Article published on March 20th 2012 | Insurance

Long-term care is provided in a variety of settings â€“ for people of any age. Depending on your needs, the costs can be very significant, especially if you need extended custodial care, also known as non-skilled care (care that helps you with activities of daily living).

Many retirees face significant challenges in terms of their care, and the attendant services required can easily wipe out a lifetime of savings within a few years of full-time care. Expenses related to a nursing home stay can easily reach over $239 a day (according to a 2011 study by the MetLife Mature Market Institute) while help in the home by companions/caregivers averages $19 an hour.

Since each personâ€™s financial situation is different, itâ€™s important to explore various options to determine what best suits your personal situation. There are a few ways to pay for long-term care:

â€¢ Self-insure: this mean paying for the expenses out-of-pocket. This is a risky game and it presents many financial and social challenges for retirees and their families. Some individuals overestimate their ability to pay for care over an extended time, or convince themselves they will never need care. While wealthy individuals may have the means to cover their costs for care, having long term care insurance helps to protect assets, savings and income.

â€¢ Medicare: In general, Medicare doesnâ€™t pay for long-term care, including in-home care, community based care, and care in nursing and assisted-living facilities. Medicare will cover some of the costs of medically necessary care in a skilled nursing facility (SNF). Skilled care differs from custodial care in that itâ€™s given for a short period of time for people who require skilled nursing or rehabilitation staff.

â€¢ Medicaid: this is a joint state and federal program, typically restricted to individuals who have no financial resources and only limited assets. The availability and choice of care facilities are very limited. It will cover most of the costs associated with nursing home care provided in a government-certified facility. Not all nursing homes accept Medicare payment, and coverage eligibility varies by state.

â€¢ Long-term care insurance (LTCI): this is a private insurance policy which pays for extended care and protects a personâ€™s assets by reimbursing for covered expenses up to the amounts set forth in a LTCI policy. Depending on the type of policy, LTCI can reimburse home care, community-based care and facility-based care, and may offer options that may not be covered through government programs. Itâ€™s designed to help maintain financial independence and avoid burdening family members.

Financial advisers recommend that individuals research and compare the costs and the coverage of different long-term care options to find the best solution for their particular circumstances.

Article Source:
http://www.articleside.com/insurance-articles/how-to-pay-for-long-term-care.htm - Article Side

Adivol - About Author:
Adivol is lives in New York and love to write articles on different topics. Now he is sharing information abouta long term care insurance.

Article Keywords:
long term care insurance

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!