

LONG-TERM CARE

For more information on long-term care, please see the Long Term Care Insurance course in ARUP's LMS student center.

WHAT IS LONG-TERM CARE?

Long-term care is care you receive at home, in an assisted-living facility, or a nursing home when you need assistance with your activities of daily living, including bathing, dressing, toileting, transferring, eating, or continence, or due to a cognitive impairment, such as Alzheimer's.

WHO NEEDS IT?

Anyone could benefit from long-term care due to an accident, prolonged illness, or disease such as multiple sclerosis, Parkinson disease, cancer, or AIDS, or due to old age.

WHY BUY INSURANCE?

The average annual cost for a nursing home today is \$52,000. The average combined stay between home care and nursing home runs from three to five years. The total average cost today for a three-year event could average \$156,000. In just 20 years, this same amount of care could average \$390,000.

HOW WILL YOU PAY?

Looking at the above figures, how long will your 403b last? Where will you get the money to pay?

- Health insurance only pays for skilled care that is short-term in nature.
- Medicare, which is health insurance for seniors ages 65+, will only pay for 100 days.
- Medicaid pays only after you spend down your assets to \$2,000. Typically, Medicaid places a lien on any property you own and holds the right to sell your property when you die to recoup what was spent on your care. Medicaid only pays for nursing home and does not pay for home care or assisted living.

WHO IS ELIGIBLE?

- Employee (must be actively at work to be eligible for coverage)
- Spouse/domestic partner
- Parents and parents-in-law
- Grandparents and grandparents-in-law
- Siblings and children 18+ years
- Retirees and spouses.

All family members MUST complete evidence of insurability and may apply at any time at the group rates.

GUARANTEE ISSUE

Employee only receive guarantee issue within first 30 days of hire without any health questions asked (coverage up to six year, \$6,000, and inflation protection).



WHEN PLANS PAY

- Suffer a loss:
 - Need help with two out of six activities of daily living (ADLs): bathing, dressing, toileting, transferring, eating, or continence.
 - Need supervision due to a severe cognitive impairment.
- Loss is expected to last 90 days as certified by a licensed health care professional.
- Satisfy the elimination period of 90 days (only have to satisfy once in a lifetime).

BENEFIT CHOICES

Base plan and buy-up options

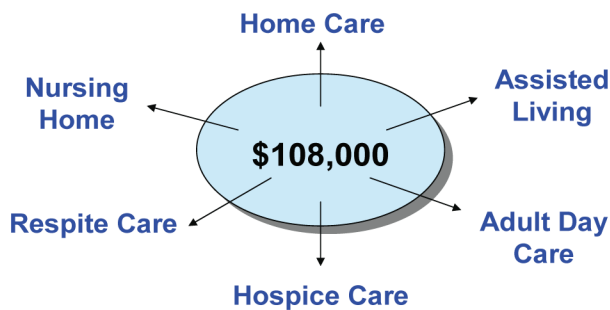
	VOLUNTARY BASE PLAN	BUY UP OPTIONS
Monthly Benefit:		
• Nursing home	\$1,000	\$2,000 – 8,000*
• Assisted living	\$1,000	\$2,000 – 8,000*
• Home care	\$1,000	\$2,000 – 8,000*
Benefit duration	3 years	6 years and unlimited years*
Elimination period	90 days	90 days
Inflation protection	None	5% compound, no cap

HOW PLANS PAY

Sample Plan

Integrated Pool of Benefit Dollars (Lifetime Maximum)

Example: \$3,000 per month x 3 years = \$108,000



The policy will pay 100% for care received at home, in an assisted living facility or in a nursing home.

IMPORTANT FEATURES

- Elimination period—(deductible) 90 days; needs to be met only once in a lifetime. One hour of care at home in a seven-day period counts as seven days toward elimination period.

- Portability—If you quit or retire from ARUP, you take the coverage with you at group rate.
- Level premiums—Your rates do not increase every year. Historically, LTC rates for existing clients have never increased on existing clients. While every carrier reserves the right to increase rates, this would have to be done for an entire group of the same class in the entire state; an individual cannot be singled out.
- Indemnity—After the elimination period, the plan pays the full amount of monthly benefit without requiring receipts; home care is paid on a daily vs. monthly basis
- Waiver of premium—After 90 days in a facility, you do not pay premiums for the duration of your benefit if you are in care; if you get better and leave the facility, your premiums begin again
- Respite care—Respite care pays to give your caregiver a break
- Bed reservation—If you are in a facility and need to be hospitalized, it pays to reserve your bed in a facility, since facilities have waiting lists

WHAT DETERMINES COST OF PLAN?

- Your age at the effective date
- How much it pays per month (\$1,000 to \$8000)
- How long you want it to pay (three years, six years, or unlimited)
- Whether you add inflation protection to your plan (5 percent compounded, doubles your benefit every 14 years)

DESIGNING A PLAN

In general, the average person is better off choosing a shorter duration (i.e., three or six years) with a higher monthly benefit and the inflation protection than choosing the unlimited duration with \$1,000 or \$ 2,000 per month benefit and no inflation protection, unless you have a great deal of money in reserves to make up the difference in the cost of your care.

Remember that in 20 years when the average monthly cost of a nursing home is estimated at over \$10,000 per month, your \$1,000 dollar monthly benefit will not go very far. You may be better off, for example, with a three-year duration, \$3,000 to \$4,000 per month, with inflation protection. At least you will have three years of nearly full coverage and time to make some other arrangements if your care extends beyond the three years. This is not a recommendation but something to consider.

See your benefits representative for more information or visit: <http://w3.unumprovident.com/enroll/arupathologists>.

