



Identifying Your Long-Term Care Planning Strategy

As part of a comprehensive financial plan, addressing the future need for Healthcare In Retirement and Long-Term Care (LTC) is essential since Medicare, health insurance, and Medicare Supplements exclude those expenses. Even more important to some is the physical, emotional, and financial impact Long-Term Care can have on a spouse/partner and loved ones. With that in mind, Step #1 in the LTC Planning process is to quantify your potential need and estimate the cost of care for planning purposes with a [HALO Assessment](#).

HALO Assessment: Projected Care Needs					
Client	Extended Care Years	Care Breakdown by Years			Current Estimated Cost
		Home Care	Assisted Living	Nursing Home	
#1 _____	_____	_____	_____	_____	\$ _____
#2 _____	_____	_____	_____	_____	\$ _____

Step #2 - Regardless of the strategy employed for LTC Planning, and to avoid “crisis planning”, estate planning and elder law should be considered to put a legal framework in place for when care is needed, or you become incapable of making decisions. That should include the following:

1) The executed legal documents to support the self-funding strategy include:

- ☐ Durable Power of Attorney (DPOA) ☐ Healthcare Surrogate ☐ Will / Trust – Dated: _____
☐ Pre-Need Guardianship ☐ Living Will with DNR ☐ Final Arrangements

2) Who is the agent specified in your DPOA in the event of your incapacitation? _____

3) Has the specified DPOA formally accepted the role in the event of your incapacitation? _____

With the HALO-Projected planning targets for the duration, type, and cost of care your future care needs and the necessary legal framework understood, we can discuss which way(s) you and your loved ones want to receive or pay for care. There are essentially four ways....

Relying on the government (Medicaid)

Family or friends providing care

Self-funding the cost of care

LTC Insurance

Assuming you're like most Americans, you probably don't want to rely on friends, family, or Medicaid to provide care, which means you are currently in the “default” position of Self-Funding your future LTC needs. That leaves two simple questions that must be answered:

- *In the event you need care, what assets or which account will you tap first to pay for that care?*
- *Rather than allocating those assets or a specific account, would using a portion of those dollars to fund an insurance-based solution make more sense for your Long-Term Care Planning needs?*

Depending on the answers to those questions, Step #3 is to identify the funding source for your LTC Planning. Which assets or accounts, and how much of each will be allocated? Or, what insurance-based solutions are available (based on your health) that would be a more effective, tax-advantaged, and practical option?

Funding Source For Future Long-Term Care Expenses

Asset Type	Specific Account Name or Location	Current Value	Amount Available To Pay For Care
LTC Insurance		\$ _____	\$ _____
Non-Qualified Accounts: <i>Includes "After-Tax" dollars in Checking, Savings, CDs, Money Market, and Investment Accounts.</i>		\$ _____	\$ _____
Qualified Accounts: <i>Includes "Pre-Tax" or retirement funds in an IRA, 401(k), SEP, SIMPLE, 403(b), 457, Profit Sharing, etc.</i>		\$ _____	\$ _____
Excess Cash Flow from Income		\$ _____	\$ _____
Life Insurance Cash Values		\$ _____	\$ _____
Annuity Cash Values		\$ _____	\$ _____
Home Equity / Reverse Mortgage		\$ _____	\$ _____

Total Currently Available to Pay for Care: \$ _____

Step #4 would be plan implementation and the specific actions for applying for and securing insurance, drafting or updating legal documents, obtaining appropriate tax guidance, and reallocating necessary assets. All of this should be done in a timely manner, with safeguards that should include monitoring the plan, communicating it with interested parties, and memorializing your decision below for clarity and accountability.

I/We have completed the Long-Term Care Planning process and understand the significant physical, emotional, and financial burden that comes with the need for care. For planning purposes, I/we will implement a Long-Term Care strategy that includes the following ways to deliver or pay for care:

☐ **Family/Friends** ☐ **Medicaid** ☐ **Self-Funding** ☐ **LTC Insurance**

Client Name: _____
Print Name
Signature
Date

Print Name
Signature
Date

Advisor Name: _____
Print Name
Signature
Date