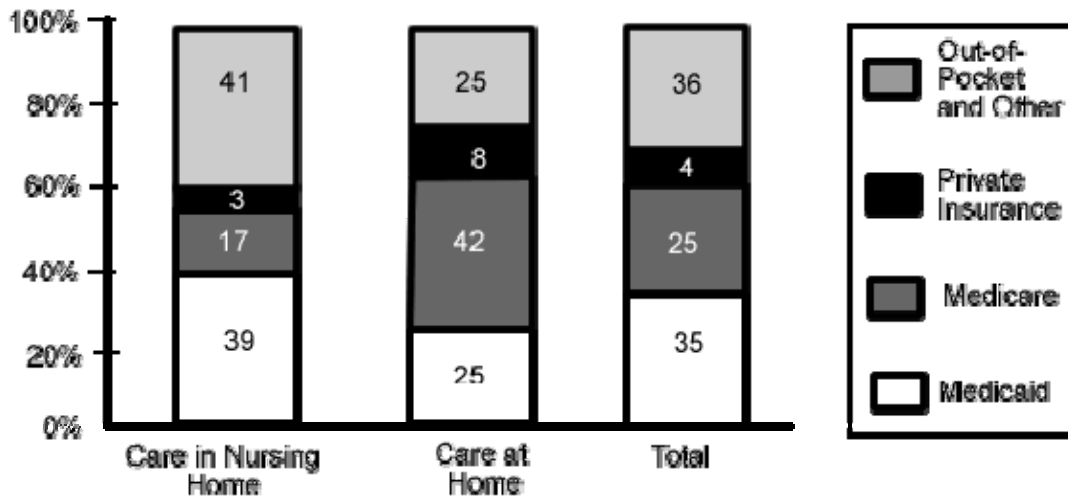


# Paying for Long-Term Care

There is much confusion and misunderstanding regarding how the average individual will pay for long-term care. In fact, a recent MetLife survey indicated that 41% of American's believe that they are entitled to basic coverage for long-term care in addition to health insurance from the government at retirement. In fact, Medicare offers some help only in very specific circumstances. Fully 80% of all nursing home expenses are paid for from personal assets (savings & retirement assets) and Medicaid (welfare). To qualify for Medicaid, an individual must have spent down all assets to very minimal levels.



Source: Congressional Budget Office, Financing Long-Term Care for the Elderly, 2004

## Common Misconceptions about paying for long-term care

### **If Medicare doesn't pay, won't my Medicare Supplement pay for my long-term care?**

Generally, Medicare supplements only pay co-payments of Medicare. If Medicare will not pay for your care, then your Medicare supplement probably will not pay either.

### **I have an HMO, so doesn't that pay for my long-term care?**

Generally, HMO's offer the same benefits that Medicare offers. To encourage people to assign their Medicare benefits to an HMO, many HMO's offer additional ancillary benefits like vision and prescription benefits. However, they generally use the same criteria that Medicare does when it comes to paying for long-term care services.