

Don't Expect Medicare to Cover Nursing Home or Assisted Living Expenses

The average nursing home stay nationwide is 2.3 years for men and 2.6 years for women, according to research by the American Association for Long Term Care Insurance.

A quarter of those who enter a nursing home facility remain for at least three years, and 12% remain there for five years or more. The average cost of a nursing home, again using nationwide averages, runs at \$255 per day for a semi-private room or \$93,075 per year.

And your health insurance or Medicare won't pay for it.

What will Medicare cover?

Medicare is designed to cover hospital stays, physicians' charges, lab fees, durable medical equipment and prescription drugs for those opting for such coverage.

Medicare is not designed to cover long-term custodial care. It will only cover a skilled nursing facility if it's medically necessary because of some other illness or injury that is covered by Medicare, and even then [only under very limited circumstances](#).

Unless you qualify for Medicaid, you'll have to pay for nursing home costs out of your own savings, family contributions or long-term care insurance.

Long-term care insurance

Unless the family has enough assets to absorb the risk and easily write a check for any long-term care needed, you may want to consider long-term care insurance.

Usually, this coverage provides a daily benefit amount or say, up to \$200 or \$400 per day for long-term care services, for a specific number of years. Some policies provide benefits for an unlimited number of years.

Examples of long-term care services frequently covered by LTC insurance include:

- Adult day care
- Assisted living
- Skilled nursing facilities

Protecting your family legacy

Usually, LTC policies will come with some form of inflation protection, so your benefit amount can rise over time.

The impact of long-term care can affect your entire family, whether you need care yourself or you find yourself in the position of caregiver.

Family members and friends are sole caregivers for 70% of elderly people who need care. Three-fourths of caregivers are women, and two-thirds of them work outside the home.

Caregivers, or those in need of long-term care, often have to give up savings earmarked for college tuition, retirement or nest eggs they have planned to leave behind for family members. When funds run out, many in need of long-term care are forced into nursing homes because that's the primary type of care funded by Medicaid.

A long-term care need can happen to anyone. Most associate long-term care with the elderly, however people of all ages can have these same needs as a result of auto or sports accidents or a debilitating disease.

Consider the lifestyle changes working-aged individuals and their families may face:

- Annual nursing home care costs
- Liquidation of valuable family assets
- Decisions about where care can/will be received
- The possibility of a family member assuming some caregiving responsibilities.

Having LTC insurance can help preserve your assets, and allow you to have choices “including staying at home” because most policies can provide benefits for home health care.

Call us to see if you should consider long-term care insurance.

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