



Preparing for long term care needs

Long term care checklist



Long term care events can have an impact on retirement savings and a long-lasting effect on legacy planning. Don't fear the unexpected. Plan for it. The longer a person lives, the greater the chance they will experience a long term care event. Someone turning age 65 today has almost a 70% chance of needing some type of long term care services and support in their remaining years.¹ This guide can help start the process to maintaining the financial future you and your family deserve.

Step 1: Planning for costs

Long term care services can vary widely from at-home care, including unpaid and paid care, to services in an adult day care, nursing facility, or assisted living facility. Costs vary for each type. According to a recent survey by Genworth and CareScout, the national annual average of a private room in a nursing home facility costs just over \$127,750, while adult day care costs \$26,000.² As you can see, depending on the type of care required, there can be a large variance in cost.

	Home Healthcare				Adult Day Healthcare		Assisted Living Facility		Nursing Home Care			
	Homemaker Services	1-Year % Change	Home Health Aide	1-Year % Change	Adult Day Healthcare	1-Year % Change	Private, One Bedroom	1-Year % Change	Semi-private Room	1-Year % Change	Private Room	1-Year % Change
USA - National	\$75,504	10%	\$77,792	3%	\$26,000	5%	\$70,800	10%	\$111,325	7%	\$127,750	9%

The role of Medicare

Health insurance plans typically don't pay for long term care services, and many Americans mistakenly believe Medicare will cover their long term care needs. Medicare Part A (hospital insurance) will only cover long term care hospital services for patients in the first 90 days, plus up to a maximum of 60 reserve days over your lifetime. You pay all costs after you use all of your lifetime reserve days. Studies have shown the average length of long term care is approximately 3.2 years.³ Services provided may include respiratory therapy, head trauma treatment, and pain management.⁴ Medicare Part A also covers skilled nursing facility care in certain conditions, but only for a limited time (on a short-term basis) if these conditions are met:⁵

- You have Part A and have days left in your benefit period to use.
- You have a qualifying inpatient hospital stay.
- Your doctor has decided you need daily skilled care. It must be given by, or under the supervision of, skilled nursing or therapy staff.
- You get these skilled services in a skilled nursing facility that is certified by Medicare.
- You need these skilled services for a medical condition that's either:
 - A hospital-related medical condition
 - A condition that started while you were getting care in the skilled nursing facility for a hospital-related medical condition

¹ "How Much Care Will You Need?" LongTermCare.gov, accessed online June 2025
² "Calculate the cost of long-term care near you," Carescout.com, accessed online June 2025
³ "Long-Term Care Statistics: A Portrait of Americans in Assisted Living, Nursing Homes, and Skilled Nursing Facilities," aplaceformom.com, accessed online June 2025
⁴ "Long-Term Care Hospital Services," Medicare.gov, accessed online June 2025
⁵ "Skilled Nursing Facility Care," Medicare.gov, accessed online June 2025

Paying for long term care

As you can see, Medicare will only assist in limited scenarios, if at all. Different ways to pay for services include:

- Traditional long term care insurance
The younger you are when you purchase long term care insurance, the lower the cost, in the form of annual premiums, will be.
- Life insurance
 - Combination products (life/long term care)
 - Living benefit and/or Long Term Care riders
 - Life settlements
 - Viatical settlements
- Reverse mortgage (generally must be age 62 or older)
- Annuities
 - Immediate annuity
 - Deferred long term care annuity
 - Hybrid annuity (single premium deferred annuity with long term care accumulated value)
 - Nonqualified annuity - 1035 strategies (potentially use partial built-up taxable gains to pay for LTC premiums)
- Trusts
 - Charitable remainder trusts
 - Medicaid disability trust (limited to persons with disabilities who are younger than age 65 and qualify for public benefits)
- State programs (visit [eldercare.acl.gov](https://www.eldercare.acl.gov) to view a list of resources in your area)
 - State Medicaid program (eligibility required)
 - Nutrition programs - Home-delivered meals or meals served in community centers
 - Transportation services
 - Health promotion services - Helps prevent disease or manage chronic illnesses
 - Personal care assistance - Help with household chores and shopping
 - Long term care ombudsman program (administered by the Administration on Aging - Legal assistance and services to protect the rights of older persons)
 - Respite care - Family caregiver relief, which typically provides 14 to 21 days of care per year and can be provided in a nursing home, adult day service center, or at home by a private party

The role of informal care

Circumstances may not require formal care from a skilled professional. Instead of incurring additional long term care costs, there may be options for informal care at home. Consulting a health professional is important before exercising this option and important factors should be taken into consideration:

- Staying in your home
 - Personal caregiver (family, friend, or professional caregiver)
 - Typical home modifications
 - Entryway ramps to accommodate wheelchairs or walkers
 - Bathroom safety grip bars and walk-in or roll-in showers
 - Medical alert system
 - Lever style door and sink handles
 - Improved lighting and night lighting
 - Handrails
 - Wider doorways for wheelchair access
 - Stairway chair lifts
 - A separate apartment or living space for a caregiver
- Assistive devices, technology, or equipment
 - Grabber or reacher tool (helps get objects out of your reach)
 - Voice amplification tools
 - Voice recognition tools
 - Cueing and memory aids
 - Walkers, wheelchairs, and scooters



Step 2: Traditional & hybrid LTC insurance, how it works, & policy features

For some high net worth individuals, self-insuring against a long-term event is possible. For others, who don't have the necessary resources for care, Medicaid eligibility is an option. But for those who fall between these groups, a traditional qualified long term care policy, a life insurance policy with additional riders, or an annuity policy with additional riders, may be an option to help you and your family sustain the quality of life you deserve. Because most individual policies require medical underwriting, finding a policy at a reasonable age (50s or 60s) and with health on your side is important. You may not qualify if you are in poor health or already receiving long term care services.

There is no one-size-fits-all policy and understanding what is and isn't covered is essential to pick the right policy for your needs. Transamerica has compiled this checklist to help you and your financial professional compare and contrast the different policy options available with existing or proposed coverage.

Traditional long term care insurance

What services are covered?

- ☐ Nursing home care
- ☐ Home healthcare
- ☐ Adult day care
- ☐ Assisted living care
- ☐ Respite care
- ☐ Hospice care

How much does the policy pay per day:

For nursing home care?	\$
For home healthcare?	\$
For adult day care?	\$
For assisted living care?	\$
For respite care?	\$
For hospice care?	\$
Other?	\$

How long will the benefits last?

In a nursing home	
At home	
In an assisted living facility	
For adult day care	
Other	

Does the policy have a maximum lifetime benefit? If so, what is it?

For nursing home care	\$
For home healthcare	\$
For an assisted living facility	\$
For adult day care	\$
Other?	\$

**Does the policy have a maximum length of coverage for each period of confinement?
If so, what is it?**

For nursing home care	
For home healthcare	
For assisted living care	
For adult day care	
Other?	

How long must I wait before preexisting conditions are covered?

How long must I wait before benefits begin (elimination period)?

For nursing home care	
For home healthcare	
For assisted living care	
For adult day care	
Other?	

Hybrid life insurance or hybrid annuity with riders

What are the payment modes?

___ Single Pay ___ 5-Pay ___ 7-Pay ___ 10-Pay ___ Annual

How much are premiums? _____

What type of benefit does it provide?

___ Accelerated Death Benefit Rider ___ Standalone LTC Rider

Benefit eligibility: _____

Rider benefit period: _____

What is the LTC Rider's specified amounts?

Minimum: _____ Maximum: _____

What is the elimination period? _____

What is the monthly or lump-sum benefit amount?

Are Alzheimer’s disease and other dementia, or organic mental and nervous disorders covered?

- ☐ Yes
- ☐ No

Does this policy require:

- ☐ An assessment of activities of daily living (ADLs)? (Usually needing help with two or more of the six ADLs)
- ☐ An assessment of cognitive impairment?
- ☐ Physician certification of need?
- ☐ A prior hospital stay for nursing home care?
- ☐ Home healthcare?
- ☐ A prior nursing home stay for home healthcare?
- ☐ Other?

Is the policy guaranteed renewable?

- ☐ Yes
- ☐ No

Is there a waiver-of-premium provision?

For nursing home care	
For home healthcare	
For assisted living care	

How long must I be confined before premiums are waived? _____

Does the policy have a nonforfeiture benefit? _____

**Does the policy offer an inflation adjustment feature? If so, what is the rate of increase?
How often is it applied? For how long? Is there an additional cost?**

What does the policy cost?

With inflation feature: \$ Without inflation feature: \$	Per year
With inflation feature: \$ Without inflation feature: \$	Per month

Step 3: What happens if you require long term care?

“If you don’t have a plan, someone else will plan for you.” – AARP

Preparing your plan

An experienced estate planning attorney specializing in elder law and familiar with your state’s laws can assist with creating a legal framework so you can live life on your terms.

Topics to discuss with an elder law attorney include, but are not limited to:

- Employment
 - Age discrimination
 - Retirement matters
- Advance healthcare (medical) directives
 - Living will – A written legal document that clearly states end-of-life care wishes
 - Cardiopulmonary resuscitation – Determine if and when
 - Mechanical ventilation – Determine if, when, and for how long
 - Tube feeding – Determine if, when, and for how long
 - Antibiotics or antiviral medications – Determine if you would want infections to be treated
 - Comfort care (palliative care) – Determine if, when, for how long, and where to manage pain
 - Organ and tissue donations – Determine if and what organs or tissues you would want donated
 - Donating your body – Determine if you would like to donate your body to a local medical school, university, or donation program
- Power of attorney for medical or healthcare needs – Identify a person you trust to make your decisions when you become legally incapacitated

Depending on where you live, this person may be called:

- Healthcare agent
- Healthcare proxy
- Healthcare surrogate
- Healthcare representative
- Healthcare attorney-in-fact
- Patient advocate
- Estate planning needs
 - Last will and testament
 - Revocable living trust
 - Irrevocable trust planning (including charitable remainder trusts and Medicaid disability trusts)
- Medicaid qualifications in your state
- Advocating on your behalf for disputes from insurance companies for health insurance, disability insurance, long term care insurance, or life insurance
- General aging advice and counsel

If you do not already have a plan in place:

- Help your loved ones seek legal guardianship or conservatorship if prior planning was insufficient and you have lost legal capacity

When it comes to preparing for your future, there's no time like the present.

Let's get started today.



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