

LTC Planning in a COVID World: What's Changed & Why It's Essential



Imagine you're in care facility that's been locked down due to the COVID-19 pandemic, prohibiting visits from your family and friends. You didn't want to be in the facility in the first place... you wanted to receive the specialized care you needed at home, but your family thought it was the best, safest, and most feasible option at the time.

The raw truth is that that this scenario has already played out, for someone's mom, dad, grandma, grandpa, great uncle Todd, or cousin Denise. And it was devastating, not only because of the separation, the loneliness, and the loss, but also because it didn't necessarily have to be that way, if only some sort of plan were in place in the first place.

In Pennsylvania, [the state government banned visitation at nursing homes](#) for six months in 2020 during the global COVID-19 pandemic, due to the virus' alarmingly high morbidity, mortality, and infection rate at long-term care facilities. Other [states saw similar restrictions](#) put in place. Whether those lockdowns were necessary or not, we're not here to argue; they happened, and who's to say they couldn't happen again? We are here to say that there's a way to make sure your clients are never put in this all-too-real situation — and it starts with you... and long-term care planning.

Home 'Safe' Home?

In a recent poll from the Morning Consult, [86 percent of adults reported](#) they would prefer to receive care at home after a hospital stay. Another poll from the Associated Press-NORC Center for Public Affairs Research found [88 percent of Americans wish to receive any ongoing living assistance](#) they may need as they age in their own home or the home of a loved one. As a result of the COVID crisis, it's not surprising the majority people prefer this form of care. Residents and staff at long-term care facilities who died from COVID-19 made up [31 percent of all U.S. COVID-19 deaths](#) at the end of June 2021.

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Don't get us wrong – long-term care facilities are not bad. In fact, they are a valuable option in our society and COVID risks can be mitigated with proper protective equipment, cleaning, sanitation, and testing. However, these places are simply not where the majority of people have indicated they'd prefer to receive long-term care pre-COVID, and we believe that will remain true post-COVID. Additionally, the [Choose Home Care Act of 2021](#) is receiving strong support from home health providers and patient advocacy communities. This bill proposes to expand home-health options for Medicare beneficiaries.

It may seem financially doable for a client to just stay at home or move in with one of their children and receive care from them, but there are quite a few logistics that can easily get overlooked in the little time, if any, your clients spend thinking about how they may physically or mentally decline and need additional assistance in the future. For example, who will provide the care? Will the family member or friend be able to afford missing work or quitting their job to help? What if more skilled care is needed?

Did you know that [69 percent of Americans](#) have done little to no planning for their own care needs? Only 16 percent are confident they'll have the financial resources for long-term care expenses. People must have a plan in place to ensure they can afford the care they want and may need, but they often don't. This problem has existed since before the pandemic... it's just a little more visible now.

Long-Term Care Planning and COVID

Helping people plan for how they'd afford an unexpected health care event has always been, and will always remain, one of insurance agents' top priorities; but too often, agents forget to help their clients think and plan for the long haul. Given the world's current health situation, one could argue this is an even more vital piece of the puzzle than we've thought.

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[Health care costs have been on the rise](#), and they're likely going to increase more sharply due to COVID. If home health care requests increase, we could see a supply and demand issue with home health aides, and the costs of these services going up. At long-term care facilities, [the added costs for protective equipment](#), increased cleaning and testing, and private rooms [have started getting passed on to consumers](#). Both types of care — facility or home — are expensive and [can drain retirement savings really fast](#). To be able to afford the care they may want and need, your clients will need a long-term care plan.

What does long-term care planning look like during COVID? Generally speaking, we'd say it looks pretty much the same as it did right before COVID, but with more of an emphasis on home health care and its accessibility and affordability. While not all long-term care planning involves long-term care insurance, this additional coverage can help provide many individuals with peace of mind over their future finances. It's important to recognize that long-term care insurance carriers are adapting to COVID as well.

How Are Long-Term Care Insurance Carriers Adapting to COVID?

- Temporarily lowering the maximum issue ages on their LTCi products (due to the higher risk of mortality from COVID for older individuals) — traditional carriers have already reverted to their pre-COVID issue age of 79
- Delaying application processing for anyone with COVID-like symptoms or who has potentially been exposed to the virus
- Taking preferred rates off the table for people exposed to COVID
- Accepting electronic medical records and phone calls or video meetings in place of in-person interviews and exams — traditional carriers have resumed face-to-face interviews when required by underwriting, while combination carriers primarily rely on phone interviews and will request medical records when necessary

It's still too early to tell how the virus will affect the long-term care industry over the next few years, but no matter the outcome, long-term care planning will remain a critical step for anyone wishing to secure their retirement savings and desired forms of future care.

How You Can Help

You educate your clients on and protect them from other health out-of-pocket costs. Why not help out with long-term care?

You don't have to be an expert in long-term care insurance to make a difference to your clients' ability to secure proper care and coverage. The role you play could really be as simple as starting a conversation and letting your clients know there are ways to help them afford any future care they may need and want — whether at home or in a reputable long-term care facility. You can then refer your client to a specialist, like the ones at [Advisors Insurance Brokers](#), for further assistance and maybe even earn some commission from a resulting sale!

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We've known for some time that around [70 percent of individuals turning age 65 will need some form of long-term](#) care services or supports as they age, but still, advisors too often leave their clients without filling this coverage gap or making sure their clients even know it's there. [A prominent research group](#) found that:

ABOUT
43%
OF

advisors report that 75 percent of their clients age 50 and older do not have a long-term care plan.

ONLY ABOUT
21%
OF

advisors report that over half of their clients age 50 and older had a plan for affording future long-term care expenses.

BUT GET THIS:
81%
OF

people with a long-term care plan say they're highly satisfied with their advisor!

The long-term care industry has adapted to people living longer than ever before, increased long-term care insurance persistency and claims, and the rising costs of health care. And it is, and will continue, adapting to COVID-19. The question is, will you?

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