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Previous to founding the center, Moses was president of the Center for Long-Term Care Financing (1998-2005); director of research for LTC, Inc. (1989-98); a senior analyst for the Inspector General of the U.S. Department of Health and Human Services (1987-89); and a Medicaid state representative for the Health Care Financing Administration (1978-87).

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Reflections On Long Term Care Planning

I've studied long term care services, financing and planning since the early 1980s. But it was only when long term care touched my own family a few years ago that I gained the critical insights I'd like to share with you in this article.

In 1987, while still a career U.S. government employee studying Medicaid and long term care financing, I purchased long term care insurance for both of my parents (I still pay the premiums for my 96-year-old mother who resides today in an assisted living facility). I tried to do everything right.

Lesson Number One. No one knows what long term care will look like in the future. When I bought my parents' policies, nursing homes and long term care were synonymous. Other venues of care hardly existed. Nursing home insurance came with a three-day hospitalization requirement, but so did Medicare reimbursement. Over the years, private insurance dropped that prerequisite, but Medicare still has it.

My point is that when planning for their financial future, it behooves consumers to save, invest and insure in ways that leave as many long term care options open as possible. **Cash is fungible—they can buy whatever they want with it—but they must make sure to have plenty of spendable money built into their LTC plans.**

Lesson Number Two. When my parents started needing long term care, it began gradually. Help with grocery shopping, house cleaning and cooking came first.

Then things like transferring, bathing and toileting became priorities. Naturally, our nursing home only LTC policies didn't cover such services. Nor should they; we weren't underwritten for such services nor did we pay premiums to cover them.

In any case, my folks could afford to pay for home care services. The problem was that they would not put up with strangers, even professionals, coming into their home. They always found something wrong with the providers, so my wife and I always ended up providing the care ourselves—mostly my wife, frankly.

Make sure the money your client has built into his LTC plan will pay for help provided by relatives, not just for outside professional services.

Lesson Number Three. I always knew in principle that long term care is a woman's issue. Most caregiving is done by wives, daughters and daughters-in-law, and the heaviest financial and professional burdens of caregiving fall on women. But seeing this in practice, not just in theory, when my own wife had to take early retirement to care for her parents (just when her career and income were finally taking off) was a wholly different experience. She was glad to be able to help despite the professional setback, and we managed financially just fine. So would many families.

However, **your clients must save, invest and insure for long term care in ways that ensure adequate cash flow especially in**

crisis, thus enabling options that might otherwise be unavailable. Now that's smart.

Lesson Number Four. Long term care services and financing have changed dramatically in the past 25 years. They'll continue to change even more rapidly and radically in the next 25 years. When I first studied LTC in the early 1980s, nursing homes provided and government paid for nearly all expensive extended care. Almost no one planned to save, invest or insure for

long term care. People could ignore the risk, avoid the premiums for private insurance, and count on the publicly financed safety net to protect them from the worst financial consequences of needing care. That's all about to change because of the enormous unfunded liabilities of America's safety net programs. Families and individuals will be far more personally responsible for long term care financing in the future than they ever were in the past.

Bottom line: **Make sure your clients save,**

invest and insure for long term care now. Make sure they have the wherewithal to pay for professional services—and don't forget the importance of adequate cash flow for caregivers and care receivers during a long term care crisis either.

In parting, I ask you to consider this old saying: "The best way to help the poor is not to become one of them." So everything you do to protect your clients (and yourself, for that matter) from the risk and cost of long term care is very good citizenship, too. 🌍