

# WISER Nurse

A NEWSLETTER FROM THE WOMEN'S INSTITUTE FOR A SECURE RETIREMENT  
and the CENTER FOR AMERICAN NURSES

## NURSES' INVESTOR EDUCATION PROJECT

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## Long-Term Care

**W**hat do you think of when someone uses the term “long-term care?”

Do you picture a nursing home or a hospital? In fact, long-term care includes a broad range of health and support services that people need as they age or if they are disabled. These services include personal care and assistance with daily tasks such as eating, dressing and bathing. As care and support needs increase, paid care may be needed to supplement family-provided services and supports. Paid care can provide respite to family caregivers, and/or pay for more extensive services in a facility, such as a nursing home or assisted living residence, when individuals can no longer be cared for in their homes.

Long-term care impacts women both as providers and as recipients. Women are more likely than men to be caregivers

**“Too often, women use their own assets to pay for this care.”**

for our children, spouses and aging family members. One national poll revealed that 67 percent of adult American women had provided long-term care to

someone in need. Providing long-term care for others can have a significant impact on a woman’s finances—it can

affect her earnings, productivity, and ability to provide for herself in her later years.



Yet as women grow older, we are also more likely to live alone, without a spouse or other family member to provide us with the very care we have provided for others. By the time a woman reaches the age of 75, the chances that she is living with a spouse have dropped below one in three. One study estimated that over 50 percent of women who are 65 years or older will need nursing home care before they die.

Quality long-term care is costly and, contrary to what many people believe, Medicare will not pay for most of the long-term care services

women need.

Medicaid, the major payer of long-term care services, is available to some very low-income women, but many women are unable to qualify for Medicaid benefits. And, while there are other federal and state-funded programs that pay for some long-term care services, these programs also target people with the

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greatest financial need. Consequently, most women will have to pay for some or all of their long-term care services out of their personal income and resources.

If a woman can afford it, she can purchase long-term care insurance to cover a portion of the cost of home health and nursing home care. However, as with other insurance policies, the premium costs rise with the age of the purchaser and the amount of coverage. In 2005, the average annual premium for comprehensive long-term care coverage was \$1,973. This premium covered 5.5 years of benefits at \$143 per day. (Most policies included some inflation protection.) For ages 55-64, the annual premium was \$1,877; for 65-69 it was

\$2,003; for 70-74 it was \$2,341 and for 75 and older it was \$2,604 (National Clearinghouse for Long-Term Care Information, 2008).

Unfortunately, the typical woman age 65 and over has an annual income of approximately \$13,000. This is less than one-third of the cost of an average nursing home for a year.

### Average costs for nursing home care in the U.S. 2008

- ☒ \$187/day for a semi-private room in a nursing home
- ☒ \$209/day for a private room in a nursing home
- ☒ \$3,008/month for care in an Assisted Living Facility (for a one-bedroom unit)

- ☒ \$29/hour for a Home Health Aide
- ☒ \$18/hour for Homemaker services
- ☒ \$59/day for care in an Adult Day Health Care Center

For more information, visit the National Clearinghouse for Long-Term Care Information at [www.longtermcare.gov](http://www.longtermcare.gov) and click on "Paying for LTC." ☒

## Compassionate Allowances for Social Security Disability

The Social Security Administration has launched an expedited disability claims process for applicants whose medical conditions are so severe they clearly meet the Social Security requirements.

Commissioner Michael Astrue announced that "Getting benefits quickly to people with the most severe medical conditions is both the right and the compassionate thing to do."

Compassionate allowances will apply to a total of 50 conditions—25 rare diseases and 25 cancers. Until now, many people with rare diseases have experienced long delays in the application process because those making the decisions were not familiar with the diseases. These delays cause a hardship for both people with severe disabilities and their families. Commissioner Astrue noted, "This initiative will allow us to make decisions on these cases in a matter of days, rather than months or years."

For more information about which rare diseases and cancers apply, go to: [www.ssa.gov](http://www.ssa.gov).

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~Social Security Commissioner Michael Astrue

### Social Security Updates for 2009

Social Security benefits changed by 5.8% in 2009, based on changes in the Consumer Price Index. The increase is the largest since 1982. Other changes that take effect each year are based on the increase in average wages. The maximum amount of a worker's earnings subject to the Social Security tax is \$106,800 in 2009. Of the estimated 164 million workers who will pay Social Security taxes in 2009, about 11 million will pay higher taxes as a result of this increase.

You can work and receive Social Security benefits before you have reached full retirement age, however, those earnings may reduce your benefit if you earn above the exempt amount. In 2009, if you are *under* full retirement age, \$1 for every \$2 earned over the exempt amount of \$14,160 is withheld from your benefits. *In the year of your full retirement age*, \$1 for every \$3 earned over \$37,680 is withheld – but only in the months before your birthday. ☒

## Improving Long-Term Care

### Senator Ted Kennedy and the Community Living Assistance Services and Support (CLASS) Act

Battling brain cancer, Senator Ted Kennedy has returned to the Senate to continue working on one of his top career priorities—health care. Health care advocates are watching for a push for enactment of the *Community Living Assistance Service and Support Act*,

**46 million Americans do not have health insurance. Another 25 million are under-insured.**

introduced in the Senate by Senators Kennedy and Harkin in 2006 and by Congressmen Pallone and Dingell in the House of Representatives.

The CLASS Act creates a national, voluntary insurance pool to insure workers for long-term care services. Currently, adults who develop functional or cognitive impairments must rely on Medicaid to pay for many services, and Medicaid requires recipients to “spend down” their assets, become poor and remain unemployed before coverage kicks in. This federal insurance program would provide benefits between \$1500 and \$3000 per month, depending upon the level of impairment. Funds can be used for services that allow individuals with disabilities to remain independent and employed, such as housing modification and trans-

portation. Receiving benefits would not affect Social Security Disability Insurance, Medicare, SSI or Medicaid benefits. The premium for workers would be \$30 per month, and workers would be eligible for benefits after paying the premium for five years. Workers would be allowed to opt out of the program.

### Mental Health Parity

Congress has adopted the *Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act*. The bill goes into effect next year, January 1, 2010 and requires health insurance plans to provide mental health and substance abuse benefits comparable to coverage for other medical conditions.

The Senate bill was sponsored by Senators Ted Kennedy and Pete Domenici and the House bill was sponsored by Representatives Patrick Kennedy and Jim Ramstad. Mental health advocates applauded the end to the discriminatory practice of creating stricter limits on mental health and addiction benefits. It is estimated that about 67% of adults and 80% of children needing mental health services do not get them due to costs. ☹

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### Increase in Retirement Plan Contribution Limits for 2009

This year, you will have the opportunity to save more for retirement in your tax-sheltered account than you did in 2008. You and your employer may contribute more to your qualified retirement plan because an increase in the cost of living index triggered an “adjustment” in the limits. (For exact amounts see the chart below.)

	New Plan Limits for 2009	Last year 2008
457(b) Deferral [457(e)(15)]	\$16,500	\$15,500
401(k) & 403(b) Elective Deferral [402(g)(1)]	\$16,500	\$15,500
Age 50+ Catch-up Contributions for Individual Retirement Accounts	\$5,500	\$5,000

# About the Nurses' Investor Education Project

## *Opportunities, Challenges, and Moving Forward*

The Center for American Nurses and the Women's Institute for a Secure Retirement (WISER) have formed a retirement project partnership called the Nurses' Investor Education Project. It is a three-year project funded by a grant from the FINRA Investor Education Foundation.

## *The Nurses' Investor Education Project Goals:*

- 1) Understanding nurses' financial knowledge with a special focus on their understanding of and preferences for investment education;
- 2) Changing nurses' investment behavior and planning; and
- 3) Creating investor education materials, activities, and a training program that will provide benefits beyond the conclusion of the project.

The Center for American Nurses, established in 2003, is a District of Columbia non-profit corporation.

## NURSES' INVESTOR EDUCATION PROJECT

It offers tools, services, and strategies designed to make nurses their own best advocates in their practice environments. Through research, continuing education, and knowledge sharing among today's nursing community, the Center serves more than 44,000 nurses seeking to overcome workforce

challenges and realize opportunities.

The Women's Institute for a Secure Retirement (WISER), launched in 1996, is the only non-profit organization dedicated exclusively to providing education to improve the long-term financial quality of life for women. WISER is funded by both public and private grants, including eight years of grant funding from the U.S. Administration on Aging to develop financial education for minority and low-income women.

## WISERNurse

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