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Dear Clients, Colleagues, and Friends,

We're delighted that so many of you have taken advantage of our long term care planning CFP®-Approved CE webinars to date. But if you haven't done so yet, or you could use a refresher, it's not too late. Take one class or both; each session will earn you one CE credit for 2018.



CE Webinar Schedule - Fourth Quarter 2018

**** LTC Combo Plans: An in-Depth Look at Asset-Based LTCI Policies***

In this webinar, you'll gain a greater understanding of increasingly-popular hybrid/combo plans.

WHEN: Tuesday, October 30, 11am CT

Tuesday, December 11, 11am CT

**** LTC Planning: How to Choose the Best Funding Option for Clients***

In this webinar, you'll learn which type of plan- traditional LTGI or hybrid/combo- works best for clients in certain situations.

WHEN: Thursday, November 1, 11am CT

Thursday, December 13, 11am CT

Webinars are presented by our President, Brian Gordon, CLTC, who has 28 years of long term care planning expertise.

Advance reservations are required. Call us at 800.533.6242 or [email Jolene](mailto:jolene@magaltc.com) to reserve your space.

Sincerely,

Brian I. Gordon, CLTC
President
brian@magaltc.com

Peter R. Florek, CLTC
Vice President
peter@magaltc.com

An Eye-Opener: One Facility's True Assisted Living Costs

The cost of care surveys produced by long term care insurance companies can be misleading- and are often much lower than what long term care recipients actually pay. In our last issue, we examined true home care costs versus survey averages. This time, we're focused on assisted living facilities.



According to Genworth's 2017 Cost of Care Survey, the national median cost for a private, one bedroom suite in assisted living is \$3,750 per month. We know this number includes room and board, but Genworth doesn't specify what other services are included. Most facilities charge extra for care services.

Now, let's compare to the monthly pricing of the assisted living program of one well-known, national nursing home organization. Here's what we learned.

Base Monthly Cost

The base cost of a one-bedroom suite ranges from \$7,940-\$9,460 per month, depending on the model/square footage. (Studios ranged from \$4,150-\$7,050.) This is a far cry from Genworth's \$3,750, but wait until we add in the costs for extra care services.

Extra Care Services

- **Personal Care** - While "Basic Personal Care" (assistance with dressing; standby assistance with showering) is included in Base Monthly Costs, "Enhanced Personal Care" (hands-on assistance with showering and transferring) costs an extra \$950 per month.
- **Medication Management** - "Medication Management" costs vary from \$600 per month (for residents taking 1-5 medications twice a day) to \$1,500 for month (for residents taking 11 or more medications or requiring injections or breathing treatments).
- **Continence Management** - Level 1 Continence Management (assistance with toileting) costs an additional \$300 per month. Level 2 Continence Management (changing of continence products) costs an extra \$900 per month. And that does not include the purchase of continence products.

The Takeaway

When it comes to Long Term-Care planning- not to mention choosing an assisted living facility- your clients and their families will need to know the actual monthly costs, including any and all required extras. They also need to be mindful that, as people age, they are likely to require additional care services. Bottom line: advance preparation can spare families stress and "sticker shock" when the need for long term care arises.

Yes, We Can Help With...

Medicare Supplement Plans - If your clients are receiving Medicare or will be soon, please know that we provide quality Medicare Supplement plans in most states. Medicare's open enrollment period is October 15 - December 7, so now is the time.

Short Term Nursing Home/Home Care Benefits - Several advisors have recently asked us about short term nursing home and home care benefits. We do offer these plans, as well as a choice of reputable carriers.

When it comes to these products, you receive the same knowledgeable, attentive service you've come to expect from us regarding LTCL. For more information, call us 800-533-6242 or email us.

Medicare Announces 2019 Rates

Speaking of Medicare, the Centers for Medicare and Medicaid Services just announced its monthly Medicare premiums for 2019. Premiums are based on income, and there are six income brackets.

For 2019, Medicare beneficiaries in the lowest income bracket (those with an income of \$85,000 or less) will receive a 1.1% Part B premium increase, thereby paying a total of \$135.50 per month, up from \$134 in 2018.

Rate increases scale upwards from there for those in higher income brackets. Individuals in the highest bracket (those with an income of \$500,000 or more) will receive a 7.4% percent rate increase, thereby paying a total of \$460.50 per month, up from \$428.60 in 2018.

This is consistent with Congress's initiative in recent years to increase the share of Medicare costs paid by high earners- a factor that may impact retirement planning.

In addition, the Medicare Part B deductible will increase 1.1%, to \$185, for all beneficiaries. For more information, see [Medicare.gov](https://www.medicare.gov).

Mutual of Omaha Changes Guidelines Regarding Marijuana Use

Most LTCL carriers decline applicants who are recreational marijuana users. However, Mutual of Omaha,

one of the leading traditional LTCI carriers, has recently changed its underwriting guidelines to permit occasional recreational use.

Effective October 1, 2018, applicants who use marijuana recreationally three times a week or less and have no DUI, history of drug abuse or memory loss may qualify for the carrier's "Select" rating class. Those who use the drug more frequently will be declined, as will those who use medical marijuana.

An applicant who has not used marijuana for one year may qualify for "Preferred" rating status if all other requirements are met.

Because recreational marijuana is now legal in eight states and the District of Columbia- and additional states are considering a change in law- some insurance carriers are giving its use a second look.

Have You Seen Our New MAGA Website?

We're proud to announce that we recently unveiled our new-and-improved website-see it for yourself at magaltc.com. The website is intended to be easier to navigate and more inviting to browse. And, as always, you can initiate a quick quotation anytime using our online [Request-a-Quote form](#).



We're Here to Help

Please contact us with questions, comments, or even just to say hello.



Murray A. Gordon
CEO and Founder
*43 years of experience in a
44 year old industry.
2015 Recipient of Lifetime
Achievement Award in
Entrepreneurial Excellence*
murray@magaltc.com



Brian I. Gordon, CLTC
President
*Ranked #5
Asset-based Producer*
Ranked Top 15
Traditional LTCI Producer**
brian@magaltc.com



Peter R. Florek, CLTC
Vice President
*Ranked #2
Asset-based Producer*
Ranked Top 30
Traditional LTCI Producer**
peter@magaltc.com

* Source: AALTCI 2015-2016 Sourcebook

"MAGA, Ltd. is an important resource that helps me meet the needs of my clients. I value their expertise regarding long term care insurance, their access to multiple insurers, and their commitment to do what's best for the client. I appreciate their professionalism, excellent response time, and follow-through."

My professional relationship with MAGA not only helps me better serve my clients but contributes to my success as a financial planner."

- Linda Y. Leitz, CFP, EA
President
Peace of Mind
Financial Planning, Inc.

"MAGA Ltd. has been invaluable to our practice when helping clients prepare for long term care costs. We appreciate their review of inforce policies - and we count on MAGA to keep us up-to-date. They've worked with NAPFA members for many years and service is always excellent."

Carolyn McClanahan, M.D., CFP®
Life Planning Partners, Inc.

"Thank you for helping Mrs. B. get approved to receive LTC benefits. We appreciate the support, guidance and advice you gave us. You're a pleasure to work with. Once you were involved, I knew we were in good hands."

-Debra Lapin, LCSW
Community Relations,
Belmont Village of Buffalo Grove

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WE WORK WITH...

highly-rated insurance carriers in order to serve our clients' best interests.

Ask us about traditional LTCI & asset based/hybrid plans.

Licensed Nationally & in California DBA MAGA Insurance Services Lic. # 0E81056

MAGA proudly supports these organizations:



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