

# Long-term care -- many don't give it a thought until too late

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Until the last five months of her late husband's long battle with a form of [Parkinson's disease](#), Bernardine [Ford](#) cared for him in their Gold River home with the help of private [in-home care](#) providers. But after his disease progressed and his limbs stiffened painfully, she placed him in a small care home that cost \$6,500 a month.

Their [long-term care](#) insurance policy covered it. In that sense, the Fords were lucky: They were prepared financially for the kind of health crisis that swamps many people's retirement years.

"I know people who have paid \$8,000 a month out of pocket for care," said [Ford](#), 67, a retired state worker who is active in local Parkinson's disease support groups. "If that's coming out of your [retirement income](#), a lot of people can't afford it."

Most Californians aren't prepared for a future that requires expensive help if they're too ill to care for themselves.

Recent studies show that much of the aging public remains in denial about the potential need for [long-term care](#), which could wreak financial havoc on the baby boom generation's retirement years.

"[Baby boomers](#) have parents lingering for years in [long-term care](#) facilities, and they still don't think they'll need [long-term care](#) themselves," said [Steven Wallace](#), assistant director of the [UCLA Center for Health Policy Research](#). "Most people assume it won't happen to them."

But chances are, it will: According to the [U.S. Department of Health](#) and Human Services, more than 70 percent of people 65 and older will require some sort of [long-term care](#), 40 percent of them in a nursing home setting.

That care isn't cheap. The average annual cost of California [nursing homes](#) is \$72,000, but neither Medicare nor traditional medical insurance pay for that care. Medicaid covers skilled nursing home care for people with assets of \$2,000 or less.

Unlike [health plans](#) and Medicare, [long-term care](#) insurance covers care for people who are unable to perform basic activities of daily living, such as walking without assistance and feeding themselves. The range of [long-term care](#) includes home health aides and private-duty nurses, as well as [nursing homes](#), assisted-living centers, respite programs and dementia care homes.

Only 10 percent of Californians have [long-term care](#) insurance, according to a Field Poll commissioned by the state's California Partnership for [Long-Term Care](#). Most of the elderly rely on unpaid [family caregivers](#) to help them at home, or they draw down savings to cover nursing home bills. More than 20 percent of older adults pay at least \$25,000 of their own money for care.

"People are not thinking about planning for [long-term care](#)," said agency director [Brenda Bufford](#). "They still think their family assets will cover their care. And they think their families will take care of them."

The reality is, 20 percent of [baby boomers](#) are childless, with no offspring to support them or care for them in their older years. And even if a couple's assets stretch enough to cover the expenses of one spouse's care, what happens if the surviving spouse needs long-term assistance later?

"You wonder, 'Where am I going to be financially when he dies?' " said [Ford](#). "In some cases, there's barely enough for the one who's left to live on."

Even when consumers realize the need for [long-term care](#) insurance, one key factor stands in the way of obtaining it: the cost.

It's relatively affordable for people in their 20s, 30s and 40s – generally less than \$2,000 a year – but their financial concerns tend to lie elsewhere. As Assemblywoman Mariko Yamada, D-Davis, points out, people typically don't begin considering the coverage until they're in their 50s or 60s. By that time, premiums can be impossibly steep.

She has sponsored legislation, pending in the state [Senate](#), to help stabilize rates for [long-term care](#) premiums.

"I actually do not have my own policy," said Yamada, who is 60. "As young professionals, my husband and I didn't have lots of extra money, and we put our [children's education](#) first.

"At my age, [long-term care](#) insurance would cost me \$6,000 a year. It would be \$12,000 a year for my husband and me both."

Part of the federal health care reform law in 2010, the [Community Living Assistance Services and Supports \(CLASS\) Act](#), would provide relief. It's a federal insurance plan for [long-term care](#) that would pay up to \$75 a day for care and help offset the cost of private coverage. [Implementation](#) has been delayed until 2013.

Experts worry that without coverage, the financial demands of [long-term care](#) will be one more burden for the nation's 78 million [baby boomers](#) as they enter [retirement age](#) lacking private pensions and with the safety net of public pensions, [Social Security](#), [Medicare](#) and [Medicaid](#) in question.

Two-thirds of Californians say they could afford only three months of nursing home care, according to a study by the [SCAN Foundation](#) and the [UCLA Center for Health Policy Research](#), and one-third could afford only a month of part-time in-home care.

Complicating the long-term care insurance picture for consumers is a maze of coverage options, including the choice of home care-only plans vs. comprehensive coverage that includes nursing home care.

Long-term care insurance advocates say people should consider not only their checkbooks but also their family genetics as they weigh whether to navigate the complexities of long-term care policies.

"Is there a pattern in the family?" said Bonnie Burns, a policy expert with the nonprofit group California Health Advocates. "Do all the men in the family have heart attacks at an early age? Do relatives live long and fairly healthy lives?"

"If something happened, how would they pay for it?"