



Preparing for Future Care Needs



As you and your family members reach new life stages, it's important to take steps to proactively prepare for the future now, before there's a need. Waiting to prepare can put loved ones in difficult positions both financially and emotionally.

One life stage many of us will experience is the need for some form of care services—from nursing home care to in-home services. Planning for this stage now can ensure you'll have financial resources in place to help pay for care, and your family will know the kind of care you want.

The future is unpredictable and you may not need care but ... there's the possibility you will. **A person turning age 65 today has nearly a 70 percent chance of needing a long-term care service or support in their remaining years. It's also noted that 20 percent of today's 65 year-olds may need care for longer than 5 years.¹**

And the costs for long-term care services can quickly add up—especially if you require care for an extended period of time. A recent survey notes 2021 national median costs² for a variety of services:

- Private room at a nursing home facility: \$9,034 per month
- Assisted living facility: \$4,500 per month
- Adult day health care: \$1,690 per month
- Home health aide: \$5,148 per month

What is long-term care?

Long-term care is designed for those that need around-the-clock skilled nursing care. Options include assisted living and nursing homes. Assisted living facilities are less equipped to handle major health issues, such as an inability to walk, but still provide around-the-clock supervision and help with things like medications and food preparation. Nursing homes provide more robust care for those struggling with walking or serious ailments and those who require physical therapy.

Receiving care

Receiving care can look different for everyone. It could involve a wide variety of needs—from assistance with balancing a checkbook to help with eating, bathing, and dressing. The type of care you may need can vary, but some common care services include³:

- Long-term care in a nursing home or skilled care facility (see below for more information on long-term care services)
- Personal care—receiving help with activities of daily living (ADLs):
 - Bathing
 - Dressing
 - Grooming
 - Toileting
 - Eating
 - Transferring
- Meal preparation
- Transportation
- Adult day programs
- Home health
- Household help

Creating a care strategy

Preparing for this stage of life can feel overwhelming and daunting. To help you get started, consider these three parts of creating a strategy for your care.

#1 Starting family conversations

This can be one of the most difficult parts of the planning process. However, it's never too early to start talking with your family. Identify the people you want to be involved in future decisions—your children, your medical power of attorney, etc. It's important everyone understands your wishes and the type of care you would want.

Do you want to stay in your home as long as possible? Will you want to receive care in a long-term care facility like a nursing home, or will a family member be caring for you in their home?

Addressing these important questions now and as situations evolve can help eliminate confusion in the future.

#2 Preparing living will and health care directives

Have you documented the type of care you would want if you were unable to make decisions for yourself? And who you would want to make these decisions for you, if you can't? These documents can help ensure your wishes will be honored.

#3 Paying for care

The length of time you'll need care can vary widely and therefore, the costs can be hard to predict. That's why it can be a good idea to consider incorporating solutions that offer flexibility and versatility. Ones that can help you work toward your retirement savings goals but also provide an option to access money if you should have a qualifying need. If you haven't yet discussed the cost of long-term care with your financial professional, you may want to schedule an appointment. Your financial professional can help discuss which options may best fit your individual needs.

Providing care

On the flip side, you may also find yourself caring for someone else—maybe an aging parent or a spouse. It can be difficult to provide care to your loved one while also remaining engaged in other responsibilities and hobbies. There are multiple options for providing care to a dependent adult. Many families choose to move their loved one in need of care into their own homes while others choose to utilize assisted or independent living facilities.

Adult day-care programs exist to care for the aging during the day while their caretakers are at work. Additionally, the Program of All-inclusive Care for the Elderly (PACE) is a community-based program that provides complete care from healthcare providers in an integrated setting. As of January 2023, PACE is operating in 32 states. Find out more at <https://www.medicaid.gov/medicaid/ltss/pace/index.html>.

Whether you're making plans for care for you or your loved one, be sure to consider the cost caregiving may have on you and your family. Consider talking about the cost of caregiving while discussing your retirement plan with your financial professional. They're available to help you plan for the many "what-ifs" of life.

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¹ “How Much Care Will You Need?,” LongTermCare.gov. February 18, 2020. Viewed June 2, 2023 at <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>

² “Cost of Care Survey,” genworth.com. June 2, 2022. Viewed June 2, 2023 at <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

³ “What is Long-Term Care?” nia.nih.gov. May 1, 2017. Viewed June 2, 2023 at <https://www.nia.nih.gov/health/what-long-term-care>

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