MedAmerica