

# What's Your Plan?

Make Sure You're Covered For An Extended Health Care Event



## A Successful Future Begins With A Plan.

You may be busy building a career and raising your family. Or, maybe you're nearing retirement and looking forward to living your dreams. No matter your situation, a successful future starts with careful planning to ensure you have the funds that will enable you to live life on your terms.

That's why, in addition to savings and investments, your financial plan should prepare you for whatever challenges life brings in the years ahead - including the potential need for an extended health care event. If you haven't considered how the need for long term care can impact your income, your assets, your quality of life, and your family's well-being - you should.

### Top Reasons People Need A Long Term Health Plan

1. To allow your loved ones to care ABOUT YOU instead of CARING FOR YOU
2. To remain independent
3. To have a choice of where they receive care
4. To avoid burdening loved ones with caregiving roles



## What Is Extended Health Care?

Nationally, 40 percent of those who are currently receiving long term care are adults, ages 18 to 64 years old<sup>1</sup>.

**Many people visualize a nursing home when they think of long term care, but long term care does not always mean institutional care.**

Instead, it is the care that you need when you can no longer perform common daily tasks by yourself - routine activities that healthy people don't give a second thought to, such as: bathing, dressing, eating, using the toilet, getting into and out of bed or a chair. The need for long term care may be due to physical limitations or disabilities resulting from injury, illness or the normal aging process. It can also be due to a cognitive impairment resulting from a stroke, for example, or Alzheimer's disease. And while such care is provided in nursing facilities, assisted-living facilities, and adult day care centers, **the majority of long term care takes place in the recipient's home. Usually, it is provided by unpaid family members or friends.**

## Could It Happen To Me?



**It could happen to anyone, at any time.**

Everyone is at risk — not only of having a family member in need of extended health care services, but of needing assistance themselves. Nationally, 40 percent of those who are currently receiving long term care are adults, ages 18 to 64 years old<sup>1</sup>.

Many people think only the elderly need extended health care, but the reality is that accidents and illnesses can happen to anyone, at any time, and they often occur without warning. While people may recognize long term care costs as a significant risk to their standard of living, many don't have a plan to minimize that risk.

**Planning for an extended health care event is a vital part of the plan.**

1. U.S. Government Accountability Office.

# How Much Could It Cost?

## You could spend much of your savings paying for care.

The national average cost for one year in a nursing home exceeds \$90,000. The national average cost for one year in an assisted living facility exceeds \$45,000. The national average cost for one year of home health care is approximately \$49,000<sup>1</sup>.

With the cost of care rising, are you willing to put your retirement savings at risk? A well-designed comprehensive long term care insurance policy can ensure your retirement savings are protected in the event you need care.

### Consider these facts:

It is estimated that 70% of people over the age of 65 will require some period of ongoing assistance or supervision, due to a physical or cognitive impairment<sup>2</sup>.

## How much do you think nursing home care costs in your area?

\$

## How long would you be able to pay for the type of care you may need?

Years

### Annual Long Term Care Costs



1. 2017 Genworth Cost of Care Survey.

2. U.S. Dept. of Health and Human Services, National Clearinghouse for long term care Information, accessed Sep. 25th, 2015

# How Will You Pay For Care? Can You Self Pay?

## Your options may be more limited than you think...



### Government

In addition to their limitations, it's important to consider whether you want to rely on government plans to pay for your long term care needs. Both Medicare and Medicaid pay for some long term care but these programs may be inadequate for your particular situation.

#### Medicaid:

Medicaid is a state-based program that pays for a large portion of the nation's long term care expenses for those without assets or sufficient income. Most state laws require that you spend down your assets to poverty levels before you become eligible for benefits, and income limits also apply, impacting you and your family. Medicaid may also limit your options as to where you can receive care, as well as the type of care you receive.

**Read more about Medicaid at [Medicaid.gov](https://www.medicaid.gov)**

#### Medicare:

Medicare, like most health insurance, is primarily meant to cover acute illnesses. It may pay some long term care expenses, but there are limitations and you must be age 65 to qualify. Some benefits are payable for the first 100 days per benefit period in a skilled nursing facility - if you enter within 30 days after a hospitalization of at least three nights, if you are receiving skilled care, and if you're continuing to get better. Keep in mind many conditions requiring long term care services do not require hospitalization or skilled care.

**Read more about Medicare at [Medicare.gov](https://www.medicare.gov)**



### Health and Disability Insurance

Health insurance is intended to pay for acute care or short-term illness. It will not provide reimbursement for informal care over an extended period. Disability insurance is meant to replace your income when you are unable to work, but typically does not provide additional benefits for in-home custodial care or any facility care.



### Private / Family Support

Family and friends might care for you. Initially, this may seem like a good solution.

#### Ask yourself:

- Who will provide care?
- Which child(ren) and what about disagreements?
- Will they have time to help me?
- Can they provide the type of care I may need?
- Who do I want to do my bathing and toileting?
- Do I want to ask this of them?



### Self-Fund

Without coverage, you have assumed the primary financial risk for the costs of long term care.

Do you want to potentially rely on Medicare for the first 100 days?

Yes  No

Do you want to rely on Medicaid?

Yes  No

Do you want to be dependent upon family or friends for care?

Yes  No

**Relying on these options to pay for and provide long term care will put your family at risk.**

**Start planning today to ensure you get the care you need while protecting your family and your assets.**

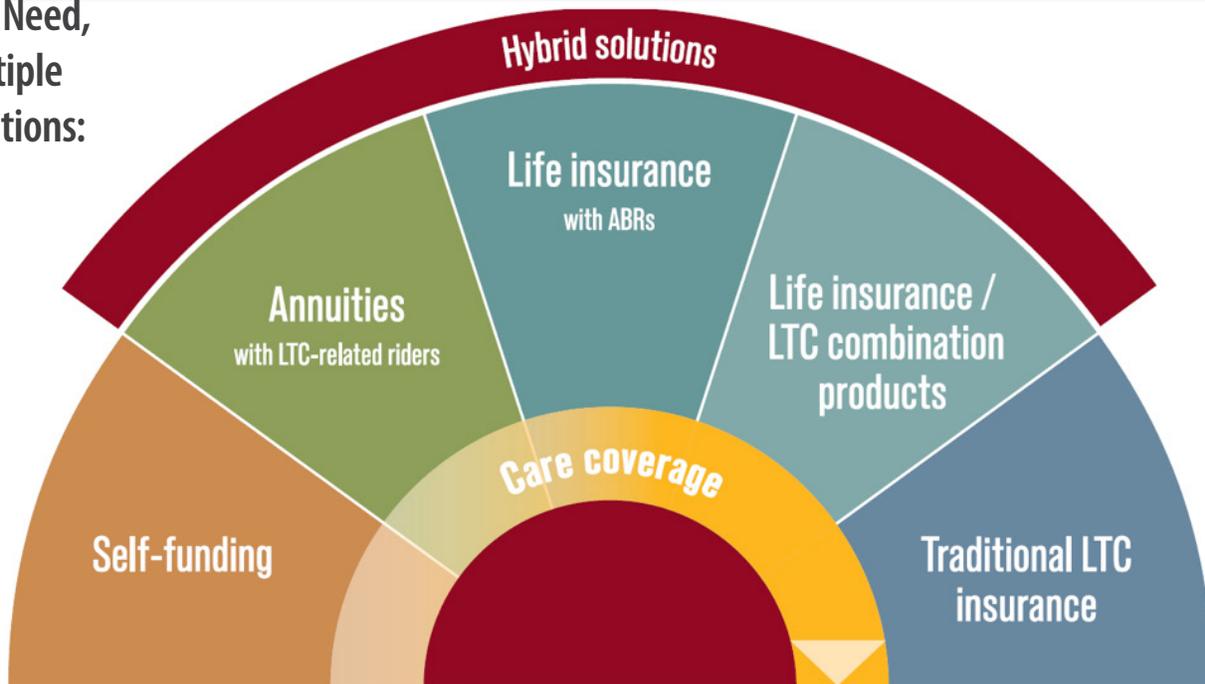


## Why Should I Consider Insurance?

### It's The Most Efficient Way To Preserve Your Retirement.

Asset protection is essential to financial stability. You have likely taken steps to ensure your financial well-being in the event of accidents. You may have life and health insurance, as well as insurance for your home and car. These are practical approaches to transferring some of the risk of unwelcome expenses away from you and your loved ones.

One Need,  
Multiple  
Solutions:



Have you taken steps to help protect yourself against potential long term care costs, as you have with other risks?

Is there any greater risk you face besides the costs of long term care?

If yes,

How would you prefer to pay for the high costs of long term care?

- Personal savings and assets
- Insurance

# LTC Funding Options

Top Priority	Solution	Considerations
Protect assets from an extended health care event	Traditional LTCi	<p><b>PRO:</b> Maximizes LTC leverage while minimizing premium commitment. Potentially tax deductible particularly for businesses.</p> <p><b>CON:</b> Premiums not guaranteed, lack of flexibility</p>
Protect assets from an extended health care event while retaining maximum flexibility	Asset Based LTCi	<p><b>PRO:</b> Maximizes flexibility while still retains a primary objective of providing a substantial benefit for an LTC event. Provides Return of Premium, Death Benefit, and LTCi. Guarantees level premiums.</p> <p><b>CON:</b> Reduced death benefit when compared to Life with rider option. Reduced LTC pool when compared to traditional LTCi</p>
Maximizing Death Benefit while retaining some flexibility	Traditional Life Insurance with an accelerated benefit rider	<p><b>PRO:</b> Provides largest Death Benefit while retaining flexibility to pay for LTC costs. Better suited to pay for benefits on a monthly basis if needed.</p> <p><b>CON:</b> Reduced LTC benefit when compared to Traditional LTC and Asset Based LTC. Typically does not offer 100% ROP.</p>
Long Term Care options late in life with potential health concerns	Fixed or Indexed Annuity with LTC Rider	<p><b>PRO:</b> Provides streamlined underwriting for clients with current health concerns while turning tax deferred growth to potentially tax free income.</p> <p><b>CON:</b> No immediate leverage of the base asset and limited growth opportunities when compared to alternative annuity options.</p>
Access to money	Self-fund	<p><b>PRO:</b> Zero upfront cost while retaining liquidity.</p> <p><b>CON:</b> Pay dollar for dollar for any care needed. Estate serves as primary funding source.</p>



## Why Should I Consider Insurance?

Long term care insurance can provide more quality time for you and your family and protect your assets and savings, while giving you the options necessary to receive quality care and services.

A form of Long Term Care Insurance:

- Can provide clarity for your plan
- Allows for better care at home
- Will allow for less dependency on family

**Perhaps the greatest benefit:**

**Long term care insurance can allow your loved ones to care ABOUT YOU...instead of having to care FOR YOU.**



## What Is My Next Step?

Planning ahead for your potential long term care needs is an essential part of any comprehensive retirement plan. If you ever need care, purchasing an LTC policy will turn out to be one of the smartest decisions you ever make.

**Get Started:**

- Answer important questions found in the What's Your Plan workbook to formulate a strategy
- Connect with your financial advisor to determine if you can self-pay future costs
- Ask your insurance advisor if a form of long term care insurance is a viable option
- Work with your financial/insurance advisors to develop an Extended Health Care Plan



**Contact me today to schedule an appointment. Let's discuss your...**

- Coverage Costs / Options
- Potential Discounts / Qualifications
- Current Health Condition

**Long-Term Care Directive**

Full Name: \_\_\_\_\_

DOB: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Power of Attorney for Health Care:**

**Power of Attorney for Finances:**

Full Name: \_\_\_\_\_

Full Name: \_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Location Kept: \_\_\_\_\_

Location Kept: \_\_\_\_\_

Do you have a Living Will Directive? \_\_\_\_ Yes \_\_\_\_ No

Location Kept: \_\_\_\_\_

Who Will provide care? \_\_\_\_ Spouse \_\_\_\_ Children \_\_\_\_ Professional Care

If Spouse / Children: Name of Preferred Caregiver: \_\_\_\_\_

If Professional Care: Name of Assisted Living Facility: \_\_\_\_\_

Name of Home Health Care Agency: \_\_\_\_\_

Name of Nursing Home: \_\_\_\_\_

Notes for Care: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

If self-paying all or part, which assets do you want sold and/or liquidated first to pay for care?

\_\_\_\_\_

\_\_\_\_\_

If a form of LTC insurance is to help pay for care, please provide the company name and the policy number

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature

\_\_\_\_/\_\_\_\_/\_\_\_\_

Date

# Providing solutions that fit your ever changing needs.

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