



Unraveling the Mysteries of Long Term Care Insurance

Presented To:
Staying Put in New Canaan

Presented By:
Constellation Health Services

What is Long Term Care?

- Long Term Care includes a variety of services, both *medical* and *non-medical*, for those with *chronic conditions*, sometimes associated with advanced age, but not always
- Medical needs
 - Examples: nursing, home health aide, adult day care
- Non-medical needs
 - Examples: companion, transportation, bill paying
- Chronic conditions are those which can be managed but cannot be cured
 - Examples: Parkinson's disease, Alzheimer's disease, MS and Heart disease.
- This care can be provided in a variety of settings
 - Home
 - Assisted living facility
 - Continuing care communities
 - Skilled nursing facilities

**Activities of Daily Living or
ADLs (functional)**

- Bathing
- Mobility
- Dressing
- Eating
- Transferring (getting in or out of a bed or chair)
- Toileting / continence

**Instrumental Activities of Daily
Living or IADLs (more nuanced and
social)**

- Managing money
- Doing housework
- Making and keeping doctor's appointments
- Taking medications
- Shopping
- Preparing meals
- Using the telephone

What are sources of payment towards Long Term Care Services?

- Personal assets
- Long Term Care Insurance
- Veteran's Benefits
- Family providing financial and/or care assistance
- Medicaid
 - Welfare program funded by state and federal governments. This subsidy is provided for those who have significant care needs and who have little or no financial resources.
 - Care is primarily provided in nursing homes.

Who does not pay for Long Term Care?

- **Medicare**
 - Health insurance for those over 65 and for some with a permanent disability, administered by the federal government.
 - Coverage similar to that of private health insurance.
 - Will also pay for very limited amounts of home care and nursing home care, but only related to **acute diagnoses** – those that are new and of limited duration. Once they become chronic, stable and of long duration – Medicare no longer pays.

- **Private Health Insurance**
 - Like Medicare, pays a portion of medical expenses including doctor's visits, medical tests, and hospitalizations.

What do you know for sure about your long term care needs:

- How long will you live?
- What chronic conditions will you develop?
Will you have any? How severe will they be?
- What will your support system be?
Will your spouse or children predecease you?
- What will your finances be like?
How will your investments fare?
- What new living options will be available in your later years that you can't yet conceive of?

Make a plan!

- Instead of asking, “Is *Long Term Care Insurance right for me?*”
ask yourself, “How can I best prepare for whatever eventuality arises?”
- Planning is key!
- It’s a complex process because of the number of unknown variables and the complexities of the products themselves
- Long Term Care is not solely an issue of advanced age. Disabilities, chronic conditions can arise at any age.

Begin with the basics:

- How are you doing with retirement savings?
 - Do you/will you have enough money to support yourself throughout your life?
 - Because there are so many unknown variables, a financial professional can help you make your best guess.
- What is your tolerance for risk?
 - Have you assessed your life insurance needs?
 - What about disability insurance needs if you are still working?
- How would your retirement savings be impacted if you had a long term care incidents?
- Do you want to build a wall of protection around a portion of your assets?

If so, you may want to consider Long Term Care Insurance.

Here's How It Works

You are, in essence, purchasing a pool of money to use should a long term care incident arise. How do you decide how large a pool of money you might need?

- What are the average daily rates of nursing homes in the area you will be living?
- How long will you need to be cared for?
- Do you want to cover the entire risk or part of it?
- Factor in inflation

Where do I begin?

- Consult with a financial planner and/or elder law attorney to help you decide if long-term care insurance is right as a part of your overall financial plan
- If so, choose a licensed and qualified insurance professional who sells long-term care insurance and represents more than one **top-rated** company
- Do **not** shop on price!
- This product should be **bought** – not **sold**. Do not purchase out of fear.
- Review any factors that may make you ineligible to purchase a policy. (List of conditions on next slide.)
- Read the policy carefully **before** you purchase – no such thing as “one size fits all”
- Ensure that you can afford to pay premiums when you are no longer working
- If you are in the market for a long term care policy, familiarize yourself with the Connecticut Partnership (See Resources at the end of this presentation)

What might make you ineligible to purchase a policy?

- Currently using long-term care services
- Already need help with activities of daily living
- Diagnosis of AIDS or AIDS Related Complex (ARC)
- Diagnosis of Alzheimer's disease or any form of dementia or cognitive dysfunction
- Diagnosis of a progressive neurological disease – e.g. Multiple Sclerosis, Parkinson's Disease, ALS (Lou Gehrig's Disease), Huntington's Chorea
- Diagnosis of stroke within the past 12-24 months OR history of stroke(s), OR multiple Transient Ischemic Attacks (TIA's)
- Diagnosis of metastatic cancer – has spread beyond the original site of the cancer

Tips for Navigating the Claims Process

- *When to start a claim:*
 - As soon as you begin to require assistance with activities of daily living and/or have cognitive changes requiring assistance with activities of daily living
- Call the claims department of your insurance company – this will be the “benefit trigger”
- You will complete forms to provide:
 - Names and contact information of your primary MD and other MD’s caring for you
 - Dates, locations and contact information for recent stays in hospitals or nursing homes
 - Information regarding any care you have received by a home health agency
- The insurance company will have an experienced Registered Nurse from a care coordination company make an on-site assessment visit

The Assessment Visit

- Have a trusted family member present with you.
- Have a current medication list prepared in advance – include:
 - Name, dose, route of administration, over-the-counter med's, & frequency of each.
- Bring prescription bottles with you
- Be prepared to answer a detailed questionnaire to complete including
 - Health history, medical information, MD's
 - The nurse will administer a brief standardized cognitive evaluation, and sometimes a depression screen
 - Nurse will assess your ADLs and IADLs, family and outside agencies providing support and/or services
- Qualifying for Insurance
 - At least 2 of 5-6 ADLs and/or evidence of significant cognitive decline and impairment requiring supervision, cueing and/or hands on assistance
 - The nurse cannot determine or influence the outcome of your claim
 - *Remember that if you are approved to access benefits, the “elimination period” in your specific policy must elapse before benefit payment begins. Again, your policy will specify type, amount and duration of coverage*



Resources

1. CT State Department of Insurance – tel. 800-203-3447
2. CT Partnership – Tel. 860-418-6318 www.CTPartnership.org
3. Medicare website www.medicare.gov/longtermcare/static/home.asp
4. National Clearinghouse for Long-Term care information website
(Part of U.S. Department of Health and Human Resources)
www.longtermcare.gov/LTC/Main/paying-LTC/Private
5. A Buyer's Guide to Long-Term Care insurance
www.caring.com/buying_guides/long-term-care-insurance-guide

Please Note:

The presenters are not licensed, qualified insurance professionals, and this presentation is intended for informational purposes only.

The presenters do not represent or promote any specific long-term care insurance companies or specific types of policies.

The presenters strongly advise that you seek guidance from a qualified professional, such as an insurance agent licensed to practice in your State and is trained and permitted to sell long-term care insurance products.

Always review all information carefully prior to deciding whether to purchase any long-term care insurance and what type of policy to purchase.