

Long-Term Care: You May Never Need It – But What If You Do?

Long-term care isn't something most people want to think about — but it's something many of us will eventually need. Whether it's help at home, time in an assisted living facility, or skilled nursing care, the need for support with daily living becomes more likely as we age.

What makes this especially challenging is that planning for long-term care is wrapped up in uncertainty. You may wonder:

- *Will I actually need this type of care?*
- *How will I pay for it if I do?*
- *What if I plan for it and never use it?*
- *Will I become a burden to my family?*



These are valid concerns. But avoiding the conversation can leave you vulnerable to financial stress, family strain, and limited care choices when it matters most.

The good news? With a thoughtful plan in place, you can reduce future stress, protect your financial legacy, and stay in control of how and where you receive care.

What Is Long-Term Care?

Long-term care refers to assistance with daily living activities — like bathing, dressing, eating, toileting, and mobility — due to aging, illness, or disability. It can be provided:

- At home, by aides or skilled nurses
- In assisted living communities
- In adult day care centers
- In nursing homes

What surprises many people is that Medicare doesn't cover most of this care. It only helps with short-term skilled care under very specific conditions. Medicaid may help, but only after you've spent down most of your personal assets.

Why Planning Is Essential — and Often Overlooked

Long-term care is one of the most overlooked parts of financial planning. Many people avoid it because:

- It's hard to picture needing help with basic tasks.
- It's emotionally difficult to consider becoming dependent on others.
- Insurance options can feel confusing, expensive, or overwhelming.
- There's uncertainty: *What if I pay premiums and never need care?*

But delaying a plan until a crisis hits leaves you with fewer, often more expensive, options. Planning ahead lets you make decisions on your terms — not in a rush.

The Cost of Care — and the Risk to Your Savings

Care costs vary widely by region and level of care, but they are consistently high. Depending on where you live and how long care is needed, the total price tag can exceed six figures.

Examples of monthly costs:

- Home care: \$4,000–\$6,000+
- Assisted living: \$4,000–\$5,500+
- Nursing home (private room): \$8,000–\$12,000+

These expenses can erode retirement savings quickly if you're paying out of pocket.

Common Coverage Gaps to Be Aware Of

- Medicare does not pay for custodial long-term care.
- Medicaid only covers care after you've depleted most of your assets.
- Traditional health insurance does not cover long-term personal care services.
- Self-funding requires substantial savings and disciplined planning.

How to Prepare: Your Options for Long-Term Care Funding

1. Long-Term Care Insurance: These policies are designed to cover extended care. They can be expensive, and premiums rise with age or health concerns, so the best time to explore this option is usually between ages 50–65.

2. Hybrid Insurance Policies: These combine life insurance or annuities with long-term care coverage. If you never need care, your premiums can still benefit your heirs.

3. Self-Funding: Some choose to set aside personal funds to pay for care. This requires careful investment planning and may limit what's left for other goals.

4. Medicaid Planning: With the help of an elder law attorney, you may be able to structure your assets (e.g., through irrevocable trusts) to qualify for Medicaid later without losing everything — but planning needs to begin at least 5 years before care is needed.

5. Veterans Benefits: If you're a veteran or surviving spouse, you may qualify for assistance through the VA for long-term care needs.

A Closer Look: Indiana's Long-Term Care Partnership Program

Indiana offers a unique solution that pairs long-term care insurance with Medicaid asset protection. If you purchase a Partnership-qualified policy:

- For every \$1 of insurance benefit you use, you can protect \$1 of your assets from Medicaid spend-down requirements.
- These policies must meet state-specific guidelines, including inflation protection and minimum coverage levels.
- If you move, your policy may still qualify under other states with reciprocity.

This program is designed to encourage early planning and offer peace of mind by protecting both your care options and your legacy.

Practical Steps to Start Planning Today

Even if you're unsure whether you'll need long-term care, taking action now helps preserve your choices later. Here's how to begin:

- **Assess your personal risk factors**
Health history, family dynamics, and lifestyle all play a role.
- **Have the conversation with family**
Discuss care preferences, who might be involved, and how you'd like decisions made.
- **Meet with a financial advisor or elder law attorney**
They can help you compare your options, estimate costs, and structure your assets appropriately.
- **Explore insurance options while you're healthy**
You'll qualify for better coverage and lower premiums earlier in life.
- **Put legal protections in place**
Powers of attorney, health care directives, and living wills are essential if you want your wishes followed in the event of incapacity.
- **Review your plan regularly**
Revisit your coverage and needs at least annually — and especially after major life or health changes.

Long-term care planning isn't just about finances — it's about freedom, family, and dignity. By addressing this now, you take a huge step toward protecting your future self and easing the potential burden on your loved ones.

Whether or not you ever need long-term care, having a plan means you're ready — and that's something your future self will thank you for.

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