



Is Your Retirement Plan Complete?

George Holmes Braddock, II, CLTC



It may not be if it doesn't address the likelihood of needing long-term care. Did you know that a staggering one out of two Americans will live long enough to need help with routine activities of daily living (ADLs) such as bathing, dressing, eating, toileting, and transferring?¹ According to *The Wall Street Journal*, for couples over 65 there's a 75% chance that at least one will need care.² Many will need care sooner – nearly 40% of the 12 million Americans receiving daily assistance are of working ages 18-64.³ These include those who've been sidelined due to accidents, sports injuries, or debilitating diseases such as Parkinson's, Lou Gehrig's, diabetes and brain tumors. Did you know that 1/3 of stroke victims are under 65?⁴

Truly the need for personal care can strike at any time. We've all read the tragic stories of famous Americans like President Reagan and Charlton Heston (Alzheimer's), Christopher Reeve and Marc Buoniconti (spinal cord injury), Annette Funicello and Montel Williams (multiple sclerosis), to name a few. Of course, many of us have family and friends who count on the hands-on help of others just to get through the day.

Surprisingly, most of the sick or disabled aren't being cared for in nursing homes. Rather, they are at home or in adult day care or the fastest growing setting – assisted living facilities (ALFs). These intermediate-level accommodations have been popularized by the likes of Marriott and Hyatt properties.

Regardless of where someone receives care, there is a price – usually a heavy one. Even if informal care is rendered by a family member, the sacrifice can be a burden! Facility care can easily exceed \$60,000 a year, while professional home care averaging \$18 an hour can cost even more. In today's fast-paced society, where most women and teens work outside the home, the support system of yesteryear has collapsed. Even if your family lives nearby, is willing to and able to do the "heavylifting" (that's a lot of ifs) would you want them to? How would you feel about your kids bathing you, for example?

In case you think conventional health insurance during your working years or Medicare when you're retired will come to the rescue, think again. They are designed to pay for skilled recovery care, not extended chronic care (a.k.a. long-term

care). Medicaid, the federal/state health insurance program, does pay for some long-term care, but only for welfare eligibles. Furthermore, Medicaid typically only pays for care in a facility, not in your own home, where you'd likely prefer to stay.

So what's a prudent person to do? You could cross your fingers and hope for the best. Maybe you will beat the odds. However, you might sleep better if you protect yourself (and would-be family caregivers) with an insurance policy for long-term care. When purchased in advance of the need (the only time they'll sell it to you), a plan of protection can be far more affordable than most people think. It's certainly more affordable than paying for the services out of pocket when you've lost your health. Like most insurance, the cost is pennies on the dollar.

The reasons most buyers cite for applying include wanting to maintain their dignity, their independence and, of course, their assets. Sadly, many wait until they've lost their health before seeking coverage. Nevertheless, the majority of applications are approved. To find out if you can qualify, financial planners recommend that you select a long-term care specialist, preferably one who represents many top companies. With the help of a knowledgeable and objective advisor you can custom design the perfect combination of benefits and price to meet your needs. If approved, you'll enjoy peace of mind the rest of your life! Should you need care, the return on your investment will be one of the best you ever receive. Win/Win.

Note: The author, **George Holmes Braddock, II, CLTC**, is Sr. Vice President of G. Holmes Braddock & Associates, an independent insurance firm devoted to Asset Preservation. As a certified specialist in Long-Term Care, George has been selected by multiple professional associations, chiefly among them, **The Florida Bar**, the **Florida Institute of CPAs**, and the **Florida Medical Association** to provide counsel to their members. The firm assists the general public as well. George can be reached at: (305) 378-8091 or toll-free 888-350-5423.

1. *Wall Street Journal*, October 2001
2. *The Urban Institute*, May 2000
3. *The Wall Street Journal*, June 2000
4. *US News and World Report*, March 1999