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**Claire Angel Harmon is grateful long-term care insurance helps pay for her husband to live at a nearby nursing home.**  
Photos by Matthew Roberts

## Planning now, for later

**Long-term care insurance is pricey, but can protect the old — and young, too**

BY PHYLLIS FURMAN  
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**W**hen her first husband entered a nursing home 19 years ago, the costs nearly crippled Claire Angel Harmon.

Her former spouse, Myron Angel, lingered for three years before dying at age 71.

Claire, now 75 and remarried, wanted better protection from the devastating costs that can come during the last years of life, so she and her second husband, Albert, 81, bought long-term care insurance.

The policies, which they've had since 2001, aren't cheap — nearly \$6,000 a year — but Harmon has no regrets.

In January, Albert entered Mary Manning Walsh Home, a nursing facility on the upper East Side near the Harmons' apartment. A retired real estate manager, he suffers from chronic dementia and other ailments. He's still capable of some tasks, but "he can't bathe, walk or dress himself," Claire explained.

The price of Albert's care at Walsh — including room and board, and round-the-clock monitoring by nursing professionals — is a staggering \$146,000



a year, or \$400 a day. Thanks to his insurance policy, more than half is covered.

"If I had to pay out of my pocket, I would spend down most of my savings, and then what would happen to me?" asked Claire, the artistic director of a chamber music series. (The answer is she would eventually have to turn to Medicaid, the government assistance program for the poor).

No one wants to think about losing control of basic skills or needing assistance 24/7. But with in-home care and nursing home costs soaring, the best time to prepare financially is long before your health suffers.

"Most people deny this whole thing, especially men," said Manhattan financial planner Al Clapp, a specialist in elder planning who advised the Harmons. "But who the hell can afford \$100,000 a year?"

Ignoring the issue could lead to the loss of life's savings. "I've seen the cost of long-term care bankrupt people," said Long Island elder care lawyer Ellen Weiss.

Many people believe the government

will largely take care of them in their old age. But Medicare doesn't pay for most long-term care, and Medicaid kicks in only when there's virtually nothing left — when you have less than \$4,200 in cash or assets in your name.

There are exceptions for married couples. If your spouse is in a nursing home, government assistance rules allow you to keep as much as \$101,640,

### 'I've seen the cost of long-term care bankrupt people.'

as well as your home, and still qualify for Medicaid, said Manhattan elder law attorney Robert Freedman.

But if you're single, you're in a much tougher spot than before. A 2005 federal law makes it tougher to give away money to loved ones.

"The government is saying no more free lunch," said Long Island financial planner J.J. Burns. "Medicaid will go

after your kids and follow where the money went."

Gifts to relatives are more easily sheltered from government collectors if there's a long time span between the transfer of cash or assets and an application for Medicaid. For more information, check [www.nyspltc.org](http://www.nyspltc.org).

For many, the best option is care insurance. Policies differ based on length of coverage and benefits. The younger you are, the cheaper the policy.

For instance, a three-year policy, with 5% compounding inflation protection, paying \$200 a day in benefits would cost a 55-year-old about \$1,800 a year, but a 65-year-old would have to pay nearly twice that, Clapp said. Life-time policies are available, and may be worthwhile, but cost substantially more.

If you can afford it, start thinking about long-term care insurance as early as age 50, Burns said. "You're entering your hurricane years, when diabetes, stroke and heart disease can hit," he said.

Among younger people, those with family histories of medical trouble are also good candidates for long-term care insurance.

Of course, no one can predict the type of services they'll need.

When the Harmons bought their long-term care insurance, they were willing to pay more for the ability to choose care at home or a nursing facility. She said she's grateful they had the foresight to buy such a policy.

"It's a very loving place," she said. "It's close to where we live. I can make him feel comfortable."

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