

# A Wake Up Call To America: Study Shows Few Are Planning For Long-Term Care

(NAPSA)—Wake up, America! A financial crisis could be looming for which you are not prepared. This is the loud and clear conclusion of a Roper study about long-term care which shows that most Americans have done little to prepare for what could be one of the largest expenses they'll ever face—their long-term care. The American Society on Aging (ASA) released the study<sup>i</sup>.

“This study is a real wake-up call for people to start thinking about long-term care,” said ASA’s Jim Emerman. “People need to take the first step of getting some guidance about their long-term care needs. Careful planning can help preserve your options and protect your assets if you ever need long-term care in a nursing home, an assisted living facility or even in your own home.”

But the Roper study of people 45 and older shows how few are actually taking that important first step. More than four in five (86 percent) of the people surveyed said it was important they have enough money to be able to choose a long-term care setting if they or a loved one needs it. But only 37 percent have actually started saving money to cover those costs.

At the same time, while the overwhelming majority (89 percent) believes it’s important or very important to have some type of private or government coverage for long-term care, only 17 percent have bought insurance that specifically provides it<sup>ii</sup>.

Long-term care is for people who need help taking care of themselves after an injury, illness, stroke or disease. While most peo-

ple think of it simply as moving into a nursing home, it can also include having a healthcare aide come to your home or staying in an assisted living facility. Surprisingly, 40 percent of the people who need long-term care are actually quite young, working adults under the age of 65 who need help after an accident or an injury<sup>iii</sup>.

Why aren’t people planning for this vital need? After all, we plan for retirement, for college and other important things. The survey, which was funded by State Farm Insurance<sup>iv</sup>, found considerable confusion about long-term care. For example, almost half the people surveyed mistakenly believe their health insurance or disability insurance will pay for long-term care. Others are not aware that Medicaid will only cover long-term care if you’ve used up almost all your financial resources. And, in the most telling comments of all, half said since they won’t need long-term care until they’re older, there’s no need to think about it now<sup>v</sup>. Experts say it’s time to wake up and change that way of thinking.

“Given the fact that 71.8 percent of people over the age of 65 will need some form of long-term care<sup>v</sup>, families need to consider long-term care insurance as part of their financial plan,” said Sharon McAuley, Vice President of Health at State Farm Mutual Automobile Insurance Company. “Long-term care insurance can help protect assets, preserve choices and provide independence. We think families should at least be discussing their individual needs with someone they trust.”

<sup>i</sup> The Roper survey findings will be posted on Statefarm.com<sup>®</sup> at [www.statefarm.com](http://www.statefarm.com).

<sup>ii</sup> Study conducted by Roper ASW, August 2002. Released by State Farm Mutual Automobile Insurance Company and the American Society on Aging (ASA), April 2003.

<sup>iii</sup> GAO analysis of information from the Department of Health and Human Services and the Institute for Health Policy studies at the University of California, San Francisco. As cited in, “Long-term Care: Current Issues and Future Directions, General Accounting Office Report to the Chairman, Special Committee on Aging, U.S. Senate.” (GAO/HEHS-95-109). April 13, 1995: pg. 7. The level of coverage provided by long-term care insurance depends on the type of policy you purchase. Some types of care received may not be covered by long-term care insurance.

<sup>iv</sup> State Farm Mutual Automobile Insurance Company Home Office: Bloomington, Illinois—[statefarm.com](http://statefarm.com)<sup>®</sup>. The American Society on Aging is not an affiliate of State Farm. The Long-Term Care Insurance policy 97058 is underwritten by State Farm Mutual Automobile Insurance Company.

<sup>v</sup> Lewin Group estimates based on the Brookings-ICF Long-term Care Financing Model, 1992. As cited in, “Long-Term Care: Knowing the Risk, Paying the Price.” Health Insurance Association of America (HIAA). 1997: pg 12. The level of coverage provided by long-term care insurance depends on the type of policy you purchase. Some types of care received may not be covered by long-term care insurance.