

PAYING FOR CARE

As you start discussing expenses associated with needing care with your clients, one question that inevitably arises is **“Who is going to pay for care?”**

There are **three different ways** to pay for care. Clients can:

- Rely on the government
- Self insure
- Transfer the risk

Relying on the government

Several government programs are available to cover some of the costs associated with care.

Medicare

Medicare is the US government's medical insurance program for the retired. If an individual enters a skilled nursing facility immediately following a hospital stay of at least three days and has a doctor's certification that his or her medical condition is improving, Medicare may pay for some care in that facility:

- The first 20 days, it will cover 100 percent of the costs.
- A co-payment is required for days 21-100.
- At day 101, regardless of the individual's medical state, Medicare stops payment for all services.
- After this time, Medicare will not pay for care received to assist with activities of daily living.

Refer to www.medicare.gov/ for additional information.

Medicaid

If individuals' income and assets meet the Medicaid guidelines in their state, the cost of care in a skilled nursing facility may be covered. Because Medicaid is a medical program for those who are financially needy, most states set maximum income levels near what is traditionally considered poverty levels. The amount of assets a person can retain varies, but it is a minimal amount as well. Rules vary as to which assets impact Medicaid eligibility.

In general, if married, the community spouse may keep one car, a home and personal belongings. Otherwise possessions must be sold to cover the cost of care before Medicaid will take over.

Refer to www.medicaid.gov/ for additional information.

Veteran's benefits

The U.S. government currently offers some long-term care benefits to veterans under the Veterans' Health Care Eligibility Reform Act of 1996. Eligibility for services will be determined based on an individual's need for ongoing treatment, personal care and assistance, as well as the availability of service in his or her area. Other factors, such as financial eligibility, service-connected status, insurance coverage and ability to pay may also apply.

Refer to www.benefits.va.gov for additional information on veterans benefits.



Self insure

Personal assets and income can be used to pay for care. But as costs continue to increase, retirement funds and other assets that were designated for income may need to cover the cost of care.

Individuals may also rely on family members, such as children or grandchildren, to provide care. Providing care for a loved one may take time away from their personal lives and careers and may create stress or unanticipated emotional hardships. Although family members may also help pay for care, doing so may negatively impact their own financial situation.

Transfer the risk

Individuals can purchase an insurance product or supplemental agreement to help cover the expenses associated with needing care. A long-term care or chronic illness policy or agreement can offer your clients:

- **Independence** – It may allow clients to stay in their home or community longer.
- **Income and asset protection** – Unlike government programs, clients won't have to spend down their assets to qualify for benefits.
- **Choice of care** – Most products allow clients to choose in-home or facility-based care, as well as their caregivers.
- **Peace of mind** – Family members may not need to become full-time caregivers.

Discuss these different options with your clients. To learn how our products and agreements may help give them protection and peace of mind, **CONTACT YOUR LIFE SALES SUPPORT TEAM TODAY:**

- **1-877-696-6654** (Securian and Broker-Dealer)
- **1-888-413-7860, option 1** (Independent Brokerage)

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements. Product features, including limitations and exclusions, vary by state.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Product features, including limitations and exclusions, vary by state.

Keep in mind the main reason to purchase an insurance product is the associated guarantees backed by the claims paying abilities of the underlying insurance company. Supplemental agreements are subject to additional costs and restrictions.

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