

Nearly Half of Older Americans Need to Get Schooled on Long-Term Care Insurance

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It's easy to think of long-term care as somebody else's eventual problem, but the harsh reality is that [70% of Americans](#) 65 and over end up needing some type of long-term care in their lifetime. That doesn't always mean a two-year nursing home stay; it could mean a few months of home healthcare, or a stint at an assisted living facility that promotes independence. But either way, the cost of long-term care can be downright astonishing to those who aren't prepared for it. And unfortunately, a large number of older Americans may be in that very boat.

An estimated 48% of Americans aged 55 to 64 are not familiar with long-term care insurance, according to the Center for a Secure Retirement® and Bankers Life. And that means these same people might lose out on a key opportunity to make an otherwise terrifying expense a lot more manageable.



Image source: Getty Images.

How much does long-term care cost?

The amount you may have to spend on long-term care will depend on a number of factors:

- Where you live
- The type of care you need
- The duration of time during which you need care

Unfortunately, [Medicare](#) generally will not pay for long-term care, especially as it relates to assistance with everyday living. (If you need a skilled nurse to come to your home to administer medication following surgery or injury, that may be a different story.)

Thankfully, long-term care insurance can help pick up the tab for the costs you might incur when you're older. But without that insurance, here are the price tags you may be looking at :

Long-Term Care Service	Median Yearly Cost (Nationwide)
Assisted living facility	\$48,612
Home health aide	\$52,624
Shared nursing home room	\$90,155
Private nursing home room	\$102,200

Data source: Genworth.

If you're now, after seeing these numbers, sitting there mouth agape, don't worry -- that's a natural reaction. But once you take a minute to get over that shock, you should pick up the phone or jump on the internet and start exploring your options for long-term care insurance. Having a policy to pay what could be a substantial portion of your out-of-pocket costs could spare you and your loved ones untold financial hardship should the need for extended care arise.

When do you need to apply for long-term care insurance? Your best bet is to do so during your mid-50s. At that point, you're not stuck paying those premiums for too long, but you're also more likely to get approved at an affordable premium rate. But don't assume you can't apply if you're already well into your 60s. You might pay more per month, but that's the trade-off for not having gotten a policy earlier. Furthermore, if you have a [health savings account](#), you can use the money in it to cover your long-term care insurance premiums, thereby making them easier to swing.

Even if your health is great going into [retirement](#), you never know when you might wind up in a long-term care situation, whether you plan to or not. Unless you know, with certainty, that you'll have family on hand to provide care in your old age, it pays to assume that you'll need long-term care at some point. Having insurance to cover that cost could spare you the financial stress so many unsuspecting seniors and their families face, so if you're nearing retirement and aren't familiar with how long-term care policies work, it's time to do some reading.