
A GUIDE FOR PROTECTING YOUR SAVINGS

WHO WILL PAY FOR YOUR LONG-TERM CARE?

Know your options before you or a family member need care: the real odds, the real costs in California, and how to stay out of the nursing home



- Stay at home
How to avoid the nursing home
- Know the costs
What care costs in California today
- Know your options
Including newer ways to plan

Compliments of

Rick Liuag

Rick Liuag Insurance and Financial Services
Corona, CA · 951-515-0292

The Odds Are Higher Than You Think

Most people assume long-term care is something that happens to other families. The numbers say otherwise.

7 in 10

people turning 65 will need some type of long-term care during their lives

35%

of people turning 65 will spend time in a nursing home, for an average of about a year

1 in 5

will need care for longer than five years

Only 7%

of Americans age 60 and older own a stand-alone long-term care insurance policy

What long-term care means

Long-term care is help with everyday activities, such as bathing, dressing, eating, moving around or managing memory loss, when you can no longer do them on your own. It is usually not medical treatment, and it is not just nursing homes. Most care actually happens at home, with the rest in assisted living or nursing facilities.

Women face the biggest risk

On average, women who need care need it for 3.7 years, compared with 2.2 years for men. Women also more often outlive the spouse who might have cared for them.

Ask Rick: If you needed care starting tomorrow, who would provide it, and how would you pay for it? If you're not sure, you're not alone. Call 951-515-0292.

How to Stay Out of the Nursing Home

Ask almost anyone where they'd want to receive care, and the answer is "at home." Most care does happen at home, but staying there takes planning, and the time to plan is before you or a family member needs care.

Know what Medicare will and won't do

Medicare can pay for short-term skilled care at home, such as nursing or therapy after a hospital stay. It generally does not pay for ongoing help with bathing, dressing, meals or supervision, which is most of what people need to stay at home.

Plan how home care would be paid for

A home care aide in California now costs about \$7,627 a month for 44 hours a week. Without a plan, that bill falls on your savings or on your family. Some coverage pays for care at home and in assisted living, not just in a nursing home, so check what any plan you own, or are considering, actually covers.

Get your home and family ready

- **Make the home safer:** grab bars, better lighting, a first-floor bedroom and bathroom, and no-step entries can delay or prevent a move.
- **Talk with your family now:** who would help, how often, and what would happen if they couldn't. Family caregivers often give up work and income to help.
- **Know the middle steps:** adult day programs and assisted living can bridge the gap between living at home and a nursing home.
- **Put your paperwork in place:** a durable power of attorney and a health care directive let someone you trust act for you if you can't.

Ask Rick: If you or your spouse needed help at home, how would it be paid for? Let's find out before you need the answer. Call 951-515-0292.

Sources: Medicare.gov, home health services; CareScout, Cost of Care Survey, California 2025 data.

What Care Costs in California

California is one of the most expensive states for long-term care, and costs keep rising, with nursing home rooms up 4% and home care up 5% in a single year.

Type of care (California median, 2025)	Per month	Per year
Nursing home, private room	\$15,178	\$182,135
Nursing home, semi-private room	\$12,167	\$146,000
Home care aide (44 hours a week)	\$7,627	\$91,520
Assisted living	\$6,900	\$82,800

Who pays? Probably not who you think

- **Medicare** generally does not pay for long-term custodial care. It covers only limited skilled nursing after a hospital stay, for up to 100 days, with conditions.
- **Medi-Cal** pays for nursing home care only after most of your savings are gone. As of January 1, 2026, California again limits countable assets to \$130,000 for an individual, plus \$65,000 for each additional household member, and can look back 30 months at transfers.
- **Your family** often fills the gap with unpaid care, lost work time and their own savings.
- **Your savings** pay for everything else. Three years in a private nursing home room could cost more than \$540,000.

Ask Rick: Would a long stay in care wipe out the savings you planned to leave your family? Let's find out with real numbers.

What Care Could Cost in the Future

If you're planning for care you may need 10, 20 or 30 years from now, today's prices are only the starting point. Here's what California nursing home costs could look like if they keep rising at 4% a year, the same increase semi-private rooms saw last year.

Annual cost	Today (2025)	In 10 years	In 20 years	In 30 years
Semi-private room	\$146,000	\$216,100	\$319,900	\$473,500
Private room	\$182,135	\$269,600	\$399,100	\$590,700

Monthly, a private room would run about \$22,470 in 10 years, \$33,260 in 20 years and \$49,230 in 30 years.

Small differences add up

Private room, per year	In 10 years	In 20 years	In 30 years
At 3% a year	\$244,800	\$329,000	\$442,100
At 4% a year	\$269,600	\$399,100	\$590,700
At 5% a year	\$296,700	\$483,300	\$787,200

What this could mean for you

A 60-year-old today who needs care in 20 years could face about **\$1.2 million** for a three-year stay in a private room, at 4% a year, before any further increases during the stay. A benefit that sounds generous today, such as \$165,000, would cover only about five months of that care.

Ask Rick: What would care cost by the time you might need it, and would your plan keep up? Call 951-515-0292 and we'll run your numbers.

Projections start from CareScout's 2025 California median costs and assume the growth rates shown. They are hypothetical illustrations, not predictions; actual costs vary by location, facility and future inflation.

How Traditional LTC Insurance Works

It works like car or health insurance: use it or lose it

You pay premiums every year, and if you need care, the policy pays benefits up to its limits. If you never need care, or you stop paying, most traditional policies have no cash value to return. The premiums you paid are simply gone, just like car insurance premiums in a year with no accident.

The longer you wait, the more it costs

Premiums are based on your age and health when you apply. Waiting ten years can nearly double the price, if you can still qualify.

Age when you buy	Single man	Single woman	Couple (combined)
55	\$950 a year	\$1,500 a year	\$2,080 a year
60	\$1,200 a year	\$1,900 a year	\$2,600 a year
65	\$1,750 a year	\$2,700 a year	\$3,750 a year

Average 2025 premiums for a \$165,000 initial benefit with no inflation protection, as published by the American Association for Long-Term Care Insurance. Rates vary by state, insurer and health.

Your premium isn't locked in

With most traditional policies, the insurance company can ask state regulators to raise premiums on existing policyholders, and many have, sometimes repeatedly. Some requested increases have ranged from 50% to 150%. When that happens, policyholders usually face three choices: pay more, cut their benefits, or drop the coverage and lose what they've paid in. These increases often arrive in your 70s or 80s, when you're living on a fixed income.

The Downsides to Weigh

1 You may never get back what you put in

A couple who buys at 65 and pays \$3,750 a year until 85 would pay about \$75,000, before any rate increases. If neither ever needs care, that money is gone. This is the single biggest reason people hesitate to buy traditional coverage.

2 Premiums can rise when you can least afford it

Rate increases on existing policies can force a hard choice late in life: pay more than you planned, accept less coverage, or walk away from years of premiums.

3 You have to qualify medically

Health conditions can raise your price or make you ineligible. The longer you wait, the more likely a health change takes options off the table.

4 Benefits may not keep up with costs

California care costs rose 4% to 5% in a single year. Without an inflation rider, which adds substantially to the premium, a benefit that looks generous today may cover far less when you need it.

There are newer ways to plan

Today, there are modern approaches to long-term care planning designed to remove the "use it or lose it" risk. Some can provide guaranteed premiums that can never increase, and make sure your money still benefits your family whether or not you ever need care. They aren't right for everyone and they still require qualifying, but they're well worth comparing before you buy, or keep paying for, a traditional policy.

Ask Rick: Want to see how the newer options compare to traditional coverage, side by side? Call 951-515-0292.

Your Long-Term Care Plan Check

A few minutes with these questions will show whether you have a plan, or a gap. Blanks are fine; they're what we'll work on together.

A. If you needed care for three years

Where would you want to receive care? (home, assisted living, nursing home)

Who would provide or arrange it?

Estimated cost: monthly cost $\times$ 36 months \$ _____

Example: assisted living at \$6,900 a month $\times$ 36 = \$248,400

B. How would you pay for it today?

☐ Savings and investments ☐ Home equity ☐ Family

☐ Long-term care insurance ☐ Medi-Cal ☐ I'm not sure

How much would be left for your spouse or heirs? \$ _____

C. Already have a long-term care policy?

Annual premium / daily or monthly benefit \$ _____ / \$ _____

Has your premium ever been increased? ☐ Yes ☐ No ☐ Not sure

Does your benefit include inflation protection? ☐ Yes ☐ No ☐ Not sure

If you never need care, do you get anything back? ☐ Yes ☐ No ☐ Not sure

Who Will Pay for Your Long-Term Care?

Your next step: a free long-term care review

In a no-obligation review, we'll go over your plan check, estimate what care could cost you, talk through how you could receive care at home, and compare traditional long-term care insurance with the newer alternatives, including what each costs, what it covers and what happens if you never need care.

What to have available for our meeting (whatever you have is fine):

- Your completed plan check
- Any long-term care policy you own, plus any rate increase letters
- Recent statements for savings, IRAs and annuities
- A list of current medications and health conditions (helps us see which options you may qualify for)

Call Rick: 951-515-0292

Schedule online: calendly.com/rickliuag

Email: rick@rickliuagagency.com

Important disclosures

This material is for educational purposes only and is not an offer of insurance or a recommendation to buy, keep or cancel any policy. Do not cancel an existing policy before reviewing your options and confirming new coverage is in force. Premiums, benefits and availability vary by insurer, state, age and health, and all coverage is subject to underwriting. Statistics are from the sources below and are national unless stated otherwise. Medicare and Medi-Cal rules are summarized and subject to change; consult the program or an elder law attorney for your situation. Rick Liuag Insurance and Financial Services does not provide tax or legal advice. Insurance products offered through Rick Liuag Insurance and Financial Services, CA License #0E72518.

Sources: U.S. Administration for Community Living, LongTermCare.gov, "How Much Care Will You Need?"; Milliman, "The long-term care insurance industry through 2024" (covered lives as a share of U.S. population 60+); CareScout, Cost of Care Survey, California 2025 data (released March 2026); American Association for Long-Term Care Insurance, 2025 Price Index; Oregon Division of Financial Regulation, long-term care rate increases; Justice in Aging, Medi-Cal asset limit reinstatement (2026).

My Questions for Rick

Jot down anything you'd like to ask as you read. Have this page handy for our meeting, or call 951-515-0292.

About Rick Liuag

For 37 years, Rick Liuag has helped people protect two things that matter most: the income they'll live on and the savings they've worked hard to build.

Rick works primarily with pre-retirees, retirees and small business owners, people who have spent decades building something and want to make sure it lasts. His clients often come to him with the same questions.



Will my savings last as long as I do? What happens if the market drops right before I retire? How do I protect my family and my business from a big, unexpected expense?

Rick specializes in retirement planning and risk management, helping clients answer those questions with a plan, not a guess. That can mean creating guaranteed lifetime income that works like a personal pension, or protecting principal from market losses.

Nearly four decades in the business have convinced Rick that good decisions start with good information. He writes his guides in plain language, explains the trade-offs along with the benefits, and never recommends something that doesn't fit. His clients always know how a plan works, what it costs and how he's paid before they decide anything.

Rick Liuag

Certified Pension/Retirement Advisor

Rick Liuag Insurance and Financial Services

Corona, CA · CA License #0E72518 · Also licensed in TX, NV, SC, GA and FL

951-515-0292 · rick@rickliuagagency.com

Schedule a conversation: calendly.com/rickliuag

Questions about your retirement?

Let's talk. There's never any cost or obligation.



Rick Liuag

Rick Liuag Insurance and Financial Services

951-515-0292

rick@rickliuagagency.com · calendly.com/rickliuag

CA License #OE72518