Is Long Term Care Insurance That Important?

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Many people wonder what is long term care insurance and why the government and elder care specialists are making a big fuss over it.

Long term care insurance (LTCI) is the only product that provides coverage for nursing home care, assisted living, home health care services, hospice care, and other long term care (LTC) services. It actually offers what regular health insurance does not offer but not many people know this. It could be that or they deliberately refuse to understand the nature of this insurance product because reports of its high premiums have discouraged them from acquiring it.

Most employees think they have nothing to worry about their future health care because theyâ€™ve been paying religiously the premium of their health insurance coverage for 20 years or even longer. Some peopleâ€™s health insurance was even paid for by their employers.

This unnecessary confidence in oneâ€™s future health care is actually what worries the government and individuals specializing in elder care and LTC. Nine out of 10 baby boomers are expected to require some level of care between 2030 and 2050 if they manage to live into their 80s and 90s. When they cannot perform the activities of daily living (ADLs) anymore, such as bathing, eating and dressing among others, they are considered LTC patients.

An individual does not have to be diagnosed with an illness before he can acquire LTC. As long as he can no longer do the basic ADLs without assistance from others he is definitely in need of care.

What is Long Term Care Insurance To Most People?

Itâ€™s too unfortunate that only a fraction of the countryâ€™s population understands that their health insurance only offers short-term services which usually involve dental and vision treatments. And that it wonâ€™t pay for the expenses that they would incur from acquiring skilled nursing care or custodial care.

Perhaps that is the reason that out of 300,000,000 Americans only 10 million have managed to secure tax qualified LTCI policies in preparation for their future.

Financial planners said the cost of care is going to increase twofold in 2025 and fourfold later in 2030. If you think you can afford to spend $326,500 every year for a nursing home then thereâ€™s no reason to feel baffled about the cost of care.

Meanwhile, if you canâ€™t let a day go by without checking your expenses and how much is left in your wallet until your next paycheck, youâ€™re as human as the rest of America and you need to come up with a concrete LTC plan to preserve your assets and to protect your family from possible impoverishment.

To be able to plan your LTC more effectively, stop analyzing what your health insurance can do for you should the need for LTC arise in the future. Take it out of the picture because it canâ€™t do anything. Take out Medicare and Medicaid, as well, because the first will only accommodate you if you are in need medically necessary care while the latter is designed for the very poor such as those with a monthly income that is below the poverty level.

Look at your other options. What is long term care insurance doing? Donâ€™t you think itâ€™s time you

start researching about it? Get in touch with an insurance agent who is authorized to sell LTCI policies and youâ€™ll be amazed with what this product can offer.

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