

# Why Your 50s Are a Good Time to Begin Thinking About Long-Term Care

Think about it before you need to think about it.

By Geoff Williams, Contributor

**S**ure, it seems crazy to start thinking about a possible future when you're infirmed and need long-term health care if you're only in your 50s. You're young, or relatively young, and healthy. But that's the point.

You don't want to someday be unable to take care of yourself and wish that you had done some pre-planning. If you're in your 50s, and you're *not* thinking about long-term care, these are some reasons you should be considering it.

**You have plenty of time.** That's why planning for long-term care now is a good idea. If you wait to plan for long-term care in your 60s, 70s or beyond, you're going to find that certain strategies aren't available (or practical) any longer.

There are generally three approaches people take to long-term care, according to Sam Price, an independent broker and agent with Assurance Financial Solutions in Birmingham, Alabama. You can:

*Pay for the care yourself.* That is, no insurance, no government help – just you. You could research how much you'd likely spend if you became chronically ill, Price says. He also adds that this really isn't realistic for many people.

"The problem with self-funding is that people may find themselves needing that money 10 to 15 years into their retirement just to make it. So people who are intent upon self-funding might find themselves without options later on," he says.

*Let Medicaid pay for it.* Not Medicare, which won't

pay for long-term care. "But Medicaid was created to do just that," Price says. "For persons with typically less than \$150,000 to \$200,000 in retirement assets, Medicaid may make more sense."

But he advises talking to an elder-care attorney, who can guide you through the ins and outs of Medicaid.

*Let insurance pay for your care.* After you pay for the insurance, of course – such as long-term insurance or a hybrid life insurance and long-term care policy.

"Clients who find insurance appealing need a competent broker that can walk them through the myriad of options available," Price says.

There are other things to consider, too, says Karen Lee, a certified financial planner with her own firm, Karen Lee & Associates, in Atlanta.

"If you do end up needing long-term care, where would you like that to occur? At home, in a family member's home, in a facility, assisted living?" she asks. "Thinking about this in advance and discussing with your relatives, especially children if you have them, will help your family to make decisions on your behalf when and if the time comes."

**You're still healthy.** Hopefully, that's the case. Particularly if you're interested in any sort of long-term care insurance, which helps pay for the cost of having somebody help you with tasks like getting dressed and going to the bathroom. It's an unpleasant thought, of course, which is why many people don't like thinking ahead.

"The key to purchasing long-term care insurance is to

do so when you're still healthy to qualify. Once health deteriorates, clients may no longer be eligible for coverage, or their premiums may increase," says Magdalena Johndrow, an associate financial advisor at Farmington River Financial Group in Farmington, Connecticut.

She adds that approximately 25 percent of applicants who wait to apply for long-term care insurance after age 60 are declined for health reasons.

**Insurance is cheaper.** Any health insurance is always cheaper when you're younger, which is why – if you plan to get it, you'd likely want to get long-term care insurance now versus much later. Some experts advocate buying long-term care insurance as early as your 40s.

The premiums are less the younger you are, so it pays to get started early," Lee says. In fact, Lee says that she bought her policy and her husband's when they were 43 years old.

"Although we've had two premium increases since we bought them, we still pay around half of what people looking to buy traditional LTC at my current age of 55 [would pay] – and the benefits I own on that old policy are far greater than what I can quote a 55-year-old couple," she says.

The average cost of long-term care insurance is all over the map, depending on the insurer, your age and the policy, so it's difficult to say how much any one person will pay. Still, to give you an idea of why it's cheaper to get it sooner rather than later, it can be instructive to look at some of the numbers on the website of the American Association for Long-Term Care Insurance, a national trade association. A couple, both 55 years of age, with a shared policy would, on average, pay \$2,350 a year with a \$150 maximum daily benefit and a three-year benefit period. The same couple, if they were each 60, would pay \$2,970 a year.

**You'll have some peace of mind, earlier.** Nobody knows the future, and so your planning may not help you someday – or you may draw up an elaborate plan only to later discover that someday, wow, you're a 101-year-old marathon runner who needs no help being taken care of, and all that money spent was for naught. But, still,

there is something to be said for knowing that you *probably* have things figured out, way ahead of time.

Terri Cochran is the editor of a nonprofit newsletter. She is 66 and says that she bought a long-term care insurance policy when she was 53. Her husband, Vince, the owner of a small laser manufacturing company was 69 and at the beginning stages of a neurodegenerative illness that they were then unaware of. An insurance company cold-called him, to sell him long-care insurance. He was ultimately denied due to his poor health, but Cochran decided to buy some for herself.

"I was afraid he would have expensive medical bills in the future, so it was another reason for me to have my own insurance," Cochran says. "Sure enough, he soon needed 10 hours a day of [care from] home health aides, which we paid out of pocket for well over 10 years until his death in 2016. We were lucky to have the money to pay for aides. I couldn't work either since he needed my full-time care."

Cochran says she feels prepared for the possibility that someday she may need long-term care, but even with the peace of mind of having a plan in place, she is a little unsettled.

"If I do need to use my long-term care insurance, I hope the insurance company isn't difficult to work with. Because I hear horror stories about people trying to collect on their insurance when they need it," she says.

Still, imagine the horror stories of needing long-term care and *not* being prepared.

**Geoff Williams** has been a contributor to U.S. News since 2013. He has been a freelance journalist for over 20 years, specializing in personal finance and small business issues. His work has appeared in numerous publications, including CNNMoney.com, The Washington Post, Entrepreneur Magazine, Entertainment Weekly and Forbes.com. He is also the author of several books, including "Washed Away," about the great flood of 1913, "C.C. Pyle's Amazing Foot Race," about the infamous Bunion Derby of 1928 and "Living Well with Bad Credit." You can follow him on Twitter @geoffw.