LONG TERM CARE PLANNING

Protecting Your Family, Farm, and Legacy

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Agricultural Economics

Long Term Care Planning for Farmers and Ranchers

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Why should you care?

- Long-term care can affect more than personal finances
- Care decisions can affect the farm or ranch
- Family members may unexpectedly become caregivers
- Assets may need to be sold to fund care
- Long-term care should be part of succession planning

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What is Long-Term Care (LTC)?

- Assistance with activities of daily living
  - In-home care
  - Assisted living
  - Memory care
  - Skilled nursing
- Long-term care is different from short-term medical treatment

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Reality of aging and care needs

- What happens if you can no longer live independently?
- Who will provide your care and where?
- What happens if your spouse needs care first?
- What happens if both spouses need care?
- **Federal agencies estimate 70% of people turning 65 can expect to use some form of LTC during their lifetime**

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What does LTC cost?

- Home care
- Assisted living
- Memory care
- Nursing home care
- Costs vary significantly by location and level of care
- **Key takeaway: A multi-year care need can significantly impact a family's assets.**

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What does LTC cost?

Type of care	Avg Cost Annually
Adult day health care	$24,700
Assisted living	$74,400
In-home caregiver	$80,080
Nursing home, semi-private	$114,975
Nursing home, private	$129,575

https://investor.genworth.com/news-events/press-releases/detail/1054/carescout-releases-2025-cost-of-care-survey-results?ftag=YHF4eb9d17&utm_source=chatgpt.com

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Who pays for LTC?

- Personal savings/assets
- Family caregiving
- Long-term care insurance
- Medicaid
- Medicare — and what it does not generally cover

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A Medicare misconception

- Myth: “Medicare will pay for my nursing home.”
- Medicare can cover certain short-term skilled services
- It generally does not pay for ongoing custodial care
- Long-term care planning requires a different strategy

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Farms and ranches are different

- Examples of agricultural assets:
  - Land
  - Livestock
  - Carryover Grain
  - Machinery
  - Cash and investments
- If you needed $300,000 for long-term care, which farm asset would you sell first?

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Disrupts succession planning

- Care Need → Cash Requirement → Asset Sale → Farm Disruption → Family Conflict
- An unexpected care event can:
  - Force land sales
  - Reduce operating capital
  - Change inheritance plans
  - Create unequal treatment among heirs
  - Delay or derail a farm transition

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Who makes decisions when you can't?

- Financial Power of Attorney
- Healthcare Power of Attorney
- Advance healthcare directive
- HIPAA authorization
- Estate planning documents

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Family conversations

- Where do I want to receive care?
- Who would provide care?
- Who will make financial decisions?
- What assets can be used for care?
- What assets do we want to protect?
- How does this fit into our farm transition plan?

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Tools

- Traditional long-term care insurance
- Hybrid life insurance/LTC policies
- Self-funding
- Medicaid planning
- Trust planning

VERY PERSONAL AND REQUIRE PROFESSIONALS

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Medicaid

- Eligibility is complicated
- Asset and income rules matter
- Agricultural assets require special consideration
- Timing matters
- The five-year look-back period is important
- Planning should occur well before a crisis

Medicaid 5 Year look back

- Today → Planning → Asset Transfers → 5-Year Period → Potential Medicaid Eligibility

Caregiver Question

- Will a spouse provide care?
- Will children provide care?
- Who lives nearby?
- Who can take time away from work?
- What happens when family caregiving is no longer sustainable?

Family caregiving is valuable—but it should be part of the plan rather than the entire plan.

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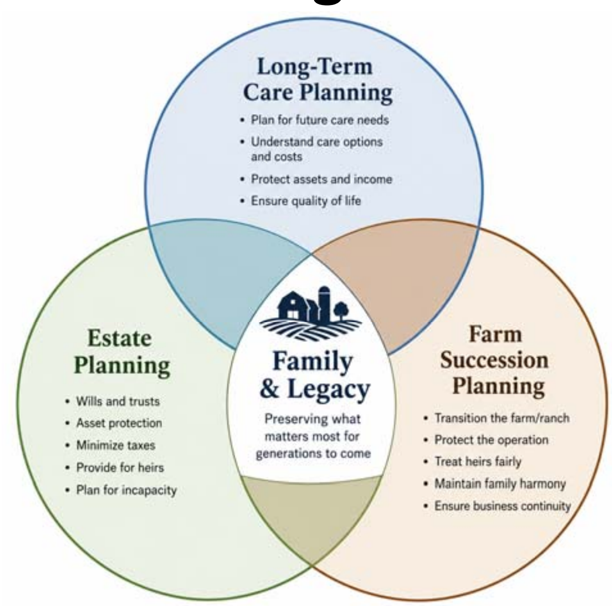
LTC + Estate Planning + Farm Succession



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Case Study

A 78-year-old farm owner needs nursing home care costing $120,000 per year. Most of the family's wealth is tied up in farmland and farm assets. The son is preparing to take over the operation.

- *What financial challenges arise?*
- *What happens to the farm?*
- *What happens to the son's transition?*
- *What could the family have done earlier?*

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Discussion

- What assets would you use?
- Who would make decisions?
- What would happen to the farm?
- What conversations need to happen now?

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LTC Checklist

- ☐ Healthcare directive
- ☐ Healthcare POA
- ☐ Financial POA
- ☐ Updated estate plan
- ☐ Discussed care wishes with family
- ☐ Estimated potential care costs
- ☐ Identified funding sources
- ☐ Considered insurance options
- ☐ Incorporated LTC into farm succession planning
- ☐ Discussed the plan with appropriate professionals

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Next Steps

- Talk with your spouse/family.
- Review your powers of attorney and healthcare documents.
- Identify how you would pay for long-term care.
- Discuss how a care event could affect the farm/ranch.
- Schedule a conversation with your attorney, financial professional, insurance professional, or other appropriate advisor.

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For farm and ranch families, long-term care isn't just a healthcare issue. It can become an asset, estate, and farm-transition issue.

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