

Long Term Care



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If you have been watching the news, or you have friends or family receiving long term medical care you know that Canada is facing a long term care crisis. The shortage of long term care beds is so severe, that hospital acute care beds are filled with people waiting to enter the long term care system. In some cities, like Victoria, that wait can be three to four years.

With growing pressure from an aging population, the system simply cannot handle the increasing burden. Consider this:

- In 1900, 7% of all adults were over age 65
- Currently, 17% are over age 65
- The number of Canadians aged 80 and over will double in the next 20 years – and triple in the next 40 years
- The number of seniors in Canada has increased by one million in the last decade
- By 2020, there will be as many seniors as children!

With an aging population comes the increasing costs of geriatric medical care. Currently we are spending \$3.9 billion each year on Alzheimer's and dementia. By 2031, the number of Canadians afflicted with some form of dementia will more than double, to 750,000.

Our medical system is already unable to deal with the overload, and we are seeing drastic cuts

in funding for residential long term care. This shift towards "less costly" community-based care has dramatically increased the demand for home care, but at the same time the average number of home care hours you might have received a few years ago has dropped from over 20 hours per week to just 2-4 hours per week!

So...what are the chances that you will need long term care? It's true, we are living longer – in fact, in 1996, life expectancy at age 65 was 18.4 years, 5 more than in 1941. But the other side of the coin is that of those 18 years, on average, 9 are relatively healthy, and the other years include 3 years each of slight, moderate, and severe disability. In fact, it is estimated that at least 40% of all people over 65 will need the services of a long term care facility.

Traditionally, we have counted on the government to provide for our medical needs, but when it comes to long term care, you can expect the following from our medical system:

- long waits, up to three or four years
- outdated and overcrowded facilities
- an annual financial assessment, to determine the level of subsidy received
- no choice of location
- reduced services

Unless you have medically trained family members, who are willing and able to drop everything and tend to you around the clock, you could find your retirement savings liquidated in a few short years if you elect to pay for private

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**As one senior put it so eloquently,
“Most people want to choose where they go, instead of having to go where they are taken...”**

home care or facility care. Consider the following:

- Current home care costs about \$30 / hour
- Even a government facility will cost you from \$750 to \$1500 per month, in addition to the subsidy
- Private facilities range from \$2500 to \$7000+ per month!

Finally, however, we have a solution – Long Term Care Insurance. Available for decades in the U.S., this coverage has recently been made available to Canadians – and just in time. Long Term Care Insurance covers the expenses of long term care, either in your own home, or a facility, for periods ranging from a few years to lifetime coverage. If you are between the ages of 30 and 80, you can apply for coverage, and the benefits payable range from \$10 per day to \$300 – tax free!

Additional features include:

- Unisex rates
- No extra charge for smokers
- Waiver of premium (if you start receiving benefits, you stop paying the premiums)
- Limited premium payment period
- No medical exam

At Zlotnik, Lamb & Company, we believe that the introduction of Long Term Care Insurance may be the most significant step the insurance industry has taken in many years. For ourselves, and for our loved ones, Long Term Care Insurance may be the only thing that stands between us and the loss of our lifestyle, our independence, and our control over our health and finances.

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