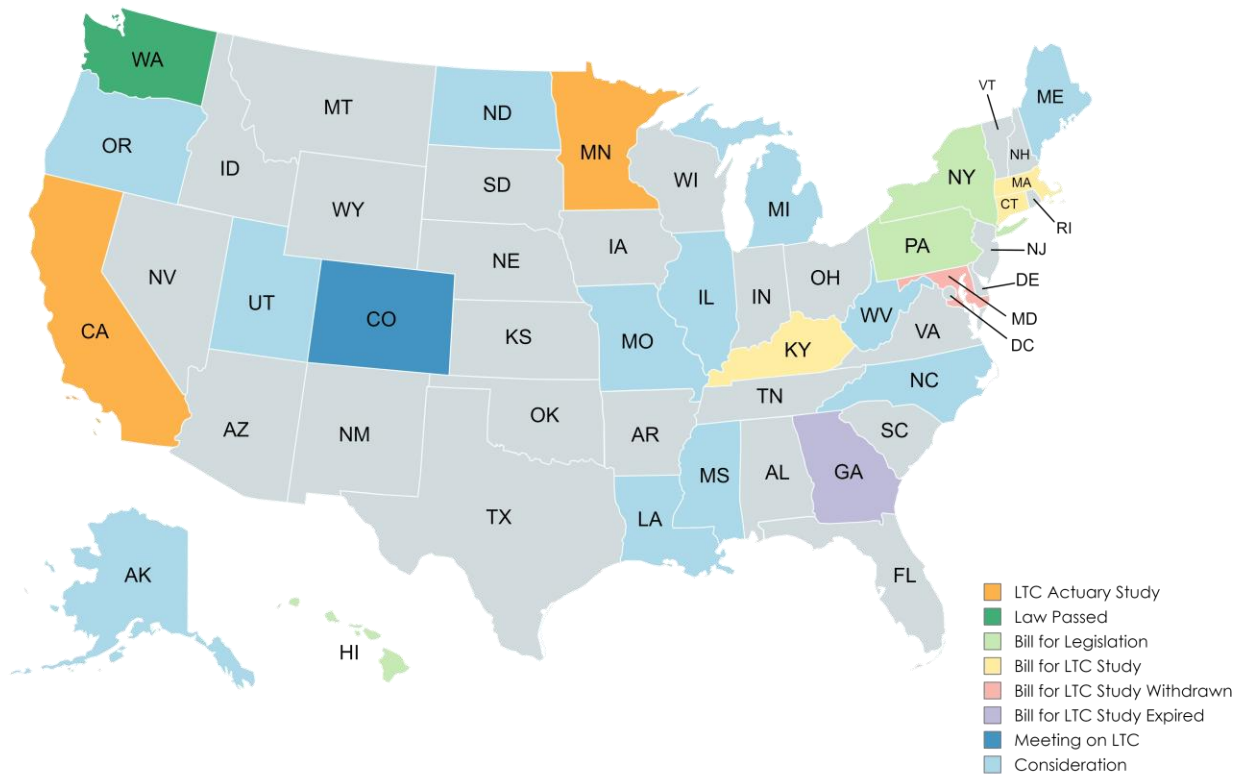


# Why Long-Term Care Planning Matters: Empowering Employees with Knowledge & Solutions

By [Jessi Cole-Jackson](#) | January 27, 2025 | [Employee Benefits](#)



Close your eyes for a moment. Can you think of anyone in your life, close or distant, that has ever received care in a nursing home, assisted living, or had an agency come into their home? Have you ever thought about how that care is covered or how you would handle a similar situation? For many, these thoughts only come up when they face a long-term care event head on.

The Long-Term Care (LTC) landscape is evolving rapidly, creating opportunities for employers to educate employees on the realities of LTC, the importance of planning early, and providing solutions through group plans with special perks. LTC insurance has become a critical benefit that addresses a growing need, offering peace of mind and financial security. Kapnick, along with specialty partner [LTC Solutions, Inc.](#), is here to equip you with the tools and insights to help you navigate long-term care confidently and proactively.

## The Reality of LTC and Importance of Early Planning

- Long-Term Care can be needed due to **accident, illness or aging**.
- People **over the age of 65** have a **70%** chance of needing LTC while people ages **18-65** face a **40%** chance<sup>1</sup>.
- This care is **not covered** by health insurance, Medicare or other benefits. Without LTC Insurance, people **pay out of pocket** for care.
- With the **average cost** for one year of care ranging from **\$65K – \$117K**<sup>2</sup>, it's no surprise that **56%** of couples without LTC Insurance spend their income down to poverty level after one partner has spent **six months** in a nursing home<sup>3</sup>.
- Your age determines your rate, and your health buys your coverage. Up to **17% – 26%** of people who apply for individual policies are **declined** for coverage **due to health history**<sup>4</sup>. Common reasons for declination include heart conditions, diabetes, history of cancer, height/weight ratio.

## LTC Financing Crisis

The general lack of awareness surrounding LTC has resulted in a significant gap in planning, leaving many individuals unprepared for the high costs of care. As a result, a growing number of people deplete their savings to pay for LTC services and ultimately rely on Medicaid assistance. This shift has placed a considerable strain on the Medicaid system, prompting states to explore legislative measures to address the issue. WA State was the first state to mandate a LTC payroll tax on employees, with the opportunity to opt-out with private LTC insurance. To date, more than 15 states are discussing or pursuing similar legislative initiatives.

See the map above, or [click here](#) for a list of states and legislative activity.

## Employer Solutions

- Employers can offer LTC insurance plans that are Guarantee Issue (no medical questions) and portable, allowing employees to maintain coverage with the same rate structure, for the rest of their lives.



[Watch this video](#) to see why group LTC solutions are so important to some individuals.

- Through employee requests, along with an effort to keep pace with emerging benefits, employers are recognizing the importance of planning for LTC and prioritizing this benefit.
- Many employers view LTC insurance as 401k preservation planning to help protect employees' financial future, during working years and into retirement.
- LTC insurance policies may also allow employees the opportunity to opt-out of future LTC payroll taxes that are being discussed and/or proposed in a number of states.

As the long-term care landscape continues to evolve, employers have a unique opportunity to empower their workforce with education and solutions that make a meaningful impact. By offering group LTC plans with exclusive benefits, organizations can help employees prepare for the future, providing them with the peace of mind and financial security that comes from proactive planning.

### **Interested in learning more about LTC insurance, group perks, or legislative activity?**

- [Click here](#) to register for an educational webinar for Kapnick clients
- Reach out! [info@kapnick.com](mailto:info@kapnick.com) or 888.263.4656

<sup>1</sup> LongTermCare.gov

<sup>2</sup> Genworth 2023 Cost of Care

<sup>3</sup> Health Insurance Association of America

<sup>4</sup> American Association for Long-Term Care Insurance