


# Don't believe the myths

*Discover the truth about long-term care*



**ONEAMERICA®**

*OneAmerica® is the marketing name for the companies of OneAmerica*



More people today will one day need long-term care (LTC) services at home, in assisted living or in a nursing home — and the cost for care is on the rise.<sup>1</sup> Yet too often they stop short of preparing for future needs because they're confused by the myths surrounding LTC products and services.

**1.** *"How Much Care Will You Need?" LongTermCare.gov. <http://longtermcare.gov/the-basics/how-much-care-will-you-need>. Web.*





# Set the record straight

## *Seven common myths about LTC*

With this information, you'll be in a better position to help protect yourself, your family and your future.

### 1 Myth: “A government program will take care of me.”

---

**Fact:** Government programs are difficult to qualify for and have very specific requirements for LTC services. A number of public programs — including Medicare, Medicaid and veterans' services — may help pay for some LTC services in certain circumstances. Yet each program has specific rules that define which services are covered, when benefits are paid, who can qualify and the dollar amounts individuals must pay on their own.

When people are able to qualify for Medicaid and the program pays their LTC costs, there's a catch. Federal law requires states to recover the money Medicaid spent on their behalf from their estate after they pass away.<sup>2</sup> Probate law dictates what states will include in estates, but typically this will include real and personal property, such as a home. This could force a person's spouse to sell their home, or Medicaid could put a lien on the house in the amount of the LTC expenditures.

*It's important to remember that government programs are limited by availability and financial resources.*

2. “Estate Recovery and Liens.” Medicaid.gov. [www.medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/estate-recovery.html](http://www.medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/estate-recovery.html). Web.



Did you  
know?

Federal law requires states  
to recover the money  
Medicaid spent on people's  
behalf from their estate  
after they pass away.<sup>2</sup>

## 2 Myth: “I can save the money I’ll need for LTC services.”

---

**Fact:** Anyone who’s had this thought should stop to consider two crucial questions: *How will I save up the money?* And (more important), *why?*

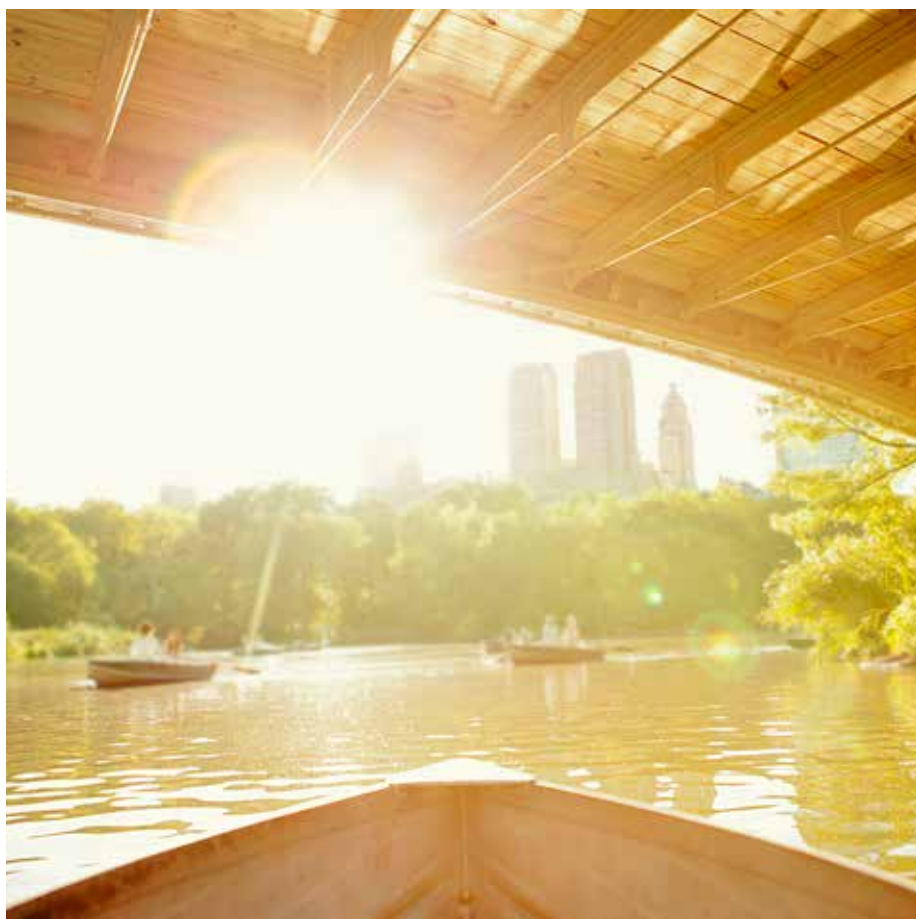
LTC services can be very expensive. The growing costs for care present a huge financial risk to older adults’ retirement dollars. Those who plan to take on the burden of LTC expenses for themselves and/or a spouse or other loved one could wipe out their lifetime savings much faster than they expect.

Consider the facts:

- The average cost in 2010 for a one-year stay in a private nursing home room is \$83,580.<sup>3</sup>
- Of all Americans age 65 and up today, 1-in-5 will require LTC services for five years or more.<sup>4</sup>
- At today’s average cost, a couple with \$500,000 in assets would deplete their savings in just a few short years paying for LTC services.

Industry expert Harley Gordon, J.D., CLTC, states that a lasting illness “invariably leads to an invasion of portfolio capital, the purpose of which is to provide predictable streams of income. Using capital to pay for care results in unnecessary taxes, market timing and liquidity issues. And just as important, every dollar used to pay for care is one dollar less toward keeping future commitments to the family, keeping commitments to charities and providing a legacy to those (you love).”<sup>5</sup>

**3.** “Costs of Care.” *LongTermCare.gov*. <http://longtermcare.gov/costs-how-to-pay/costs-of-care>. Web. **4.** “How Much Care Will You Need?” <http://longtermcare.gov/the-basics/how-much-care-will-you-need/>. Web. **5.** Gordon, Harley. *The Conversation: Helping Someone You Love Plan for an Extended Care Event*. Acanthus Publishing. 2016.



**\$83,580**

The average cost in 2010 for a one-year stay  
in a private nursing home room.<sup>3</sup>

# 3 Myth: “Only old people need LTC services.”

---

**Fact:** Among adults age 65 and older, about 70 percent need some kind of help with the basic activities of daily living for weeks, months or even years as they age.<sup>6</sup>

It’s wise to begin looking into LTC protection well before services are needed for two primary reasons: cost and need.

## *Potentially lower costs*

By applying for insurance protection at a younger age, policy premiums — which are guaranteed never to increase — are lower. At the same time, getting approved for a policy or contract is easier at a younger age, when health risks are fewer. By contrast, waiting to make the purchase means paying potentially higher age-based premiums, needing more protection and risking being declined.

## *Consider the need*

Even adults who aren’t elderly may need a little extra assistance from day to day. This can be due to an illness, injury, chronic condition or disability. Help also may be required due to aging-related declines in eyesight, hearing, strength, balance and/or mobility.

Visit [OneAmerica.com/myths](http://OneAmerica.com/myths) to see how you can prepare for future LTC needs, and learn more about the facts behind the myths.

6. “How Much Care Will You Need?” <http://longtermcare.gov/the-basics/how-much-care-will-you-need/>. Web.





Did you  
know?

Waiting to make the purchase means paying potentially higher age-based premiums, needing more protection and risking being declined.

## 4 Myth: “I don’t need separate LTC protection because I have health insurance.”

---

**Fact:** LTC protection is not the same as health insurance, which is designed simply to cover the costs to cure individuals and return them to good health.

Health insurance is intended to help pay for medical care only, but LTC insurance benefits help support potentially costly LTC services, which can include bathing, eating, getting dressed and moving around. LTC services generally are required by those who are dealing with chronic illnesses, accidents or advanced aging and are progressive, with the level of needed care growing over time.

## 5 Myth: “I can’t afford LTC insurance.”

---

**Fact:** The cost for LTC protection can fit nearly anyone’s budget and financial goals. LTC protection may seem expensive, but *not* having it can be much costlier to individuals and families. LTC costs can quickly deplete a person’s hard-earned life savings.

*LTC protection may seem expensive, but not having it can be much costlier to individuals and families.*



LTC products can offer a broad selection of funding options. Mutual funds, cash or Section 1035 exchanges from existing life insurance or an annuity can be used to fund LTC protection with a single lump-sum premium. Another option is to pay policy premiums — which are guaranteed never to increase — over a period of 10 to 20 years.

## 6 Myth: “LTC protection pays for nursing home care only.”

---

**Fact:** LTC benefits are designed to help people get the type of care they want — when, where and how they want it. LTC protection provides many options in a range of medical, personal and social services in a variety of settings — home, community, assisted living and skilled nursing facilities.

About 80 percent of care provided at home is received from unpaid family caregivers. Many others receive care in a community setting, and not in skilled nursing facilities.<sup>7</sup> LTC benefits help expand choices so people can receive services when, where and how they are most needed.

Selecting and receiving the desired care can require thought and preparation. Adults should consider where they’ll want to live as they age and whether their current residence can meet their changing needs or be modified to do so. LTC protection can be used to help people remain comfortably at home longer and avoid the necessity of a nursing home.

As needs become more pronounced, LTC protection provides access to the full spectrum — from adult day care to home health care visits to assisted living. Coverage also includes a bed reservation benefit to “hold your spot” in a facility if you require hospitalization. LTC benefits can provide for caregiver training, care coordination, respite care and even hospice care in end-of-life situations.

7. “Who Will Provide Your Care?” <http://longtermcare.gov/the-basics/who-will-provide-your-care/>. Web.



**About 80 percent**  
of care provided at home  
is received from unpaid  
family caregivers.<sup>7</sup>



# 7 Myth: “We don’t need LTC protection because we have each other.”

---

**Fact:** The reality is that LTC situations impact not only the individual who needs care, but also the entire family — across generations. Family members who provide care without being paid are the most common source of LTC help in the U.S. today. Typically, the women of the family — wives, sisters, daughters — step into caregiving roles, often making great personal sacrifices to take on the extra responsibilities. But they might not be able to meet every need and be available every hour of the day.

Anyone who is considering caring for or receiving care from a family member should thoughtfully consider these questions:

- Would you realistically want to care for the family member?
- Would you trust a family member to provide care for you?
- Are you physically and mentally capable of caring for each other?
- Is caregiving what you really want for each other for your future?

LTC situations can take a heavy emotional and financial toll on even the closest, strongest families. With the extra help of LTC protection, a family member can enjoy independence longer without sacrificing comfort or having to feel like a burden to others.

*With the extra help of LTC protection, a family member can enjoy independence longer without sacrificing comfort or having to feel like a burden to others.*

Discover how to  
prepare for your  
future no matter  
where life takes you  
with OneAmerica<sup>®</sup>  
Care Solutions.

**Note:** Products issued and underwritten by **The State Life Insurance Company**<sup>®</sup> (State Life), Indianapolis, IN, a OneAmerica company that offers the Care Solutions product suite. Asset-Care Form number series: L301, R501 and SA31; Annuity Care and Annuity Care II Form number series: SA34, R508, SA35; Indexed Annuity Care Form number series: SA36, R529 PPA, R529, R530 PPA and R530. In ID: L301 (ID), SA31, R501; SA34, R508; SA35 (ID). In MT: L301(MT), SA31 (MT), R501, R518 (MT), R519, SA36(MT), R529(MT), R529(MT)PPA, R530(MT), R530(MT)PPA, SA34 (MT), R505, R508(MT), SA35(MT). Not available in all states or may vary by state. All guarantees are subject to the claims-paying ability of State Life. This is a solicitation of insurance. An insurance agent or insurance company will contact you. These policies and long-term care insurance riders have exclusions and limitations. For cost and complete details of coverage, contact your insurance agent or company. This material is provided for overview or general informational purposes only. These concepts were derived under current tax laws. Changes in the tax law may affect the information provided. This is not to be considered, or intended to be legal or tax advice. For answers to specific questions and before making any decisions, please consult a qualified attorney or tax advisor.

**NOT A DEPOSIT • NOT FDIC OR NCUA INSURED • NOT BANK OR CREDIT UNION GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT**

---

### **About OneAmerica<sup>®</sup>**

A national leader in the insurance and financial services marketplace for nearly 140 years, the companies of OneAmerica help customers build and protect their financial futures. OneAmerica products include retirement plans, individual life insurance, annuities, long-term care solutions and employee benefit plan products. For more information, visit *OneAmerica.com*.

---