

Money for Life

August 2009

Dear Readers,

Long-term care services can be very expensive and many people mistakenly believe Medicare will always cover these costs. Planning how you will afford these services is an important part of owning your future. The Iowa Insurance Division is partnering with Iowa State University Extension, the Departments of Elder Affairs and Administrative Services, and the Governor's Office to launch the Iowa *Own Your Future Long-Term Care Planning Awareness Campaign* to provide accurate information on this very important issue.

Order Your Copy of "Own Your Future"

Ordering a copy of "Own Your Future" is an easy way to start planning and building a firm foundation for the years ahead. The guide is designed to help you learn how to own your future by maintaining the lifestyle you have worked for all your life. It will get you started planning for your future needs.



The guide covers several topics including:

- **Focus** on your finances
- **Understand** long-term care insurance
- **Establish** clear legal directions
- **Decide** who can count on for help
- **Learn** what your community has to offer
- **Make** sure your home remains a good fit
- **Compare** long-term care insurance policies

What is Long-term care?

Long-term care is a variety of services that help people with health or personal needs and activities of daily living over a period of time. The fact is, 60 percent of people over 65 will need some type of long-term care. Long-term care does not mean a complete loss of independence or control over your life. The keys to owning your future are planning early and wisely, knowing your options, and taking action. It is about living well.

Understand Long-term Care Insurance

Deciding whether or not to buy a long-term care insurance policy is an important decision. These policies can help pay for many types of long-term care, but are not for everyone. Compare the costs and benefits of policies from different insurance companies when shopping. If you decide to buy, make sure you buy from a reliable company that is licensed by your state to sell long-term care insurance.

What Does Long-term Care Insurance Cover?

Long-term care insurance policies may cover a variety of facilities and services. Possibilities include (but are not limited to) care settings ranging from in-home care and adult day care to facilities such as assisted living facilities or nursing homes. You can choose the care coverage that you deem appropriate for you. The more comprehensive the services and settings in your policy, the higher your premium will be.

You can also choose how much coverage you want from the long-term care policy. Policies

generally pay a defined daily benefit or actual costs of care, whichever is less.

The length of coverage relates directly to the price of the policy. The longer your coverage lasts, the higher the premium required to pay for the insurance. Policies can last between one year and lifetime coverage. Your personal goals, financial situation, and health history will help guide your decision regarding what duration best fits your needs.

Steps You Can Take Now

- Think about how much of the cost of long-term care you could afford from your own resources.
- Talk with an independent financial planner for more information.
- Ask your current or former employer if you are eligible for group long-term care insurance, savings plan annuities, or similar long-term care benefits.
- Learn about long-term care insurance, trusts, annuities, reverse mortgages or other options and whether they might be right for you.

Call your local Area Agency on Aging to find out about other programs that might help pay for long-term care. Look under “Aging” or “Human Services” in the local government blue pages of the phone book for the number. The Eldercare Locator (1-800-677-1116), a toll-free information line, can also give you this number.

If your income is low, you may qualify for Medicaid. Call your State Medical Assistance Office for more information about Medicaid eligibility and coverage. Look under “Medicaid” in the county government blue pages of the phone book for the number.

How Much Care is Needed?

If you need long-term care, you may need one or more of the following:

- Care or assistance with activities of daily living in your home from an unpaid caregiver who can be a family member or friend;
- Services at your home from a nurse, home health/home care aide, therapist, or homemaker;
- Care in the community; and/or
- Care in any of a variety of long-term facilities.

Generally, services provided by caregivers who are family or friends are unpaid. This is sometimes called informal care. Paid services are sometimes referred to as formal services. Paid services often supplement the services provided by family and friends.

How Do Care Needs Change Over Time?

Many people who need long-term care develop the need for care gradually. They may begin needing care only a few times a week or one or two times a day, for example, help with bathing or dressing. Care needs often progress as you age or as your chronic illness or disability become more debilitating, causing you to need care on a more continual basis, for example help using the toilet or ongoing supervision because of a progressive condition such as Alzheimer’s disease.

For more information please visit www.longtermcare.gov/campaign on the web, or just call (1-866-752-6582) to request your *Own Your Future* planning kit. TTY users should call 1-800-427-5605.

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