

Preparing for Long-Term Care

One woman's story

Even though home care was impossible, Lisa had no idea how hard it would be the day she had her husband Gordon admitted to a nursing home. For her it was cataclysmic. While friends and family took comfort in her relief from an extreme burden, Lisa felt more the irretrievable loss of a life together. Of course, she could visit Gordon every day, but his progressive dementia had made it difficult for him to recognize her. Part of her life was at an end, and the days ahead would be made even more difficult by a new and more stringent budget. As it does for more than two-thirds of nursing home patients, Medicaid would help pay for Gordon's care. But it would not pay everything. In fact, of the \$5,000 monthly bill, it would pay only \$2,600. The rest would be billed to Lisa, who would make payment by using part of her own income as well as all of Gordon's. Lisa soon discovered that her reduced income would alter her life.

Preparing for long-term care

Preparing for long-term care is anything but easy. Few seniors have enough income to comfortably afford long-term-care insurance, and many such policies are fraught with such risks as rising premiums, declining real benefits, and frustrating exclusions. Premiums for many policies bought ten years ago have risen as much as 50 percent, and some have increased as much as 100 percent. Still, the better policies may provide coverage of \$100 to \$120 a day now with the option of preserving this level of benefit by buying an inflation-protection rider. Even though as many as half of today's 65-year-old women and a third of today's 65-year-old men may spend their last days in a nursing home, few of those currently in nursing homes had such advance warning to help them prepare. Like Lisa and Gordon, they have had to learn the hard way. The following is some of what they learned.

Explore options and alternatives

For most families, the impending need for long-term care is a growing realization—it doesn't just jump out from nowhere. As Lisa discovered, there were several steps along the way. Initially, she sought help in taking care of Gordon



occasionally while she was at work. She needed and sought respite and found this in adult day-care. She would pack Gordon a lunch, drop him off at a day-care facility in the morning, and pick him up in the evening. She received much-needed relief. But it cost \$40–\$60 a day, and she was back “on duty” as soon as she picked him up.

As Gordon's condition worsened and his needs increased, Lisa tried in-home care first and private home care second. For in-home care, she hired a licensed practical nurse that came in for an hour a day five times a week. This cost \$125 a week, and it left Gordon unattended for much of the day. Then she tried private home care in the home of a family that cared for six to eight patients. Here Gordon would not be left unattended. However, the cost was \$750 a week, and the family could no longer contend with Gordon's needs once his condition worsened.

Finally, Lisa had no other choice but to place Gordon in a nursing home. She found a very good one and was able to have Gordon admitted almost immediately, perhaps due to the fact that the couple had income and owned a home. Lisa applied for Medicaid on Gordon's behalf. It was granted in five months and applied retroactively.

Lessons to be learned

There is no one story that can capture all the paths, landmarks, and complications associated with long-term care. The costs can be staggering and difficult to prepare for. Savings, income, and assets can help. For some families, the need arises suddenly and without warning. For others, there are signs of impending need that should be heeded and prepared for. Hopefully, this one woman's story may help to light the way. And while there are no simple guidelines fitting all situations, there are some excellent sources of information and referral. Here are some: Senior Hotline (523-4545) and the National Elder Care Locator (1-800-999-4454) regarding long-term care services and facilities, and Sage Plus (586-7299) regarding Medicare, Medigap, and Medicaid.

Ron Wall

Extension Specialist in Family Economics and Management