

What Are the Consequences of Not Planning for Long-Term Care?

March 8, 2026
11-minute read

Many Americans still aren't prepared for the financial and personal realities of long-term care. Surveys continue to show that a majority of adults have not discussed their long-term care preferences with family members or included extended care planning in their retirement strategy.

A widely cited Forbes analysis of long-term care planning found that more than half of Americans had never discussed long-term care with loved ones.

The lack of planning often stems from a misunderstanding of how extended care is paid for. Many people assume that health insurance or **Medicare** will cover extended care. In reality, Medicare only pays for short-term skilled nursing or rehabilitation care for up to 100 days under limited circumstances. It does *not cover ongoing custodial long-term care*, which is the type of assistance most older adults eventually need.

Yet the need for long-term services and supports is significant.

According to the U.S. Department of Health and Human Services, about 56% of Americans turning 65 will develop a level of disability that requires long-term care services, meaning help with at least two activities of daily living or supervision due to cognitive impairment.

The financial impact can be severe. Long-term care services — whether provided at home, in assisted living, or in a nursing facility — often cost **tens of thousands of dollars annually and can exceed \$100,000 per year depending on the level of care and location**. Without a plan, families frequently rely on savings, retirement income, or unpaid caregiving by relatives. In fact, more than [63 million Americans now provide unpaid care to family members](#), often juggling careers, finances, and their own health.

What Is Long-Term Care?

It's essential to define exactly what long-term care is before explaining why it's so important to plan for. [Long-term care](#) is defined as help with custodial or non-medical needs. This is different from health, medical, or skilled care.

Long-term care includes a wide variety of services and facilities to help individuals maintain their care needs. These services mostly revolve around helping with activities of daily living like:

- **Bathing.** The ability to wash oneself in a shower or bath. It also includes the ability to maintain personal hygiene.
- **Continence.** The ability to control bowel or bladder function.
- **Dressing.** The ability to dress and undress oneself.

- **Eating.** The ability to ingest food and drinks.
- **Toileting.** The ability to use the bathroom.
- **Transferring.** The ability to move from a sitting or laying down position to a standing position and vice versa.

Long-term care can also be supervision for cognitive decline or a need for help with household chores and tasks like cooking or cleaning.

Long-term care generally goes hand in hand with other care needs and medical concerns. Still, long-term care is a separate type of care from medical care. Therefore, they are covered by different types of insurance.

RELATED: [What Is Long-Term Care?](#)

Why Don't People Plan for Long-Term Care?

There are several reasons why someone may not plan for long-term care. One of the most common reasons is a lack of information about long-term costs and which insurances cover long-term care.

Health Insurance and Medicare Do Not Cover Long-Term Care

The most common reason people cite as to why they don't plan for long-term care is that they think their health insurance or Medicare will cover it. Unfortunately, [neither Medicare nor health insurance covers long-term care](#).

Just to recap, Medicare is a government-funded and run health insurance program for individuals aged 65 or older. Medicare covers health care, including hospital stays, skilled care, and medical equipment.

However, Medicare does not cover long-term care.

[The Associated Press-NORC Center for Public Affairs Research's](#) survey found that 44% of surveyed individuals expected Medicare to cover home health aides. 37% expected coverage for extended stays in nursing homes.

Medicare and most traditional health insurance only cover 90 to 100 days of skilled care. This does not include custodial care or the most important aspects of long-term care, like help with daily living activities.

In other words, Medicare and health insurance do not cover home health aides or nursing home stays. However, they may cover skilled care provided in either of these settings for 90 to 100 days, depending on the policy.

The only government-funded insurance program that covers long-term care is Medicaid. However, you must meet [specific income and asset requirements](#) to qualify for Medicaid. In addition, Medicaid offers limited long-term care options, which may not be ideal for your situation. We'll discuss this more later in the article.

As for private insurance options, only short-term care insurance or Long-Term Care Insurance covers long-term care. Traditional health insurance plans do not cover long-term care.

Many People Do Not Know the Cost of Long-Term Care

From the same Associated Press survey, as mentioned earlier, 48% of those surveyed claimed they did not know how much long-term care costs. After learning about the costs, around two-thirds said they were not prepared.

Here are a few examples of how much long-term care costs in 2026 from [LTC News's Cost of Care Calculator](#):

- Home healthcare: \$68,076/year or \$5,673/month.
- Assisted living facility: \$60,060/year or \$5,005/month (base cost).
- Memory care: \$68,676/year or \$5,723/month (base cost).
- Nursing home: \$129,888/year or \$10,824/month.

If those numbers seem high, it's because for many Americans, they are! If you'd like more context on cost, consider reading our article about the [cost of long-term care](#).

The Long-Term Care Mentality

For some people, it all comes down to their mindset. Let's face it: we've all heard a friend or family member say or even thought to ourselves, "Oh, I won't need care." In fact, a third of those in the Associated Press's survey believed they would never need long-term care.

In a perfect world, none of us would need care. Unfortunately, reality is a little more harsh. [A study from 2016](#) claimed that 52% of individuals turning 65 would develop a serious disability leading to a need for long-term care. That's over half of elderly individuals.

Maintaining a healthy lifestyle can definitely help your odds in preventing long-term care, but accidents still happen, especially in old age. It's better to have a plan in case of accidents than not having one at all.

RELATED: [Who Needs Long-Term Care?](#)

What Could Happen if You Don't Plan for Long-Term Care?

The biggest problem with not preparing for long-term care is how expensive care can be. Not preparing for the costs could put you or your family at risk of losing it all to cover care costs.

You Could Lose Everything Trying to Pay for Care

Long-term care can cost tens of thousands of dollars depending on your care needs. If you haven't taken the proper precautions, you may end up using your savings or income to cover costs.

For many people, paying out of pocket isn't a sustainable option. This leads many to spend down their income and assets to become eligible for coverage through Medicaid.

You can't gift your assets or income when you spend down to meet Medicaid requirements. All of it has to be spent to qualify. You can keep some assets under certain circumstances, such as your house. However, [Medicaid estate recovery](#) may reclaim that as well.

Your Family May Have to Support You

In addition to losing your income, assets, and savings, your family may also have to step in to help you cover costs or meet your care needs.

Some families may be financially able to offer aid to their loved ones. Some other families may be able to take time off of work to help as an informal caregiver. This new caregiver relationship can be difficult to navigate.

You May Have Limited Care Options

When funds are tight, care options can become limited. You may not be able to get your preferred type of care.

For example, an assisted living facility is a favorite type of long-term care for many people. However, assisted living can be pricey. You may have to settle for other more affordable types of care like adult day care, with family or friends as informal caregivers in the off hours.

In addition to expensive care, those receiving long-term coverage through Medicaid may also have limited options. Medicaid is an entitlement program. However, Medicaid recipients are only entitled to nursing home care.

Medicaid can also only cover government-affiliated and certified nursing homes. Depending on where you live, this could mean you won't get the best care available.

There are [home and community-based long-term care programs](#) available through Medicaid. However, these options may be more limited than nursing homes, even if they may work better for your care needs.

How to Plan for Long-Term Care

Luckily, these consequences can be avoided with proper planning; even if you're late to start planning, it's better to start now than never. Here's what you can do to start prepping for your future:

- Assess your current situation.
- Research long-term care options and costs.
- Figure out a way to cover long-term care.
- Discuss your plans and wishes with family and friends.
- Modify your home and lifestyle.
- Keep your plan up to date.

Assess Your Current Financial and Long-Term Care Situation

The first step to any plan is to take note of where you're currently at. With long-term care, you'll want to focus on two things: how likely are you to need long-term care and where do your finances stand.

Care needs can arise at any time, but some people are at higher risk than others. For example, those who do not live active lifestyles and drink or smoke often may be at higher risk of developing a health condition leading to a need for long-term care.

Here are a few questions you could ask yourself to start:

- Do you have any pre-existing conditions? If so, how do those conditions affect your day-to-day life?
- How many medications are you on? How well do they help control your conditions?

- How healthy is your diet, and how active are you in day-to-day life?
- Have you had any recent injuries, accidents, surgeries, illnesses, or hospital stays? If so, are those events still affecting your day-to-day life?
- Do you have a family history of any illnesses or diseases? If so, have you been screened for those ailments?

You should also assess your savings, income, and retirement goals:

- How much money would you have put aside to cover care if you needed it?
- Do you have anything left over to buy Long-Term Care Insurance or short-term care insurance if you're still eligible?

Research Long-Term Care Options and Costs

Today, there are several options for long-term care, including home care, assisted living, nursing homes, and more.

Individuals with a wide range of needs can now easily find care that caters to them. For example, if you prefer to remain at home and need help with activities of daily living or house chores, a home health aide or homemaker services may be best for you.

If you have more intense care needs or need rehabilitation after an accident or surgery, a nursing home may be a better fit.

If you're somewhere in between and need daily help but want to live in a senior community, a continuing care retirement community or an assisted living facility may work best for you.

It's essential to explore all your options for care to decide which one you'd prefer. While you search, keep costs in mind; these can vary widely.

Once you've picked out which types of care you prefer, you may want to use [LTC News's Long-Term Care Directory](#) to find the best service or facility in your area. Doing this research ahead of time can help reduce stress if the need for care arises.

Make a Plan to Cover the Cost of Long-Term Care

There are three main ways to pay for long-term care: out-of-pocket, insurance, or government assistance.

Out of the three, [Long-Term Care Insurance](#) is often the best way to cover long-term care costs. LTC Insurance covers all types of long-term care services and facilities.

However, you have to plan ahead to buy a policy. You must have [relatively good health](#) to buy a new policy. The younger you buy coverage, the better price you'll likely get as well.

[Short-term care insurance](#) is another good option if you don't qualify for Long-Term Care Insurance. This insurance works similarly to LTC Insurance; however, it only covers individuals for one or sometimes two years.

For a deeper dive into covering long-term care costs, you can read our article on [how to pay for long-term care](#).

Discuss Your Care Plans and Wishes with Family and Friends

Once you figure out your preferences and financial plan, you should discuss long-term care with your family or close friends. Here are a few important topics to talk about:

- What are your long-term care service or facility preferences?
- Are your friends or family willing or able to help out with long-term care as informal caregivers? Are there any expectations about contributing?
- Are your friends or family willing or able to contribute to your long-term care needs financially? Are there any expectations about contributing?
- What is the plan in case of an emergency?

Finding out where you, your family, and your friends stand is always a good idea. Planning ahead can take pressure off of everyone if an emergency or unexpected care event occurs.

Modify Your Home and Lifestyle

The next step in planning is making changes to your current environment. When or if you'll need care isn't something you can predict, but you can prepare while you're still healthy. You may want to brainstorm ways to make your home and lifestyle more aging-friendly.

For example, you could install grab bars in your bathroom or get a head start on cleaning and organizing if your house is cluttered. For individuals in cold climates, you may want to discuss options to clear snow or ice from walkways in the winter. If you can afford it, you may want to consider adding railings or ramps in place of steep outdoor stairs.

We also have some control over our lifestyle. Staying active (if possible) and maintaining a nutrient-rich diet can help prolong your health.

Update Your Plan Regularly

Last but not least, update your plan regularly as your needs and preferences change. The only constant in life is change; it's important to make sure your plan is as up-to-date as possible to ensure it still works.

What Are the Consequences of Not Planning for Long-Term Care?

The consequences of not planning for long-term care can be grim. You could lose your savings or income by paying for the cost of care. Your family may have to step in to provide care or financial assistance as well.

Financial planning tools like Long-Term Care Insurance can help cover the cost of care. However, you need to be in relatively good health to buy a new policy. This means it's necessary to plan ahead for the cost of care.

Some people argue that they may never need care, and while that statement is true for some people, it's not true for most. Long-term care can happen for several reasons, even if you live a healthy lifestyle. The unfortunate part is that no one can predict whether they'll need care.

Contrary to what many believe, Medicare and regular health insurance do not cover long-term care. Medicaid offers long-term care coverage, but you'll have to meet financial requirements to qualify. This could lead to a massive spend down of income and assets to qualify for coverage.

Overall, you're much better off planning for your potential long-term care needs. Here are some resources.

- [Making a Long-Term Care Budget](#) – This article explores strategies to budget for long-term care depending on what type of care you need.
- [How Much Does Long-Term Care Insurance Cost?](#) – This article explains the cost of Long-Term Care Insurance and how your health, age, and other factors could affect the cost of your policy.
- [The Ultimate Long-Term Care Insurance Guide](#) – This is a comprehensive guide explaining what Long-Term Care Insurance is, who may need it, and why it might be a good idea to plan sooner rather than later.