



Planning for health and longevity

---

# The importance of long-term care for LGBTQ+ clients

George W. Shein, JD

Shawn Britt, CLU®, CLTC®

The Advanced Consulting Group, powered by Nationwide Retirement Institute

---

There are likely around three million LGBTQ adults over age 50 living in the United States today.<sup>1</sup> That number is expected to grow to around seven million by 2030.<sup>2</sup> Unfortunately, as this group of LGBTQ individuals continue to age, they will face challenges in planning for their long-term care (“LTC”) that result from a lifetime of discrimination.

## LACK OF MARRIAGE EQUALITY IMPACTS LGBTQ LTC PLANNING

Although LGBTQ seniors have faced discrimination across many facets of their daily life, from their professional career, to healthcare and housing, the most notable form of discrimination for purposes of its impact on LTC planning is LGBTQ individuals' exclusion from the institution of marriage. LGBTQ adults were not legally permitted to marry their romantic partners nationwide, nor receive the 1,100+ legal benefits and protections that come along with marriage, until the United States Supreme Court's *Windsor* and *Obergefell* decisions in 2013 and 2015, respectively.<sup>3</sup> The result of this exclusion is that LGBTQ individuals were not able to historically enter into and form the types of stable and long-lasting family units that most people will rely on as they age. Consequently, today LGBTQ seniors are two to three times more likely to live alone than non-LGBTQ seniors; they are also four times less likely to have adult children on whom they can rely for informal caregiving.<sup>4</sup> This means that LGBTQ seniors may be forced to rely solely on paid caregivers to assist with activities of daily living (e.g., eating, bathing, dressing, etc.) as well as other instrumental activities of daily living (e.g., managing money, running errands, housework, etc.) as they age.

## FEAR OF CONTINUED DISCRIMINATION

This dilemma can cause significant concern to LGBTQ seniors, who have legitimate fears of continued discrimination. After all, even today over half of LGBTQ Americans (51%) still report continued harassment and discrimination in public places and stores, and 20% report having faced the same type of behavior in apartment communities.<sup>5</sup>

One recent example of the type of discrimination that LGBTQ seniors fear as they age is the story of Marsha Wetzel. Ms. Wetzel moved into the Glen Saint Andrew Living Community, a senior residential facility in Niles, Illinois, in 2014 after her partner of 30 years died of cancer. Soon after, once other residents learned of her sexual orientation and past relationship with another woman (which included raising a child together), some began calling her names and even physically assaulted her, according to a lawsuit filed on her behalf by Lambda Legal.<sup>6</sup> “I don't feel safe in my own home...I am scared constantly,” Ms. Wetzel explained in a phone interview.<sup>7</sup>

## WHAT LGBTQ WANT FROM LTC

It is stories like that of Ms. Wetzel's that exacerbate fears that can lead some LGBTQ seniors to go "back into the closet" to receive the care they need, or to delay accessing care until a crisis. This is the reason that the vast majority of LGBTQ seniors say they would feel more comfortable with LTC providers who (1) are specifically trained in LGBTQ patient needs (88%), (2) use advertising to highlight LGBTQ-friendly services (86%), (3) have some staff members who are LGBTQ themselves (85%), and (4) display LGBTQ-welcoming signs or symbols in facilities and online (82%).<sup>8</sup>

Finding such quality LTC providers may be difficult, and expensive; and having LTC coverage in place increases the chance LGBTQ clients will be able to seek out, find, and pay for safe and affirming care – whether at home or in some type of LTC facility.

## UNDERSTANDING LTC COVERAGE

LTC coverage is a cost-effective way to provide dedicated funds for potential LTC expenses. This coverage provides a leveraged benefit amount - known when the policy is issued – that is ready to be used for a qualifying LTC event no matter when benefits are needed.

When seeking a policy, two of the most important things to consider is: (1) which benefit payment model could work best for the individual, and (2) what type of LTC coverage will fit within the individual's budget and work along-side their other financial strategies? Deciding on a benefit model should come first in most cases, for that decision may help pair down some of the products or carriers from which to choose.

### LTC Benefit Models

LTC policies usually pay benefits in one of two ways:

- **Reimbursement benefits** are based on actual expenses. Only LTC expenses that qualify under the policy contract will be reimbursed, up to the monthly benefit amount. Any expenses not covered under the policy will have to be paid for out of pocket.
- **Cash Indemnity** policies pay the maximum monthly benefit amount available under the contract, regardless of what their actual LTC expenses are. Once the LTC claim is verified, there is no need to submit monthly bills and receipts. The insurance company places no restrictions on how LTC benefits are used for care, providing the policy owner with more choice, control, and flexibility.

When you consider that many LGBTQ seniors may have a strong desire to seek out LTC providers that offer the kind of affirming care that ensures both their physical and mental wellbeing, cash indemnity benefits can offer flexibility that may be particularly valuable. Cash indemnity benefits can be used to pay for alternative care services that might not be covered by other LTC policies.

## TYPES OF LTC COVERAGE

There are many options available today for LTC coverage that can pair well with an individual's financial strategy and/or budget.

Traditional LTC Policy – This solution is generally the least costly. That is because benefits are only paid if a qualifying LTC event occurs. This type of policy generally provides the most LTC coverage for premiums paid and allows the most customization of benefit periods, inflation options, and elimination periods. However, premiums are not guaranteed and can be raised. A traditional LTC policy may be good for individuals or couples on a budget, for those willing to risk loss of premium if the policy is not used, or for those who have no other financial planning need. Currently, only reimbursement plans are available with this type of product.

LTC Rider on Permanent Individual Life Insurance - This solution is for people who have a need for life insurance now, but value a solution that can transition to LTC protection later. All death benefit is paid - whether as death benefit only, LTC benefits, or a combination of both. Products with guaranteed premiums are available. Customization of the LTC rider is limited or non-existent; but in return, the full amount of the policy will be paid out (assuming no withdrawals or loan), making this a cost-effective way to meet two needs with one policy. A few carriers also offer a survivorship life insurance version. Both cash indemnity and reimbursement plans can be found.

Linked Benefit LTC Policy – While placed on a life insurance foundation, this is a dedicated LTC product, designed primarily for people looking for LTC coverage, but who also want protection of their premium if the policy is not used. This policy can be customized with a choice of benefit periods and several optional choices for inflation. Premiums and benefits are guaranteed,

and if the policy is not used, a death benefit that is equal to or more than premiums paid will be paid tax free to beneficiaries. Even if all LTC benefits are used, there is always a minimum death benefit amount that can help cover final expenses. Both cash indemnity and reimbursement plans are available.

## FINAL THOUGHTS

LGTBQ seniors often have additional concerns and may face additional challenges when planning for safe, quality long-term care. These concerns and challenges are best addressed when LTC planning is done in advance, long before a crisis takes place. Having dedicated funding in place provided by cash indemnity LTC coverage is a great way to plan for a cost effective and flexible solution that helps LGBTQ seniors maintain choice and control of care options as they age.



This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Federal income tax laws are complex and subject to change. The information in this memorandum is based on current interpretations of the law and is not guaranteed. Neither Nationwide, nor its employees, its agents, brokers or registered representatives give legal or tax advice.

Nationwide, the Nationwide N and Eagle and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company.  
© 2021 Nationwide

NFM-21145AO (08/21)

---

<sup>1</sup> <https://www.sageusa.org/wp-content/uploads/2018/05/sageusa-the-facts-on-lgbt-aging.pdf>.

<sup>2</sup> *Id.*

<sup>3</sup> *United States v. Windsor*, 570 U.S. 744 (2013); *Obergefell v. Hodges*, 576 U.S. 644 (2015).

<sup>4</sup> <https://www.sageusa.org/your-rights-resources/>.

<sup>5</sup> <https://www.americanprogress.org/issues/lgbtq-rights/reports/2020/10/06/491052/state-lgbtq-community-2020/>.

<sup>6</sup> [https://www.lambdalegal.org/in-court/legal-docs/wetzel\\_il\\_20160727\\_complaint](https://www.lambdalegal.org/in-court/legal-docs/wetzel_il_20160727_complaint).

<sup>7</sup> <https://www.pbs.org/newshour/nation/lgbtq-seniors-face-discrimination-long-term-care>.

<sup>8</sup> <https://www.aarp.org/research/topics/life/info-2018/maintaining-dignity-lgbt.html>.