

# Friends Life Care: Helping Make Sense of Long-Term Care Planning

Carol Barbour 23 February 2012

For many people, life's middle and later years hold the promise of new opportunities and newfound freedoms. But advancing age also brings an increased possibility of illness or injury. Nearly 7 out of 10 people over the age of 65 will experience a life-altering health event requiring some kind of long-term care.

Statistics show that more than 15 million individuals nationwide will need a long-term care plan in the near future. Yes, there is private long-term care insurance, but fewer than 10 percent of older adults have bought such policies, partly because the premiums are high and partly because they fear that insurance companies may not be around to pay benefits decades hence.

The healthcare reform law enacted in 2010 included provisions related to long-term care, the most significant of which was the Community Living Assistance Services and Support (CLASS) Act. Originally introduced by the late Senator Edward Kennedy, this program would have made insurance for long-term care available to all Americans, with individuals paying a premium through

their employers. But in October the Obama administration backed away from the law, saying it could not find a way to make it work, and we are back to square one.

There are other problems. Historically, financial planning for retirement was based on the three-legged stool of Social Security, pension and retirement savings. But the stool is on the verge of collapse.

The eligibility age for Social Security is gradually increasing and recipients may receive lower lifetime benefits as the financial demands on the system increase. Many employers have already moved away from defined benefit pensions and health benefits for their retirees in favor of defined contribution plans that offer no guarantee of benefit levels. And many people will not be able to save the \$250,000+ recommended by most financial planners to cover their long-term care needs in retirement.

So more and more people are asking questions. "Will I have enough money to retire?" "What happens if my health changes?" "Who will care for me?" "How will I pay for this care?" "What can I start doing today to improve my health and vitality both now and in my later years?" It is not surprising, then, that a whole industry has emerged to help address these issues.

Our nonprofit organization, Friends Life Care, emerged from a group of Friends (Quakers) who were concerned about the absence of low-cost, affordable long-term care

programs that provide the financial and healthcare security of a continuing care retirement community. Nor were there alternatives that provided these guarantees in the individual's own home.

At Friends Life Care, we believe that long-term care protection must include a comprehensive plan for paying for your long-term care needs and figuring out where you will go to have these needs met. While retirement savings coupled with financial protection help determine how you will pay for care, they do not answer the question of who will provide the care. Do you have family that lives nearby? Does their lifestyle permit them to care for you up to 24 hours per day? If the answer is no, you need to think about alternatives.

No matter which road you choose while planning for your later years, serious consideration needs to be given to long-term care expenses. Options include private long-term care insurance, continuing-care retirement communities (where healthcare is included in the fee structure), and continuing care at home programs. These policies and programs allow you to avoid spending all of your assets on your care, or leaving your spouse impoverished. As with retirement savings, the mantra "start early" applies. The sooner you enroll in one of the programs or purchase this insurance, the better.

Groups such as the National Association of Geriatric Care Managers can help you to find a professional in your area

to assist with assessing the type of care you might need and making the arrangements for that care. They can also serve as your advocate if you are hospitalized or need to reside in a nursing home or assisted living facility. Some religious organizations such as Jewish Family Services will also step in to assist in accessing care.

The three pillars to our business model at Friends Life Care include:

- Ongoing excellence in care management;
- Long-term care financial protection;
- A comprehensive approach to aging using proactive, research-based resources relating to all aspects of the aging process.

At Friends Life Care, our staff seeks to develop a relationship with the members from day one, regardless of their age. We provide resources that help our members to age well while also providing the security of knowing that we will be available should they experience a change in their health.

Similar programs exist throughout the country—programs that pay for long-term care services and include care management as part of the fee structure. In a time of crisis, such care management makes a huge difference.

You owe it to yourself to be prepared for the future. For more information, please visit [www.friendslifecare.org](http://www.friendslifecare.org).

**Carol Barbour serves as President of the Friends Life Care System and its subsidiary corporations: Friends Life Care in Pennsylvania, New Jersey and Delaware, and Intervention Associates, a care management and home-health-care company. She holds an MBA in health administration and has been immersed in the boomer/senior housing and home-health-care industry throughout her entire career.**