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**[Ken Dychtwald Ph.D.](#)**

Renowned Psychologist, Gerontologist and Author

## **[Caregiver Crunch: How To Find Affordable Care](#)**

This month is **National Long Term Care Awareness Month**. Based on thirty-five years working in the field of aging, I have reached some personal conclusions about long term care and its funding. Here goes.

### **Learning from my mom and dad's experience.**

I grew up in the 1950s and 60s in a close-knit, hard-working family. My parents both worked full-time to pay the bills, send my brother and me to college while saving frugally for their own retirement nest egg. Still very much alive at 86 and 89, my mom and dad live in a retirement community in South Florida. I live 3,000 miles away with my wife and kids in California, while my older brother lives in New Jersey - near where we grew up.

Today, my dad has diabetes and heart disease and has been blind for a decade due to macular degeneration. While still sharp as a tack, and ready for a political argument 24/7, he can't drive, read or handle many of the normal activities of daily living without a full-time aide. My mom - who remains the "heart" of our family - also requires ongoing assistance. She has COPD - which means she must spend three hours a day on a nebulizer. In the past several years, she has had a heart bypass surgery, a hip replacement and is grappling with memory loss.

Around a decade ago, when it became obvious that living independently in their home was becoming difficult, my brother and I grew concerned because we saw that age and chronic disease were starting to take a deep toll. We knew that Medicare didn't pay for long term care and Medicaid was for the poor, so our anxiety was high. However, I was very relieved when my dad told me that they were going to activate the benefits of the long term care insurance policies they had bought five years before, to get the extra help they needed so they could continue to live independently.

The good news is they are currently living surprisingly normal lives in their own home, thanks to the services of their care coordinator as well as the terrific aide who comes to their house six days a week, helps manage their household, does the grocery shopping, prepares meals, takes

them to their various doctors appointments, cares for them - and generally has allowed them to stay together in their home, just like they always wanted.

If not for their LTC policy, my folks (who have recently celebrated their 67th anniversary!) would most likely be living in some sort of institution - probably a nursing home. And because of their different conditions, they might have been forced into separate facilities. My brother would probably have given up his life in NJ to look after them, and my wife and I would probably be paying for their care which by now would have cost nearly \$500,000 - a small fortune.

As a gerontologist, I know that paying out-of-pocket for eldercare can be very costly. The median cost for home care is \$42,000/year and a private room in a nursing home costs on average \$74,000/year (for information on the cost of care where you live, here's a helpful resource: [www.genworth.com/costofcare](http://www.genworth.com/costofcare)). Some people have to sell all their assets to cover the cost of LTC - and many others become impoverished while paying for LTC expenses. I recently read how some social workers are advising elder men and women to divorce their spouse should their partner's health start to fail. By doing so, they can detach from the financial responsibilities of caring for their loved one - and have Medicaid pick up the tab. This is a shameful state of affairs.

My folks say that they purchased their policies so that they wouldn't be a burden on us - and while we would do almost anything for them, we are thankful for their proactive decision to purchase their LTC insurance years ago.

### **The Coming Caregiver Crunch**

Over the past century, life expectancy has vaulted from 47 to 77....and it continues to rise. But, the longer you live - the longer you'll live. So a 65 year old today has an average life expectancy of nearly 85 years! For many, this is a terrific circumstance - more years to learn, work, play and enjoy time with those we love. However, with longer lives, there's also the increased possibility of health problems along the way. Nearly 70% of all people over 65 will need some long term care in the years ahead. And we're talking about our parents and soon us!

Today, three quarters of all care is provided informally by loving and supportive family members outside of hospitals, nursing homes and other institutions. This caregiving might involve grocery shopping, house cleaning or helping a loved one who is recuperating from surgery to bathe, dress or visit their doctor. Or, it might even require 24/7 care for a loved one with Alzheimer's.

But there will soon be a shortage of family caregivers for four reasons:

1. Fewer children to provide care. Today's elders had around four children per couple, while boomers have had only two.
2. Family members may not live nearby due to increased mobility and relocations.
3. Escalating numbers of singles without a spouse to care for them, due to rising divorce rates and widowhood (women outlive men by more than five years).
4. Highest rates - ever - of both middle-aged men and women working. And so, the adult daughter or son might need (or wish) to work.

### **Long Term Care is not necessarily a comfortable topic...even for a gerontologist!**

So, when my wife Maddy and I stopped to think about it five years ago, we considered what might happen to our lives if sometime down the road we needed extended care. While we realized that there were costs associated with purchasing LTC insurance, the potential financial and emotional costs to ourselves and to our children of not purchasing them were far higher. Although my folks bought their policies in their 70s, we decided to buy ours in our early 50s, when the rates are lower and the likelihood of qualifying is far higher. And, we also took advantage of the special discounts for couples. In addition, because we are small business owners, around ¾ of our premiums turned out to be tax-deductible.

### **After 35 years on the aging front lines, my personal rationale for why purchasing long term care insurance makes sense:**

1. To maintain independence and to avoid burdening your children - financially or emotionally.
2. To assure your ability to get quality care in the setting you choose.
3. To protect your retirement assets and stay in control of your money and your life.
4. To protect your spouse's lifestyle and financial security, while you're alive and afterwards.
5. To protect inheritance for your children and grandchildren.

While I don't think everyone needs LTC insurance, I do believe that everyone should have a plan for how they're going to be looked after should they needed extended care, and how they're going to pay for it without burdening their family.

### **Some helpful resources:**

I've just posted an audio recording for the media on this subject, which you might find helpful at [www.agewave.com/Dychtwald\\_media\\_briefing\\_on\\_LTC/](http://www.agewave.com/Dychtwald_media_briefing_on_LTC/). And, I have found the following websites useful as resources to help craft a satisfying long term care plan: [www.longtermcare.gov](http://www.longtermcare.gov), [www.caringtalk.com](http://www.caringtalk.com), and [www.ResearchLTC.com](http://www.ResearchLTC.com).

I'd welcome all of your thoughts, ideas and questions about these themes.

Ken Dychtwald, Ph.D. is a psychologist, gerontologist and author of sixteen books on aging, life transitions, and retirement-related issues including *Age Wave*, *The Power Years*, and his new book, *With Purpose: Going from Success to Significance in Work and Life* (with Daniel J. Kadlec, Collins Life; 3/09). The founding CEO of *Age Wave*, he lives with his wife and children in the San Francisco Bay Area.

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