

Protecting your future

Long Term Care Planning Options



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Agenda

Educate

What is long term care?
What are your options?

Empower

Make an informed decision

Motivate

Take action to develop
your long term care strategy



Experience with long term care

Do you have experience
with long term care?

Do you know someone
who has?



Long term care is a reality

AT LEAST

70%

OF PEOPLE

People over 65 will need long term care services.¹

4.0

YEARS

Average length of long term care claims lasting longer than one year.²

4-8

YEARS

Average life expectancy after Alzheimer's disease diagnosis after age 65.³

- ¹ Medicare & You, National Medicare Handbook, Centers for Medicare and Medicaid Services, Revised December 2013
- ² Claims data for Genworth Life Insurance Company and affiliates – December 1974 – January 2014
- ³ Source: 2014 Alzheimer's Disease Facts and Figures, Alzheimer's Association, Alzheimer's & Dementia, Volume 10, Issue 2. March 2014

Long term care is expensive

Cost of care for one year in the United States*

In-home care:
(home health aide)

\$45,188

Assisted living facility:
(one bedroom – single occupancy)

\$42,000

Nursing home:
(private room)

\$87,600

Source: Genworth 2014 Cost of Care Survey, conducted by CareScout®, April 2014. Based on national median costs.

...and even more expensive in 15 years

Cost of care for one year in the United States*

In-home care:
(home health aide)

\$45,188 → **\$70,400**

Assisted living facility:
(one bedroom – single occupancy)

\$42,000 → **\$65,434**

Nursing home:
(private room)

\$87,600 → **\$136,477**

Source: Genworth 2014 Cost of Care Survey, conducted by CareScout®, April 2014. Based on national median costs.

*Estimates how much care might cost based on 3% annual inflation.

What is long term care?

It is an event.

- ▶ Broadly defined as care provided for the benefit of those who are unable to care for themselves
- ▶ Typically provided for an extended period of time
- ▶ Supervision due to a severe cognitive impairment, such as Alzheimer's disease
- ▶ Assistance with activities of daily living (ADLs)

Long term care* is help with severe cognitive impairment issues and ADLs

*Specific definition may vary by state.

What is long term care?

Wide range of care and supportive services that are provided for extended periods of time (over 90 days)

Provided for individuals who lack at least some capacity for self-care without substantial assistance from another because of chronic illness, medical conditions and inability to perform activities of daily living; OR severe cognitive impairment



What triggers long term care?

Needing assistance with 2 or more of the following:

Bathing

Dressing

Eating

Continence

Toileting

Transferring

- OR -

Severe cognitive impairment
(Mental deterioration)



Why are you considering a long term care plan?

- ▶ I don't want to be a financial or emotional burden to my family
- ▶ I want to be able to participate in choosing the setting for my long term care
- ▶ I don't want to depend on the government for long term care
- ▶ I want to preserve my assets for my children and my spouse
- ▶ I want to retain my independence and be in control of my financial, physical and emotional well-being
- ▶ I want the sense of security that comes from knowing that I have a plan in place should I need long term care

Reasons for having a plan for long term care

Financial and emotional burden

Access to quality care

Dependence on Government Programs

Asset protection

Choice and control

Independence

Sense of security



Levels of long term care

There are three levels of long term care

- ▶ Custodial
- ▶ Intermediate
- ▶ Skilled

These levels vary based on four factors

- ▶ Cost
- ▶ Services provided
- ▶ Who provides the services
- ▶ Where the services are provided

Where care is provided

Where you need it

Not just in nursing homes
or assisted living facilities

Often in your own home



What is your preference?

Where would you prefer to receive care should you have a long term care need?

Is it important for you to stay at home?



If you need care

Where care is provided

- ▶ Where you need it
- ▶ Not just in nursing homes or assisted living facilities
- ▶ Often at home

What is your preference?

- ▶ Where would you prefer to receive care should you need it?
- ▶ How important is it for you to stay at home?

Common options for care

Family

Relying on your family to take care of you

Self-Insure

Using your own income or savings to pay for care

Government Programs

Medicare

Medicaid (in California, Medi-Cal)

Long Term Care Insurance

Transferring some of the risk to an insurance company



Options – Family

Private/Family Support

- ▶ Families help because it's the right thing to do
- ▶ Care provided by those you know and trust
- ▶ Considerations for caregiver
 - Time and ability
 - Proximity to individual needing care
 - Physical, financial and emotional impact to caregiver



Options – Government programs

Public Programs

▶ Medicare

- Generally covers skilled nursing home care after a hospital stay of at least three days
- Coverage is limited

▶ Medicaid

- Contributes to long term care but requires recipients to use their income to pay for care and most of their assets to qualify
- Savings may be spent down



Options – Self-insure



Self-Funding

- ▶ Allocate a portion of your savings
- ▶ Review Cost of Care in your area
- ▶ Consider inflation and living expenses

Options – Insurance

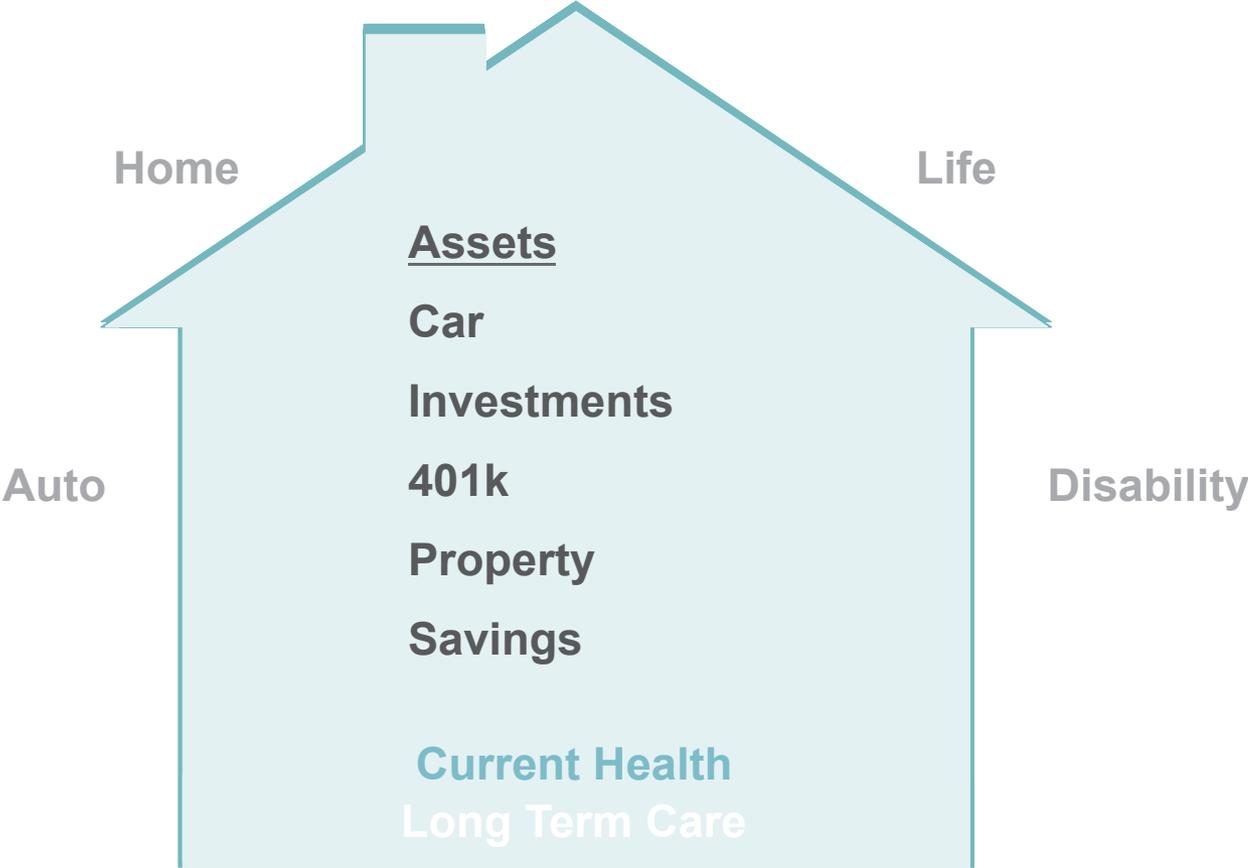
Transfer some of the risk

Help protect your savings

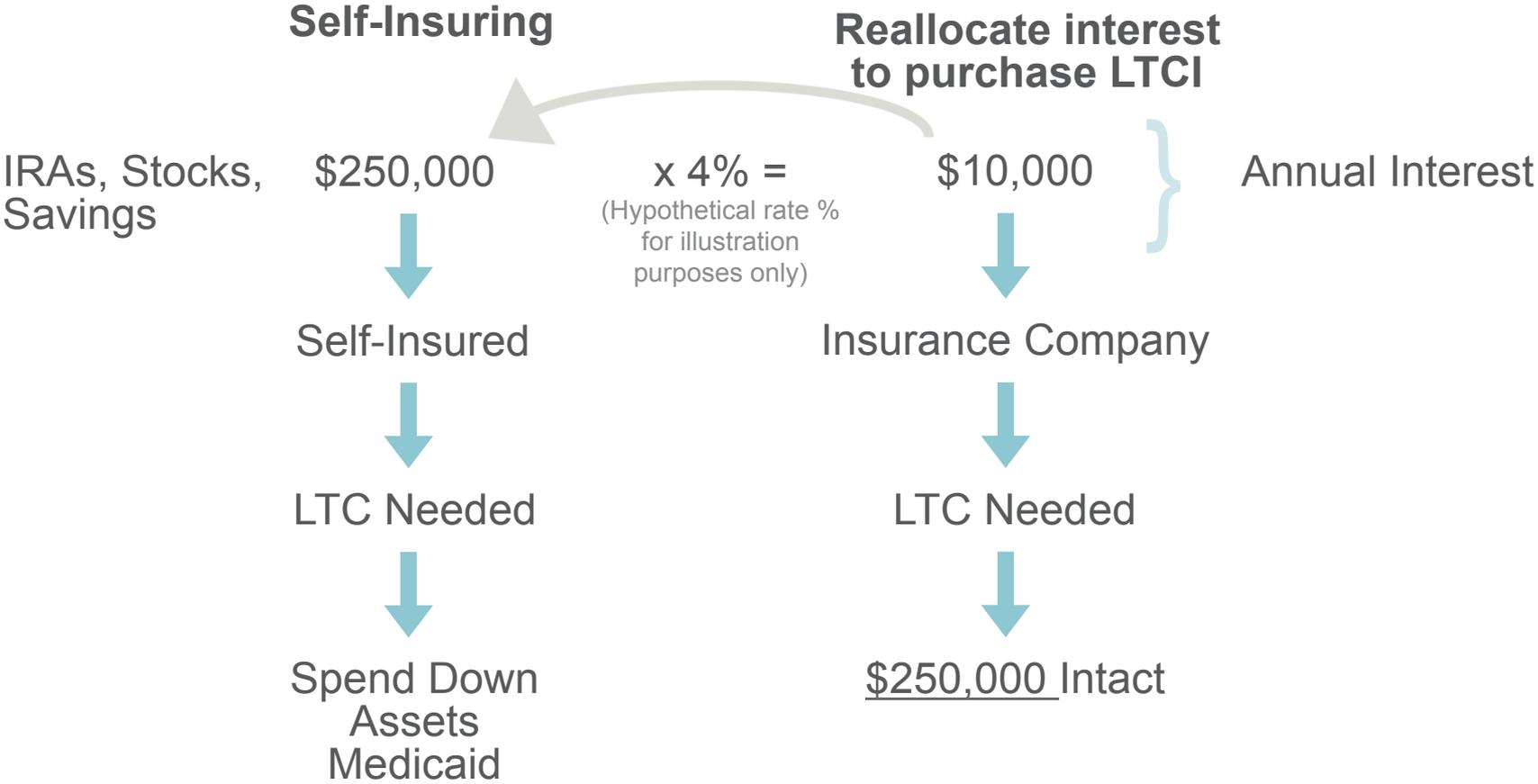
Have choice of where you prefer to receive care



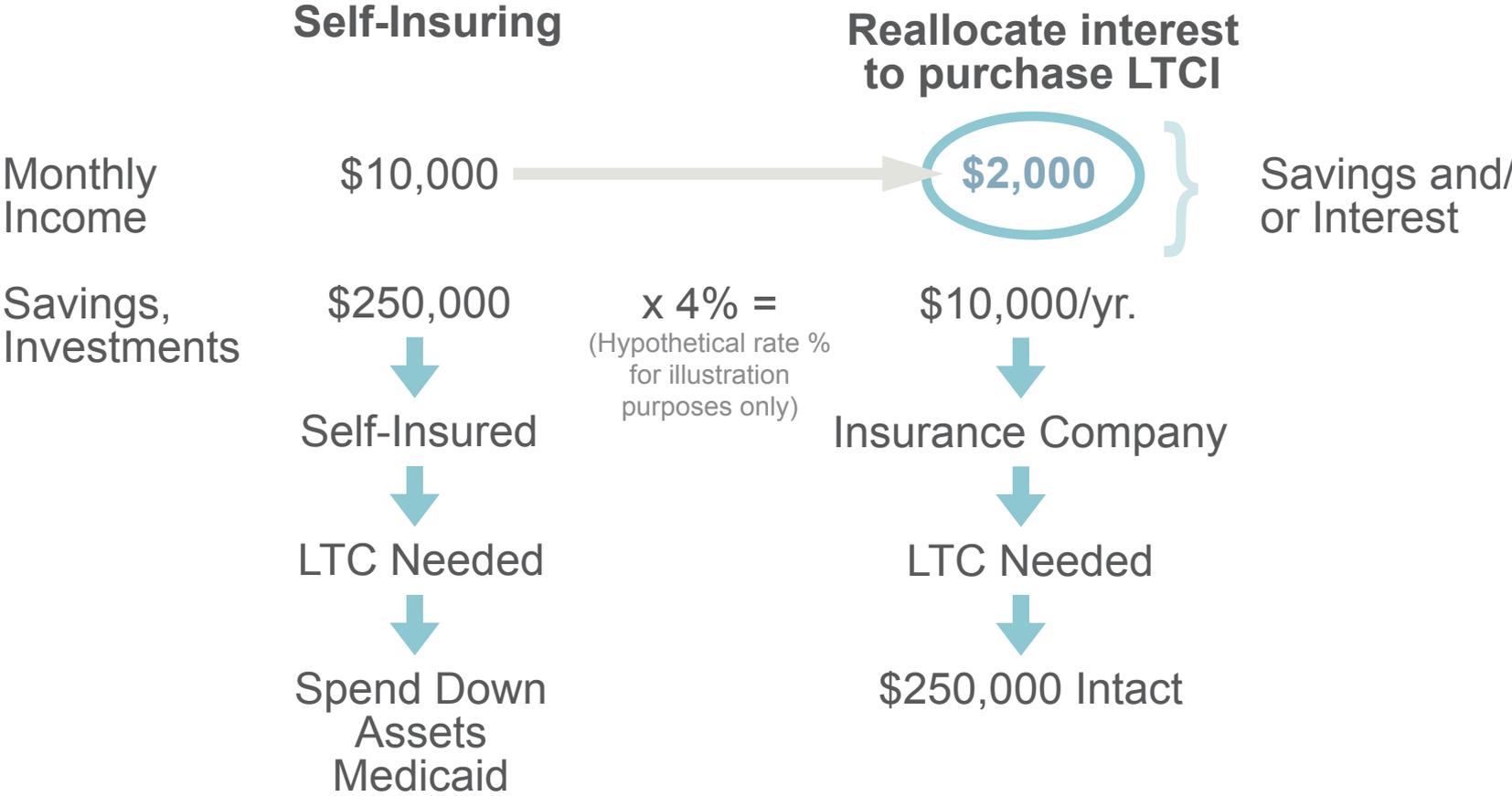
What do you protect?



Accumulated assets



Accumulating assets



Let's review

- ▶ No one hopes they will need long term care
- ▶ Something could happen to reduce your independence
- ▶ Long Term Care may be a risk you will face
- ▶ It could potentially deplete your savings
- ▶ It makes sense to have a plan in place

What is your plan?

Decide on your long term care strategy

Get additional information to help you make a decision

Take the necessary steps to put your plan in place

