



Minnesota Chamber of Commerce

LONG-TERM CARE INSURANCE / FAQ's

Long-Term Care Insurance · Frequently Asked Questions

Q: What is Long-Term Care?

A: It's the kind of care you may need after an accident, illness or injury, to assist in your rehabilitation and recuperation after you leave the hospital. It can also be custodial care, when you are unable to perform activities of daily living without assistance. This care can be received at home, at adult daycare, in assisted living facilities, and in nursing homes. Long-term care is really about the gap in health insurance, which is why this topic is so important to all of us at the school district.

Q: Why should a younger person consider buying Long-Term Care Insurance?

A: Remembering that it's really about filling the gap in health insurance, it's also more affordable to buy at a younger age. Premiums are based on the age when you apply, and every year – until you apply – the rates increase.

Q: Why do people need Long-Term Care?

A: Under age 65, common causes are cancer, complications of surgery, spinal cord injury, brain damage from accidents and strokes, and Multiple Sclerosis. Over age 65, common causes are diabetes, fractures and falls, emphysema, stroke, influenza and Alzheimer's disease.

Q: What is the likelihood of needing Long-Term Care?

A: According to the Health Information Press in 1999 – 600 out of every 1,000 people will need long-term care at some time in their lives.

Q: Who uses Long-Term Care?

A: 40% of people in long-term care facilities today are under age 65, according to the National Underwriter in 1998.

Q: Why would younger people be in a Long-Term Care facility?

A: Because nursing homes have changed – they are now the place to receive rehabilitative and recuperative care after a prolonged illness or injury, and of course they're still the place to receive custodial care needed as a natural result of aging.

Q: Where do Long-Term Care payments come from?

A: Statistics from the Department of Human Services in 2001 show the following sources: 29.2% out-of-pocket; 10.3% private insurance; 16.6% Medicare and other public funds; 43.8% Medicaid.

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Q: Doesn't health insurance cover Long-Term Care?

A: Health insurance would be better thought of as 'hospitalization insurance'. Most health insurance plans do not cover custodial or unskilled care, these services are considered non-medical in nature. This is typical of most health insurance policies.

Q: Doesn't Medicare pay for Long-Term Care?

A: Not entirely. Medicare qualifications must be met, then for days 1-20, it covers 100%. For days 21-100, patients pay a \$133.50 daily deductible (which is part of what Medicare Supplements are designed to cover), and then Medicare pays 100%. From day 101 forward, Medicare pays nothing.

Q: What does Long-Term Care cost?

A: According to the August 2001 issue of the National Underwriter, the average daily cost in a Minnesota facility is \$139. That's \$50,735 for one year, \$101,470 for two years, and \$253,675 for a five-year stay per person. Double those numbers for a couple needing care in a long-term care facility.

Q: Why is elder-care an issue?

A: A survey conducted in 1999 by the National Alliance for Caregiving found that 64% of all caregivers are employed. What's more, 25% of all

households have at least one adult who has provided care for an elderly person. That creates a lot of stress for workers who need to juggle career and care-giving obligations. That's why the Minnesota Chamber of Commerce is offering LTCI as benefit for both employees and relatives of employees, and extending the group discount to both.

Q: How much does Long-Term Care Insurance cost?

A: That depends on your age, and what level of benefits you select.

Q: What if I have other questions about this topic?

A: To learn more about the levels of benefits available please call the toll-free number below to speak with a long-term care specialist. They will be able to answer any questions you may have about your LTCI benefit.

We hope this brief overview about Long-Term Care and Long-Term Care Insurance has been helpful, and we would be pleased to answer any questions you may have by calling:

952-277-0671

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1-877-TBS-LTCI

1-877-827-5824