



Long Term Care Insurance ... What is the Cost?

The cost of nursing facility and home health care varies by state, but the following statistics are based on a national average.

Skilled Nursing Facility: \$ 253/day; \$ 7,698/month (private room)
 \$ 225/day; \$ 6,844/month (semi-private room)

Assisted Living Facility: \$ 119/day; \$ 3,628/month (1BR unit)

Home Health Care: \$ 20.50/hour (Home Health Aid)
 \$ 20/hour (Homemaker/companion)

Adult Day Care: \$ 68/day

According to Medicare, approximately **43% of people over the age of 65 are likely to spend time in a nursing home**; of these, 24% will be there less than one year.

- Average stay in a nursing home for acute rehabilitation – 23 days (Only 9% of nursing home patients fall into this category)

According to the National Nursing Home Survey;

- Average length of stay for patients *currently* in nursing homes is 892 days, or 2.44 years.
- Average length of stay for those patients who are able to be discharged is 272 days, or approximately nine months.
- Average length of stay for patients who die in a skilled nursing facility is just under two years.
- Females spend slightly more time in nursing homes than do males, 2.51 years compared to 2.29 years.

Do the math; if someone is in a nursing facility for more than an acute rehabilitation situation, it can be quite costly. Based on the semi-private skilled nursing facility rate above, for a stay of two years (730 days), the nursing home bill will be \$ 164,250.00 for the room and nursing services, this does not include extra fees and amenities such as T.V., phone, and other supplies not covered by Medicare. Remember, Medicare doesn't cover all costs, so having long term care insurance and/or home health care insurance is very important to reduce the out-of-pocket expenses incurred by your clients. Insuring to cost share vs. cover entire costs may help place a case.

Below are premium calculations for two of our insurance plans.

LifeStyle Solutions long term care insurance plan (in TX):

- Issue age 64
- Class 1
- \$150 Daily Benefit Amount
- 100% HHC
- 90-day EP;
- 3-years Benefit Period (\$164,250.00 pool of money)
- 3% Simple inflation (to make it a Partnership eligible policy)
- 15% spousal/partner discount

Total premium = \$3,273.63/year or \$278.26/month (ACH).¹

SecureHorizons short-term home health care insurance plan:

- Issue age 64
- \$150 Daily Benefit Amount
- 0-day EP
- 300-days Benefit Period (Annual premium without NFR \$460.80)
- Optional Nursing Facility Rider (NFR),
 - \$150 Daily Benefit Amount, 30-day EP, and 300-days Benefit Period

Total premium = \$1,283.25/year or \$ 109.09/month (ACH).

- Add 3% Compound inflation for a total annual premium of \$ 2,302.80 or \$195.74/month (ACH).¹

Call United Security Assurance and ask how we can help you find the right insurance plan for your clients' future long term care needs.

¹Note: Rates may vary by state; rates will be different when adding riders or at different class ratings.

The following websites were sourced and referenced for this article:

<https://longtermcare.acl.gov/costs-how-to-pay/costs-of-care.html>

<https://pocketsense.com/the-average-length-of-stay-in-a-skilled-nursing-facility-12386771.html>

