

A photograph of a hospital room. In the foreground, a wheelchair is partially visible on the left. In the background, there is a hospital bed with white linens. The room has light-colored walls and a window with sheer curtains.

## LONG TERM CARE INSURANCE AND THE PANDEMIC AGE

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The covid-19 pandemic has shone a spotlight on long-term care in the United States. According to data compiled by [The Atlantic's Covid Tracking Project](#), about 8% of people who live in long-term-care facilities in the United States have died of Covid-19—nearly 1 in 12. For nursing homes alone, the figure is nearly 1 in 10. That's approximately 175,000 lives lost. Although less than 1% of the population lives in long term care facilities, this group represents 34% of covid deaths.

Since so many people have had the experience recently of losing a loved one in a long term care facility, it's understandable that many are wondering what their own future holds. Planning for retirement means planning for risk. During your career and life, you've learned to handle risks of various kinds, so you can certainly manage the risk of one day needing long-term care, whether in a nursing home or other facility, or at home.

In 2002, Congress passed the [Long Term Care Security Act](#), to provide a long term care insurance option for eligible federal and Postal Service employees and annuitants, active and retired uniformed service members, and certain qualified relatives. The resulting [Federal Long Term Care Insurance Program](#) currently provides coverage for more than 267,000 enrollees.

The [Health and Human Services Department reports](#) that 70 percent of Americans over 65 will need long term care at some time in their lives. The LTCIP currently pays out about \$24 million per month in claims, with the majority of the care received in the home.

One of the benefits of having insurance to cover the cost of long-term care is to have more control over how we are cared for and who is providing the care. When my father needed care and supervision due to his journey with dementia during the 1990s, my mother was his primary caregiver. She was able to get a little bit of respite from their [Local Area Agency on Aging](#), but for the most part she was on duty 24 hours a day, seven days a week.

As often happens, my mom's health declined, and she passed away two years before my dad. He lived his last two years in a long-term care facility near our home in Virginia. He received good care there. I only wish my mom

would have been able to understand that she didn't need to do it herself and that there was help, in the form of Medicaid, to help pay the extraordinary costs of his care.

My parents were proud of their financial independence and using Medicaid would have required depleting their assets to the poverty line and limiting the resources my mother would have once my father was approved. If only they were able to access long term care insurance benefits to help meet their needs. Medicaid supplies roughly half of the dollars spent on long-term care services and support in the United States, and long term care expenditures account for 21% of total Medicaid outlays, according to The [Kaiser Family Foundation](#).

The bottom line is if you've been considering long term care insurance, it's important to plan for this need while you're still healthy and young enough to qualify for coverage. The FLTCIP program has a [guided planner](#) to help you design a plan for the future and a premium calculator if you decide long term care insurance will help you minimize the risk of needing extended care and not having the money to pay for it.

According to the [2020 long term care insurance price index](#), the costs for such insurance can vary significantly. FLTCIP offers this [comparison guide](#) to help you evaluate the benefits and features of various plans, and a [premium calculator](#). FLTCIP plans are available to you and your spouse or domestic partner, whether you are still working for the government or retired. The program is also open to the parents and in-laws of employees, as well as the adult children of both retirees and employees.

*Disclosure: Tammy Flanagan is under contract with Long Term Care Partners, which administers the FLTCIP, to provide informational presentations on retirement planning issues.*