

Why Long-Term Care Planning Is a Critical Part of Estate Planning (Even If You Are Healthy)

For many people, estate planning sounds like a final act—a set of instructions for what happens to your accounts and other assets only after you are gone.

In reality, a truly comprehensive estate plan also helps protect you during your lifetime. While a standard plan covers medical and financial decisions if you become *incapacitated* (unable to manage your affairs), there is frequently a missing piece that can dismantle even the most careful arrangements: **the need for long-term care.**

Long-Term Care: The Blind Spot in Many Plans

The costs associated with long-term care can be significant and often arise when individuals are least prepared to adjust their financial plans. Without proper planning, these expenses can quickly erode savings, alter inheritance goals, and place unexpected responsibilities on family members.

Understanding how long-term care fits into an estate plan is an important step in protecting both your financial security and your family's future.

What Is Long-Term Care?

Long-term care planning focuses on a different risk than the sudden medical crises people often associate with estate planning.

While estate plans typically address what happens if someone suddenly loses the capacity to make financial or medical decisions, long-term care planning addresses a more gradual possibility: the eventual need for assistance with everyday activities.

The National Institute on Aging defines long-term care (LTC) as services designed to meet a person's health or personal care needs when they can no longer independently perform everyday tasks.¹

In practical terms, long-term care generally means assistance with what are known as *activities of daily living (ADLs)*, including bathing, dressing, eating, and toileting. That care can take several forms:

- **In-home care.** Professional aides or nurses who come directly to your home to provide assistance
- **Assisted living communities.** Welcoming residential communities that provide housing along with a helping hand for your daily activities
- **Memory care.** Specialized, secure support for individuals navigating cognitive challenges such as dementia
- **Skilled nursing facilities.** Centers that provide a higher, more comprehensive level of medical supervision and care when you need it most

¹ *What Is Long-Term Care?*, NIH Nat'l Inst. on Aging (Oct. 12, 2023), <https://www.nia.nih.gov/health/long-term-care/what-long-term-care>.

Unlike short-term rehabilitation, long-term care is about sustained assistance, sometimes for years. For that reason, Medicare generally does not pay for long-term custodial care.² While Medicare may cover limited, short-term skilled nursing or rehabilitation following a hospitalization, it does not pay for ongoing assistance with ADLs or skilled nursing.

Who May Need Long-Term Care?

The need for LTC can arise suddenly, such as after a heart attack or stroke, but more often develops gradually as a person ages.

Although it can be difficult to predict how much or what type of care someone may need, the following underlying causes of long-term care needs tend to be common and more foreseeable:

- Age-related frailty and declining mobility
- Cognitive impairment, including Alzheimer's disease and other types of dementia
- Stroke and neurological conditions such as Parkinson's disease
- Chronic illnesses such as diabetes or heart disease
- Injuries that result in long-term functional limitations

As life expectancy increases, so does the likelihood of experiencing these conditions and requiring care.

The U.S. Department of Health and Human Services estimates that nearly 70 percent of individuals turning age 65 today will need some form of long-term care during their remaining years.³

Women, because they tend to live longer than men, are more likely to require care for longer durations. But as both men and women live longer—and the population over age 65 continues to grow—the likelihood of needing long-term care is increasing.⁴

How Long Does Long-Term Care Typically Last?

Long-term care is not always permanent. But in many cases, it can last for years.

- The average duration among those needing care is approximately three years.⁵
- Roughly one in five individuals who require care will need it for five years or longer.⁶

A short rehab stay (say, a few months) is one thing—you may be able to pay for it out of pocket. But paying for long-term care for a year or more could significantly impact your savings.

Averages do not always reflect real-life cases. Any prolonged period of dependency can quickly cause costs to spiral into unsustainable territory.

² *Long-Term Care*, Medicare.gov, <https://www.medicare.gov/coverage/long-term-care> (last visited Mar. 30, 2026).

³ *How Much Care Will You Need?*, LongTermCare.gov (Feb. 18, 2020), <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>.

⁴ Alicia H. Munnell, *Most Adults Greatly Underestimate the Realities of Aging and Long-Term Care*, Ctr. for Ret. Rsch. at Bos. Coll. (Mar. 10, 2025), <https://crr.bc.edu/do-older-adults-understand-healthcare-risks>.

⁵ *How Much Care Will You Need?*, *supra* note 3.

⁶ Stephanie Stearns, *How Long Does the Average Person Need Long-Term Care?*, Nw. Mut. (Aug. 28, 2024), <https://www.northwesternmutual.com/life-and-money/how-long-does-the-average-person-need-long-term-care>.

What Does Long-Term Care Cost?

Costs for long-term care vary by region and level of care, but we present Massachusetts statistics since most of our clients will be in Massachusetts during their long-term care years.

The cost of nursing home care can be about \$18,000 per month or \$216,000 per year in Massachusetts.

- **Assisted living community care averages roughly \$96,000 per year.**
- Home-based care such as a **home health aide** runs around **\$42-45 per hour** in Massachusetts.

These numbers represent ~~median~~ costs at typical facilities and at home, and do not account for inflation, specialized memory care, or additional medical expenses. Care costs also continue to rise rapidly as labor costs and demand grow.

Assisted living costs increased about 10 percent compared with the last year surveyed.⁷ Even modest annual increases can compound significantly over multiyear stays.

How \$216,000 Becomes \$648,000 in three years: The Erosion of Your Savings

At current median rates:

- A three-year stay in a nursing home at approximately \$216,000 per year totals roughly \$648,000 in private-pay expenses.
- If care extends to five years, costs can approach or exceed \$1,080,000.
- Assisted living at roughly \$96,000 per year totals more than \$288,000 over three years.

For many people, savings are intended to provide retirement income, supplement Social Security, and eventually pass to heirs. Extended long-term care expenses can quickly redirect those assets toward care costs instead of lifestyle or legacy goals. In just a few short years, savings could be entirely depleted.

Why Traditional Estate Plans Do Not Address LTC Risk

Most estate plans are designed to avoid probate, facilitate orderly asset transfers at death, minimize taxes, and provide decision-making authority if you become unable to manage your own affairs. But limitations come into play when LTC becomes necessary:

- A *will* directs how your assets should be distributed after you die. Because it takes effect only at death, it does not protect assets from expenses you may incur during your lifetime, including long-term care.
- A *revocable living trust* can help manage assets and avoid probate after death. Because you retain full control of the assets in this type of trust, however, those assets remain fully available to pay for long-term care if needed.

⁷ *Genworth and CareScout Release Cost of Care Survey Results for 2024*, BusinessWire (Mar. 4, 2025), <https://www.businesswire.com/news/home/20250301584443/en/Genworth-and-CareScout-Release-Cost-of-Care-Survey-Results-for-2024>.

- A *durable power of attorney* allows someone you trust to make medical or financial decisions on your behalf if you become unable to do so. While it provides decision-making authority, it does not shield assets from the cost of care.

Traditional estate planning often assumes that most assets will remain intact until they are eventually transferred to heirs. Long-term care introduces a different risk—one that can arise during your lifetime and potentially erode or erase the assets your estate plan was designed to protect and preserve.

The financial stress of requiring LTC can disrupt not only your financial plans but also family dynamics. Loved ones may find themselves taking on caregiving responsibilities and out-of-pocket costs that can amount to thousands of dollars and countless hours each year.⁸

Planning for long-term care should not be put off. It is completely natural to hope you will never need it or to avoid the topic until a health event forces the issue. But treating long-term care simply as a distant health risk rather than a realistic financial challenge can be an incredibly expensive mistake. While your health may fully recover, your life savings may not.

⁸ *New Report Reveals Crisis Point for America's 63 Million Family Caregivers*, AARP (Aug. 1, 2025), <https://www.aarp.org/states/maryland/caregiving-report>.