

The Facts and Fiction About Long-Term Care

(NAPS)—It's a fact that Americans are living longer each year. It's also a fact that, as we age, we are increasingly likely to require assistance with basic daily activities such as bathing and dressing. Believe it or not, according to statistics from the Georgetown University Long-Term Care Financing Project, nearly 10 million people need long-term care, most are age 65 and older but 37 percent are under age 65.

Unfortunately, there are many myths about long-term care and long-term care insurance that prevent consumers from planning adequately for their long-term care needs. AARP Health Care Options and Metropolitan Life Insurance Company remind us of some common misconceptions as well as facts to consider when evaluating long-term care insurance:

MYTH: Long-term care services are fully covered by Medicare or other medical plans.

TRUTH: Think again. While medical plans do cover hospital stays, there is limited coverage for nursing home and home care. Medicare generally only pays for some "skilled nursing care" but does not pay for custodial care, the type of care many people may need when they develop a chronic condition and can no longer function independently.

MYTH: The average stay in a nursing home is a few months

TRUTH: According to a National Center for Health Statistics report in 2002, the average length of stay in a nursing home is not a few months, but 2.4 years. At an average daily rate of \$181, according to the 2003 MetLife Market Survey of Nursing Home and Home Care Costs, the average nursing home stay costs more than \$158,000, making it virtually unaffordable for most Americans. These high costs of care can derail any retirement plan and long-term care insurance may be the right solution to help families pay for needed care.



MYTH: Long-term care insurance only covers care in a nursing home.

TRUTH: Depending on the long-term care insurance plan you choose, long-term care insurance can offer several options, covering the costs of care in a nursing home, at home, an assisted living facility, an adult day facility, or even informal care (when friends or relatives provide care).

MYTH: Long-term care insurance is something you can wait until you're older to buy.

TRUTH: The younger you buy the coverage, the less expensive the premiums. With most long-term care insurance plans, the longer you wait, the more it will cost you—for the exact same coverage. In addition, if you wait, you run the risk that your health will change and you won't qualify for the long-term care insurance—at any price.

MYTH: Alzheimer's disease isn't covered by long-term care insurance policies.

TRUTH: Almost all long-term care insurance plans cover care needed by an individual who develops Alzheimer's disease as long as it is diagnosed after their coverage is in effect. Coverage is not offered to those who already have Alzheimer's disease at the time they apply.

MYTH: The long-term care insurance coverage you buy today will not keep up with inflation.

TRUTH: Most long-term care insurance plans offer "inflation protection," which can help consumers feel more confident that their coverage will be sufficient to pay for long-term care needs in the future. There are usually two different types of inflation protection options. The first option requires you to pay a higher initial premium, but your benefit amount automatically increases every year at a certain percentage and your premium remains the same. This is known as an automatic inflation feature. The second option allows you to decide periodically (for example, each year or every other year) subject to the terms of the long-term care insurance plan, whether or not to increase your benefits for an additional cost. This is generally known as a periodic inflation offer.

MYTH: If consumers never use their benefits from a long-term care insurance policy, then their premium dollars are wasted.

TRUTH: Some plans offer a "return of premium on death" feature, which provides protection for those who do not use their entire benefit before they die. (This feature is not available in all states and may differ based on the type of long-term care insurance plan chosen) The feature generally provides that the total premium paid by the insured, less any benefits paid, will be returned to the insured's estate after the insured's death.

For more information about long-term care insurance, AARP Health Care Options and MetLife have made available "A Guide to Long-Term Care Insurance." You may obtain a copy of the guide by writing to The MetLife Mature Market Institute, 57 Greens Farms Road, Westport, CT 06880. Call 203-221-6580 or email MarketInstitute@metlife.com.