

Trends and Innovations in Long-Term Care Insurance Coverage and Financing

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Growing Need and Cost for Long-Term Care (LTC)

- 10,000 baby boomers turn 65 every day through 2030.
- Nearly 70% of Americans will need some form of LTC.
- LTC costs:
 - \$77,000/year for a home health aide.
 - \$75,000/year for homemaker services.
 - Adult day care averages \$26,000/year.

Consumer Misconceptions Drive Crisis

- 58% wrongly believe Medicare will pay for LTC.
- 59% plan to rely on Medicaid, without realizing the need to spend down assets to qualify.
- 74% know they should plan for LTC needs; however, only 45% actually have.
- While 77% prefer to age at home, many can't afford home modifications or caregiving support.

Private LTC Insurance Market Snapshot

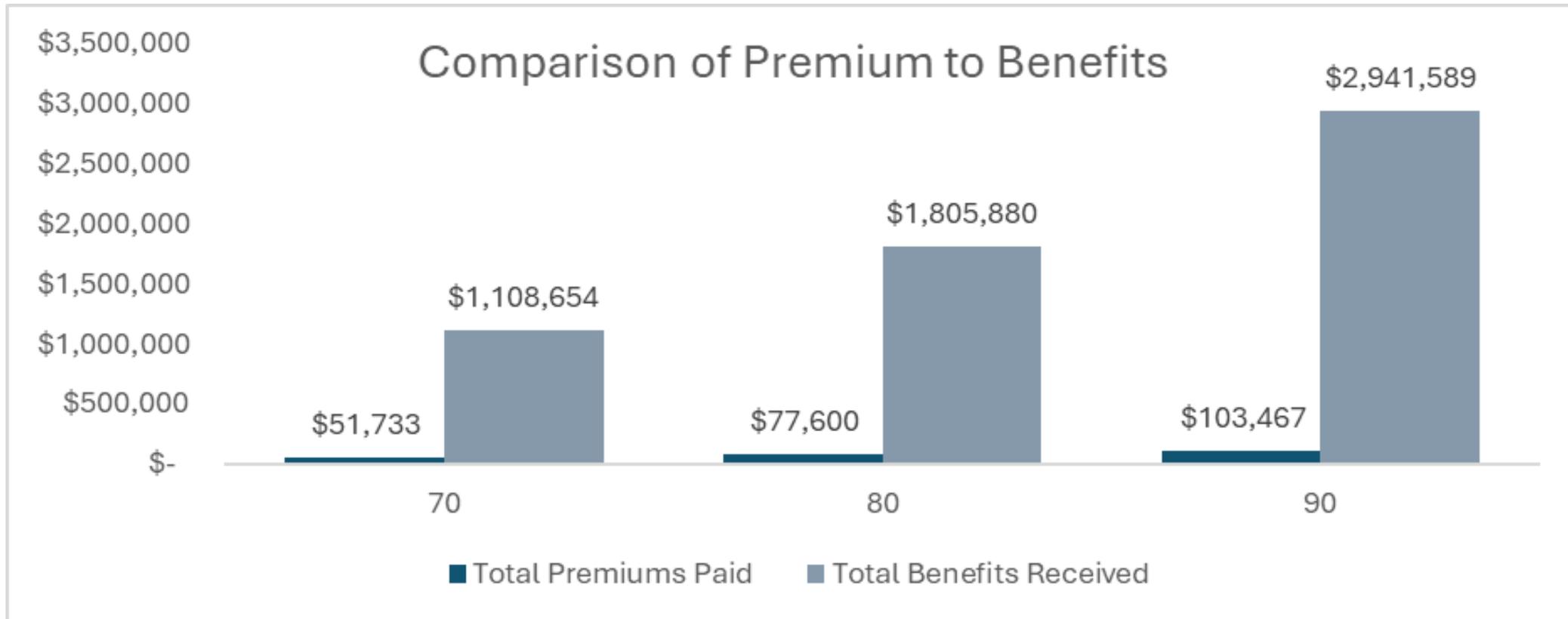
- 6.5 million standalone LTCL policyholders.
- 1.5 million hybrid LTCL policyholders (life or annuity-based).
- \$10,003 million in total claims paid by LTC carriers in 2024.

The Role of Private Long-Term Care Insurance

- Participation in private LTC insurance diverts individuals from Medicaid reliance:
 - Policyholders pay for their care privately.
 - Medicaid serves only those without resources.

- **Estimated Medicaid savings:**
 - \$14 billion avoided LTSS spending over the next 10 years.
 - \$48 billion in total lifetime savings (present value) from current stand-alone LTC and hybrid policyholders.

Investing in Protection: LTC Premiums vs. Potential Benefits Received



Focus on Education

Americans must understand:

- What LTC is.
- What it costs.
- What public programs do and do not cover.
- Why early planning matters.