

# Long-term care insurance dos and don'ts to know, according to experts



By Joshua Rodriguez  
 Edited By Angelica Leicht  
 Updated on: March 4, 2024 / 4:37 PM EST / CBS News



Long-term care insurance can be an important type of coverage to consider as you get closer to retirement. And, because the cost of this coverage is based, in large part, on your age and health status, it's typically advisable to purchase coverage before you turn 60. That said, there may be affordable policy options for older Americans, too.

But when you compare long-term care insurance policies, it may be tough to understand what you should and shouldn't do. After all, there are several coverage options available, and it's important to choose a policy that meets your unique needs.

## Long-term care insurance dos and don'ts to know

If you're looking for the best long-term care insurance policy for your needs, consider the following dos and don'ts as you shop:

### Do: Be proactive

"Buy when health and finances allow you to buy," says Kelly Augspurger, CSA and instructor at Certification for Long-Term Care. "Your health enables you to buy long-term care insurance and your wealth pays the premium."

But, if you're proactive, it may be easier to afford long-term care coverage.

"The healthier and younger you are, the less expensive it will be and more options you will have," Augspurger says.

### Don't: Think Medicare will cover your long-term care needs

"Don't make the mistake of thinking Medicare will cover your long-term care needs," says Larry Nisenson, CGO at Assured Allies. "This is one of the most common and biggest mistakes that consumers make."

Medicare typically doesn't cover long-term care services. However, Medicaid will in



Long-term care insurance can be a valuable tool as you age, but it's important to find the right policy for your needs. GETTY IMAGES

some cases, but there are caveats to consider, including:

- **Income limits:** To qualify for Medicaid long-term care coverage, your income must be less than \$2,829 per month (as a single applicant).
- **Asset limits:** Your Medicaid application for long-term care coverage will likely be denied if you have more than \$2,000 in assets as a single applicant age 65 or older. Though, there are some states with significantly higher limits. For example, the limit is \$30,182 in New York.
- **Coverage limits:** If you qualify for long-term care coverage through Medicaid, that coverage may be limited.

## **Do: Consider inflation protection**

"The cost of care continues to rise over time, so it's ideal if your coverage grows over time too," says Augspurger. That's why it's important to consider inflation protection when comparing policies. However, there are other options to consider as you shop.

"Most common inflation protection is automatic 3% compound," according to Augspurger. "This means your monthly/daily benefit and total pool of money grows by that percentage each year."

## **Don't: Think you're uninsurable**

"Don't think you're uninsurable, even if you were denied coverage previously," says Nisenson. "Newer products are different and some even include guaranteed medical acceptance."

As such, there's a good chance you're insurable — but you may have to shop around to find options.

## **Do: Consider shared benefits**

"If you're married or have a partner, see if you can share benefits," says Augspurger. "This is a great way to get more coverage without having to buy a bigger policy on your own."

If you use all of your benefits, you may be able to dip into your spouse's benefits or there may be a third pool of benefits you can access, according to Augspurger.

## **Don't: Rely on your friends to be long-term care experts**

Neighbors and friends may share their opinions about your long-term care needs from time to time. However, Nisenson says you shouldn't rely on them "to be your expert on long-term care needs, unless they happen to be a licensed agent."

That's because your long-term care needs are unique to you, and the industry is complex.

"LTC needs are very personal and require a significant understanding of the available products and how to properly customize them for each policyholder," says Nisenson.

## **Do: Get in touch with a professional**

Ultimately, your needs are likely different from someone else's needs. For example, while some people plan on aging at home, others plan on moving into assisted living communities. Or, some may need coverage for family caregivers while others will lean on more formal care. There may also be differences in health needs and financial restrictions.

Considering the varying needs that long-term care insurance must meet from one person to the next, it may be best to talk to a professional to ensure your policy provides the coverage you're looking for.

"Speak with a licensed agent since there are so many new products in the market," says Nisenson.

## **The bottom line**

Long-term care insurance can help you plan for the growing cost of care as you age. As you compare your options, though, be sure to consider the dos and don'ts above to ensure that the coverage you're considering works for you.