

Elder Law: Why You Need a Long Term Care Plan

At Rothamel Bratton, our elder law lawyers understand; developing a long term care plan is one of those necessary evils (kind of like going to the dentist.) It's not something you look forward to doing; however, to motivate you, consider that the cost of one year of nursing home care, in a private room, hovers around \$107,000 in the Philadelphia area.

What if both spouses need care at the same time? Not too many families can sustain nursing home payments of \$214,000 per year ($\$107,000 \times 2 = \$214,000$.)

Our clients find that having a long term care plan in place helps them and their loved ones to feel more relaxed, knowing they are financially secure and won't be devastated by long term care costs.

There are Three Main Ways to Pay for Long Term Care

There are 3 basic ways to pay for nursing home care; you'll notice we don't mention Medicare. Medicare payments for long term care are extremely limited and cannot be counted on for the long term.

You can pay for nursing home care with:

1. Private Pay funds
2. Long Term Care Insurance
3. Medicaid

Private Pay – if your assets produce \$107,000 (plus inflation) each year, you may be able to private pay for your long term care without substantially reducing your principal.

Long Term Care Insurance – long term care insurance is an excellent investment for those who can pay the premiums and qualify. Ask a qualified elder law attorney for a referral to a trusted long term care insurance agent.

- The best time to consider long term care is when you're in your early 50s; however, if early onset dementia runs in your family, consider it when you are in your early 40s.
- Typically, the premiums you'll pay over your entire lifetime will be recouped in less than one year in a nursing home.

Medicaid – if you cannot afford to private pay, cannot afford long term care insurance premiums, or cannot qualify for long term care insurance, Medicaid may be a good fit for you.

- Medicaid is a federal program that is administered by your state; it pays for long term care, if you cannot.
- Typically, trusts, gifting programs, and caregiver contracts are used as part of a Medicaid plan; however, each long term plan is customized to the individual's financial and family situation.

Warning: Do NOT Try to Implement Your Own Long Term Care Plan

While legally, you always have the right to do your own legal work, in most cases it's not a good idea and, likely, can have disastrous results. If you download documents from the Internet or give assets away, your plan may fail and you may disqualify yourself from receiving Medicaid.

Where to Get Help with Elder Law and Establishing a Long Term Care Plan

As with all estate planning, the sooner you consult with an attorney and map out a plan, the smaller the legal fees, the more money you'll be able to protect, and the more choices you will have. But, it's never too late. Don't give up; always consult with a qualified elder law attorney at Rothamel Bratton LLC.

Protect the ones you love. If you have questions or concerns about elder law and paying for long term care or a nursing home, please contact Rothamel Bratton's Elder Law Attorney, Charles Bratton, in our Haddonfield, Lawrenceville, or Philadelphia office at 856-857-6000. We look forward to your call.