

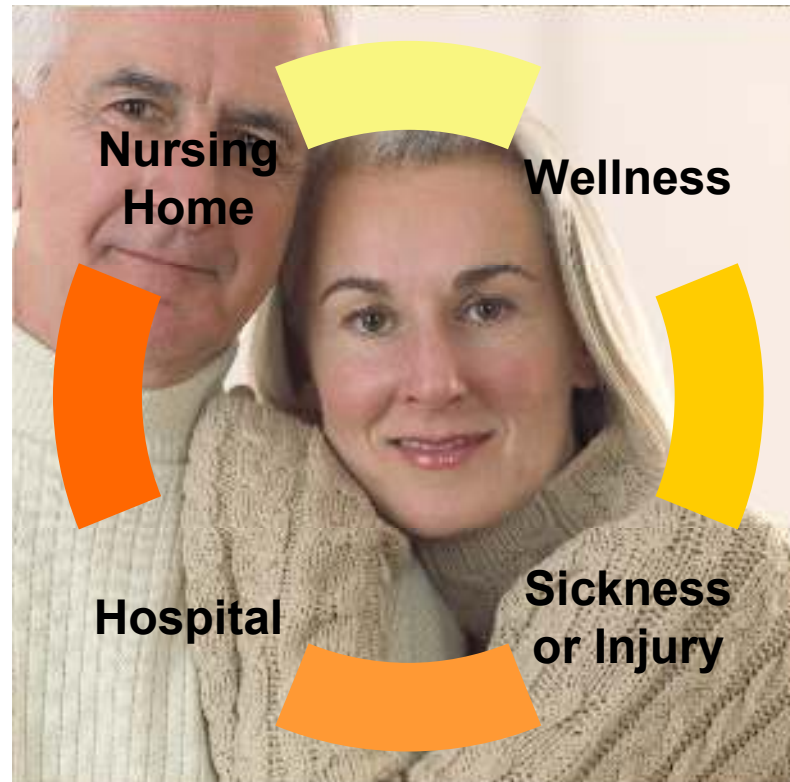
# Understanding the Long Term Care Spin Cycle



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Phone (231) 799-4993 • Fax (231) 798-9000 • Toll Free (888) 807-1212  
800 Ellis Road • Suite 172 • Muskegon, Michigan 49441  
[www.MedicaidResources.com](http://www.MedicaidResources.com) • [help@medicaidresources.com](mailto:help@medicaidresources.com)

# Long Term Care Spin Cycle



# Cycle 1: Sickness or Injury

- The process starts when you get **sick** or **injured**
- Suddenly, you find yourself in the hospital



## Cycle 2: Hospitalization

- Your health begins to recover but **you can't stay at the hospital any longer**
- The hospital makes a reservation in your name at a nursing home



## Cycle 3: Nursing Home Care

- You are now a resident of a nursing home **but** you don't know how to pay



# Cycle 4: The Call for Help

- Medicare coverage ends
- You're getting billed an average of **\$195 per day**



# Who gets stuck in the middle?

Will it be your  
**spouse?**

Or, will it be your  
**children?**



## What Does Your Family Feel?

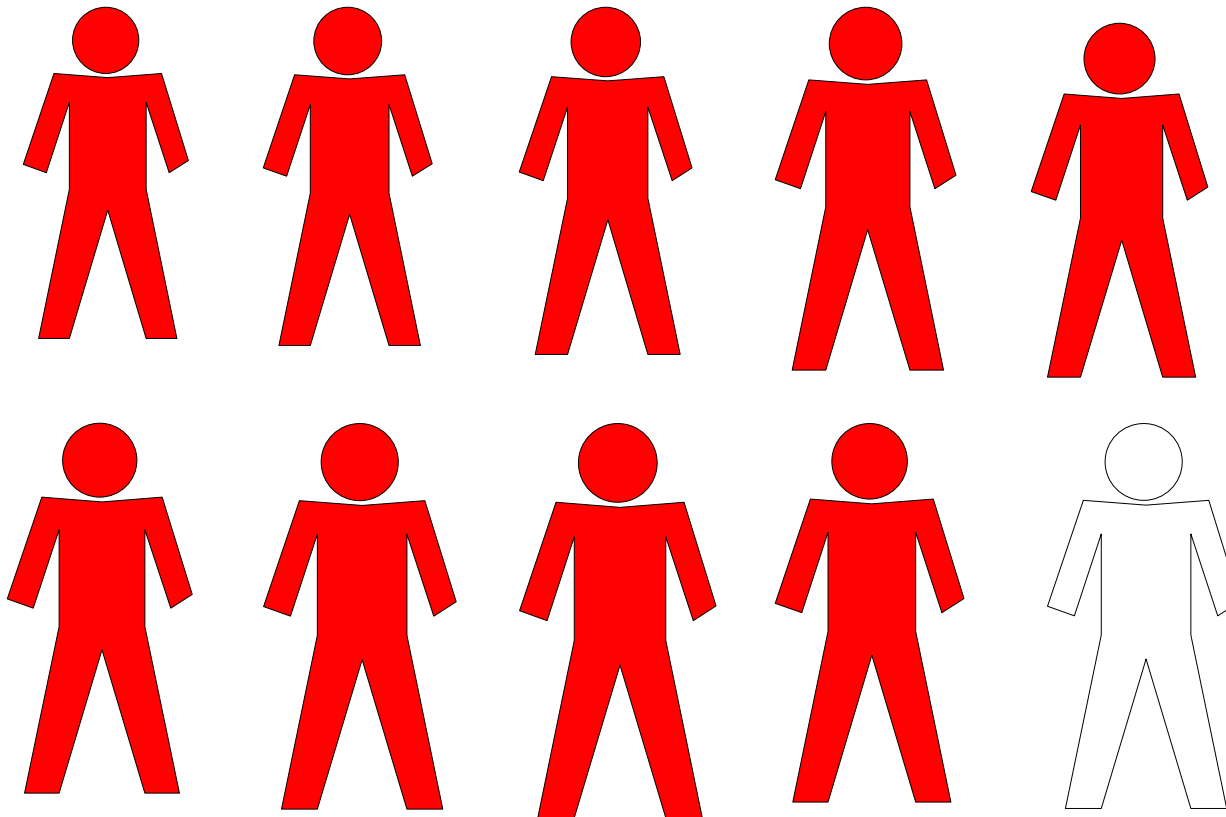
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**PANIC**

**Fear**

**Helplessness**

**9 out of 10 don't know how to pay!**



# What Do We Fear?

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## Losing What's Ours:

**SAVINGS**

**The Cottage**

**Retirement  
Accounts**

**Investments**



## What is risk?

**Risk is the  
PROBABILITY of  
LOSS**

# What's Your Risk of being caught in the Long Term Care Spin Cycle?

If you are age 65 or older





## Risk Comparison

- Death by Lightning 1 in 2,320,000
- Drowning in the Bathtub 1 in 685,000
- Choking to death on food 1 in 370,035
- Dating a supermodel 1 in 88,000
- Dying in car accident 1 in 18,585
- Getting hemorrhoids 1 in 25
- **Entering a Nursing Home 1 in 1.67**

Which means the RISK is ...

**HIGH**

**The cost of care:**

**\$71,256  
annually**

**\$5,938  
monthly**

## Fact: Average Client Risk of Loss

	Principal Residence	Other Assets	<b>Budgeted Risk of Loss</b>
Not Married	\$71,034	\$199,901	<b>-\$197,901</b>
Married	\$106,658	\$350,090	<b>-\$246,210</b>

Source: Michigan 2007 PEM 402

## Fact: Who is paying the nursing home?

- Medicare: **12%**
- Our savings & other sources: **21%**
- Medicaid: **67%**

Source: Michigan State University State of the State Survey, Briefing Paper No. 98-39, June 1998.

# We Make Decisions Every Day According To The Odds



- We choose where to stand during a thunderstorm
- We use bath mats in our tubs
- We buckle the seat belts in our cars
- We choose to protect what we have

# Personal Risk Assessment

- If risk is **HIGH** we act
- If risk is **LOW** we don't act

# Personal Risk Assessment

1 - 3	4 - 6	7 - 10
I am OK with spending <b>\$222,055</b> on care expenses.	I am bothered about spending <b>\$222,055</b> on care expenses.	I am upset about spending <b>\$222,055</b> on care expenses.

**We Can Help**

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**PANIC** **Fear**

**Helplessness**

**become RELIEF!**

# How We Do It?



- Discovery
  - Who You Are
  - What You Have
  - What You Want to Do
- Diagnosis
  - Our Expertise + Your Discovery Information = Diagnosis
- Design
  - Diagnosis + Applied Expertise = Design

# The Solution

- Determine Your Risk of Loss
- Restore Your Peace of Mind



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