

Misconceptions about the Need for Long Term Care



A large majority of the American public still believes that the government will provide long term care when needed. It is this misconception that most likely prevents people from planning care for themselves. In fact, a recent study revealed that many people believe they can give away assets prior to the need for long term care and qualify for Medicaid. The study supports the premise that this knowledge prevents people from considering buying long term care insurance as a way to fund the cost of future care.

Indeed it may be possible to use the system and allow Medicaid to cover care but at what cost? Why would anyone want to plan to spend his remaining years in a nursing home--which is the preferred living arrangement of Medicaid. And why go through the expense and effort of trying to manipulate the system to get welfare care, when a little preplanning at an earlier age would be a better option?

In our practice we hear frequent objection to long term care planning from people who think Medicare or the Veterans Administration will take care of them. These people simply don't understand the limitations of government systems. Below are quotes taken from individuals who, over the years, have voiced these misconceptions.

"Uncle Jim got along just fine with the government paying his care"

"I can give away my assets and have the government pay for it"

"We have a trust and all of our assets will go to our family so the government will pay for our care"

"I'm not interested in home care or assisted living, just stick me in a nursing home and Medicaid will pay the bill"

"Long term care insurance is too expensive"

Government could be more involved in providing care but our antiquated system of delivery prevents this from happening. The National Aging Network, a government-sponsored program, is in the best position to help people receive long-term care in their homes. And studies have shown that the cost of providing this kind of care is significantly less than the cost of providing nursing home care through government programs.

Unfortunately, for every dollar that supports a person through the aging network the government spends about \$270 supporting a person in a nursing home. Because it has inadequate funding, the aging network must confine its valuable services to people who have little income or for social reasons are disadvantaged. Moderate and middle income Americans can receive some services from the network but are mostly excluded or must pay their fair share of the cost.

We believe the public's misunderstanding of Government long term care programs is an impediment to proper long term care planning. When people understand the limitations of relying on government programs they are most likely to be more motivated to plan for the future by making provisions in advance and providing advance funding to pay for care. Prior planning also allows people to have a choice in their care setting and in the type of services they receive.