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## Driving a Bargain For Long-Term Care

When you buy a car or a house, you expect to haggle for the best price. It turns out that you can do the same thing when you shop for long-term care.

You can look up local costs at [Genworth.com/costofcare](http://Genworth.com/costofcare) on a map prepared by Genworth Financial, one of the country's largest long-term-care insurers, that can help you compare costs for various types of care in various places. That could be particularly helpful for families trying to decide whether to move a loved one in need of care.

Genworth's annual survey of long-term-care costs, conducted by its CareScout caregiver-support unit, was released earlier this month. The national median rate for a shared nursing-home room climbed even more quickly in the past year, by 5.7%, to \$193 a day. A private room costs \$213 a day, a **5.1% increase from 2010**.

If you are considering an assisted-living facility or a nursing home, ask if there is a waiting list. If not, you may have more wiggle room to negotiate.

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When you buy a car or a house, you immediately buy car or homeowners insurance. Unlike car or homeowners insurance, many people delay (despite price increases due to age and/or deteriorating health) or entirely forgo purchasing long term care insurance. While you do not know if or when you will need long term care, if you wait until the time you need long term care you will be ineligible to buy it. According to the U.S. Department of Health and Human Services, **7 in 10 people over the age of 65 will require long term care**. This compares to a **1 in 340 chance of a major auto accident and a 1 in 1,200 chance of a total loss from a fire**.

When selecting a long term care insurance policy, verify it is a flexible policy. A flexible policy will pay for your care, even as your needs change. For instance, you may start out receiving care in your home, transition to an assisted living facility and ultimately receive the rest of your care in your home.

Ideally, select a policy that will pay for care provided by licensed or unlicensed care providers. Since unlicensed care providers can cost half as much as licensed care providers, your benefits can last twice as long as they would if you used a licensed care provider.

Long term care insurance policy benefits are based on the value of your policy's benefit pool. The benefit pool can be calculated by multiplying the daily benefit by the number of years (benefit period). For example, if you chose a \$200 daily benefit and a five year benefit period your benefit pool would equal \$365,000. If you use the full \$200 daily benefit every day the \$365,000 benefit pool will be depleted in five years.

If you can negotiate a \$100 daily rate your \$365,000 benefit pool will be depleted in 10 years.

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<http://www.skloff.com/services-ltci.htm>

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