

# AGING *Well*

## PODCAST

### *Long-Term Care Finance Tips*



AARP reports that in 2025, 7 in 10 adults will need a form of long-term care at some point in their lives, and 80% of recent retirees haven't saved enough money to pay for long-term care services.

What can you do today to prepare for a better tomorrow?

#### 1) Begin the conversation

Whether you are planning for yourself or for a loved one, have a conversation with your family about your long-term care expectations, and how you intend to pay for services.

**Fact:** Long-term care expenses vary widely based on the location, care setting, and level of care provided. The national average cost of long-term care services ranges from \$62,400 - \$127,750 annually.

**Resource:** To find out how much long-term care costs in your state, visit [CareScout.com](https://www.carescout.com).

#### 2) Calculate Costs

Visit local care communities, facilities, and service providers to estimate your cost of care. Gather information and prices by visiting websites, touring communities, and meeting with admissions representatives.

**Fact:** The average length of stay in long-term care settings (including in-home care, assisted living, and skilled nursing facilities) averages 3-5 years, so budget accordingly.

**Resource:** To learn about local care options and associated costs, visit [LongTermCare.gov](https://www.longtermcare.gov).

### 3) Plan for Medicaid Eligibility

For many, Medicaid will play a crucial role in covering long-term care expenses, but it requires strategic planning such as spending down assets or establishing a trust.

**Fact:** Many people believe Medicare covers long-term care, but it does not. It may cover some skilled nursing facility stays and home health care for a limited time following a qualifying hospital stay, but it does not cover the majority of long-term care services.

**Resource:** [Is Long-Term Care Covered Under Medicare or Medicaid?](#)

### 4) Explore Insurance Options

Long-Term care insurance can help cover the costs of various long-term care services, including those not covered by Medicare or regular health insurance. There are also hybrid life/long-term care insurance policies that offer both a death benefit and the ability to access funds for care.

**Fact:** Long-term care insurance premiums generally increase with age, so it is wise to consider it in your 50s or even earlier.

**Resource:** [When Should You Start Investing in Long-Term Care Insurance?](#)

### 5) Document Your Long-Term Care Plan

Talk with your family about your long-term care preferences for care, end-of-life decisions and financial matters, and make sure you have prepared your essential documents like a will, financial power of attorney, health care proxy, and living will that reflects these decisions you have made.

**Fact:** Financial advisors, lawyers, and elder advocates can help ensure you are both financially prepared to pay for long-term care, and that you can have the proper documentation in place should you need someone to advocate on your behalf.

**Resource:** [Estate Planning Checklist for Older Adults](#)



Michele Murphy is the director of patient resources in the finance department for Loretto. Loretto is a comprehensive healthcare organization that provides a variety of services for older adults throughout Central New York.

To hear more advice regarding how to finance long-term care, check out Loretto's Aging Well podcast where Michele is a featured guest on the 'Demystifying the Cost of Long-Term Care' episode.

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