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Know Your Options, Be Prepared: Planning and Paying for Long-Term Care

According to the U.S. Department of Health and Human Services, an American turning 65 in 2015 can expect to run up an average of **\$137,800** in long-term care costs as they age. It is also projected that half of all seniors will require care, many of whom will need long-term care. That's a staggering dollar figure for someone who's unprepared, which is why long-term planning and preparation are so important. There are a number of options at your disposal, and you need to be familiar with them in order to devise the best financial solution for your future medical needs and living situation.

Discuss options with your family

Discussing the need for long-term care and how you'll pay for it isn't a pleasant conversation, and many people prefer to avoid or ignore it altogether. But that's unwise given the reality of the situation and the likeliness that you will need long-term care in the future. When it comes to knowing and assessing your different payment options, two heads are definitely better than one.

Could selling your house be the right step?

Your house is one of your biggest assets and one that can make a major difference if you find yourself in dire financial straits over long-term care expenses. It's important to assess the average sale price of homes in your area to determine whether it makes sense from a financial standpoint to sell in order to pay for care. The average price of homes in Runnemedede, for instance, is currently **under \$200,000**.

If you're in a house that's on the larger side, you can consider moving into a smaller, less expensive home and spending your profits on care. But do bear in mind that affordable housing options for seniors like Runsen House has income requirements, so make sure to do your research to **determine** your eligibility.

Insurance

Another important thing you should do is determine whether purchasing **long-term care insurance** is a possibility for you. Most people shy away from this option due to the expenses involved. However, if you get an early start and purchase a policy in your forties or fifties, it becomes a lot more affordable than if you wait until your sixties or after retirement when your financial resources may be diminished.

Modify your life insurance policy

If you have a life insurance policy, check with your agent about adding a [rider](#), which would allow you to use part of your death benefits (also called “accelerated benefits”). Accelerated benefits are generally capped at a percentage of your death [benefits](#); whatever’s paid for long-term care is deducted from the amount beneficiaries receive after the main policyholder dies. Keep in mind that a rider can add as much as 10 percent to your premiums.

Consider a health savings account

If you’re employed by a company with a high-deductible health insurance policy, you’re eligible to open a health savings account. An [HSA](#) lets you deposit as much as \$3,600 worth of tax-deductible contributions to an HSA account (in some cases, you can deposit more). If you’re 55 or older, you’re eligible to deposit an additional \$1,000. Withdrawals are tax-free if they’re used for approved health care expenses. The contributions that you make to your HSA are also tax-deductible, so you will save on taxes.

Plan for the future

Part of anticipating and planning for long-term care means assessing your lifestyle decisions and [risk factors](#) for illness or injury. Does heart disease, dementia, or Alzheimer’s run in your family? Do you have a history of substance abuse or a pattern of self-destructive behavior that could leave you injured and with limited mobility later in life? What steps can you take now to minimize the threat of serious illness or injury later? What can you do now to live a [healthier](#) lifestyle?

The more honestly and objectively you answer these questions, the better prepared you’ll be to deal with health problems during your senior years. It’s also important to assess your financial situation and take steps now to improve it.

Careful research and planning are key to being prepared for long-term care expenses. Many people end up struggling because they weren’t aware of their options and didn’t know where to start. Start early, do your research, and craft a plan that will leave you and your family with peace of mind. If you find that affordable senior housing is your best move, find out how [you can apply](#).