



Estate Planning with Long-Term Care in Mind

As our bodies age, we run an elevated risk of hospitalization for illness and accidents. Some of these instances may unfortunately require us to seek long-term care. The numbers can be intimidating. Generally speaking, when you reach 65 years of age there is a 70% chance that you will at some point need long-term care. In addition, there is a 20% chance that you will need long-term care for a period of 5 years or longer. If you something serious that requires custodial care and institutionalization in a nursing home, you could be looking at an average of about 2.2 years for males and 3.2 years for females.

Cost of long-term care

In the state of Ohio, the average cost of a nursing home for one month, is about \$7,000, with the average cost running around \$75,942 yearly. That is just for room and board. Once you start adding things like facility charges, such as when an orderly gives you a pill or wheels you down to the dining hall, and added fees for activities, that price can skyrocket. Individuals and their families in Columbus are looking at prices closer to, \$9,000-12,000 a month! In some situations, long-term care can be unexpected, leaving families with many long-term care questions like, "how do we pay for this?"

Long-term care is important and expensive work, it is also something most of us cannot afford for long periods while living on a fixed income. Regular health insurance does not cover long-term care and Medicare only covers short nursing home stays or limits home health care when you require skilled nursing or rehab. Most people end up paying out of pocket for their care, depleting their savings and retirement, selling real estate, until they are down to about nothing.

Fortunately, there are other options.

For many years, our attorneys have provided elder law services for Central Ohioans in several ways. By planning, you can protect your home and savings from being spent on long-term care costs. However, there are also often options if someone needs some form of long-term care now. Though the disabling condition may be unexpected, you can always prepare for these events to help keep your assets and wealth in place while you recover. The best time to plan is at least five years before care is needed when it preserving your assets is more efficient and you are in a position to control the process.



What is Elder Law?

Elder law is a subset of the estate planning field that is focused on helping people protect assets against the costs of long-term care and ensuring they get any available benefits. An elder law attorney may commonly help with Medicaid, VA, Medicare, and disability benefits. people who need long-term care or may need long-term care in the future.

Many of these benefits have strict asset or income limits. Sure, Medicaid can pay for a nursing home – but only if you spend everything you own down to \$2000 (oh, and if you still own your home when you die, then the state gets it before your children). The elder law attorney's job is to minimize the spend-down if someone is sick now or prevent it through pre-planning.

Examples

The following cases are all real examples for why elder law planning is important (names have been changed):

- Frank put an asset protection plan in place in 2012 for his home and a substantial chunk of his retirement investments. When he needed in-home care in 2018, he was able to receive 20-hours per week for no fee, without spending down.
- Larry went into a nursing home and his wife Mary applied for Medicaid to cover the bill. She was told that she had to spend down \$200,000 of their retirement and savings by the caseworker. After developing a plan with one of our attorneys, Mary was able to reduce that spend down to \$40,000, saving the home and \$160,000 that would have been lost if she listened to the county.

Unfortunately, we hear too often from clients who saw a parent lose everything just because they did not know that planning was an option.

Everyone's situation is different, meaning the tools and planning strategies that worked for one family may not be available to you. Unfortunately, sometimes the answer is just that it is too late – though "too late" may be a lot further down the road than you think. Just because a person is in a nursing home now, does not mean that we cannot help them, often we can.

Whether you or a loved one needs long-term care now or want to protect your estate against the possibility, it is always important to consult an attorney about your situation to help position you and your loved ones in the best way possible. Start planning today! If you have questions about elder law or long-term care planning give our team a call, we would be happy to help.