

Make Sure Long-Term Care Insurance Is Right for You

Q: A friend was telling me I should have long-term care insurance. What does it cover?

A: Long-term care insurance can help pay for medical care given in a nursing home, assisted living facility, adult day care center or your own home. It can also pay expenses related to skilled care and the treatment of sudden or ongoing health problems.

Q: What should I consider before buying long-term care insurance?

A: Long-term care policies can be expensive and the terms vary, so review them carefully before buying one and consider whether long-term care insurance is right for you. Make sure your current and anticipated future income will be sufficient to pay your anticipated premiums. Also, determine how you might be able to get long-term care benefits from other sources. For example, nursing home care can be paid through veterans' benefits, certain pension or retirement plans, or your family may be available to help you with long-term care needs, such as eating, dressing and bathing. If you receive Medicaid or Supplemental Security Income (SSI), you do not need long-term care insurance. If you are a military veteran, you are entitled to certain care for life; the level of care would depend on the nature of the disability or illness.

Q: Doesn't Medicare cover long-term needs?

A: Medicare provides very limited coverage for long-term care or skilled nursing care. Medicare only pays for skilled nursing care under certain circumstances, and even under those circumstances, Medicare only pays for a short period of time.

Q: Are there ways to reduce the cost of long-term care insurance?

A: Some employers make long-term care insurance coverage available for employees to buy for themselves and family members through group policies. Most of these programs can be converted to individual policies when you leave the employer or retire. Check for conversion rights under these group policies.

Ohio encourages those at risk who can afford long-term care insurance to consider buying an Ohio Partnership for Long-Term Care Insurance policy. These policies allow you to buy coverage, receive benefits from the policy and protect a matching amount of assets if you continue to need long-term care and apply for Medicaid. However, buying and using a partnership policy does not guarantee you will otherwise be eligible for Medicaid.

Q: Do all long-term care policies provide coverage in facilities as well as at home?

A: No. Policies vary, and your policy will determine where it will pay for covered benefits. Care is usually delivered in nursing homes, adult day care centers, assisted living facilities and/or in your

home. Some policies may cover care in all four settings.

Q: When does coverage start?

A: Policy “triggers” determine when you are entitled to begin receiving benefits. Triggers typically include the inability to perform a certain number of “activities of daily living” (eating, bathing, dressing, toileting, continence and transferring) and diagnosis of cognitive impairments such as Alzheimer’s disease. Also, many policies have an “elimination period,” which is the number of days you must pay for your own health care bills before insurance payments start.

Q: What should I consider when shopping for long-term care insurance?

A: Take the time to shop and research. Call the Ohio Department of Insurance (ODI) with questions. You can also talk with an agent to determine what coverage would best meet your needs. Be aware of the following:

- 1) Premium factors: Your age, type of benefit, daily benefit amount and benefit period impact your premium.
- 2) Cancellation of previous policy: If you already have a long-term care policy, do not cancel it until your new one is in effect.
- 3) Elimination period: The policy’s “elimination period” (or “deductible period”), is the number of days you will pay your own health care bills before insurance payments start. Elimination periods vary in length by policy; the longer the period, the lower your premium amount.
- 4) Benefits period: The policy’s “benefits period” describes how long the policy will pay benefits (e.g., one year, four years, five years, or lifetime).
- 5) Inflation protection: Ask about inflation protection to keep your future costs down.
- 6) Excluded coverage: Make sure you know what your policy does not cover.
- 7) Save paperwork: Save paperwork such as receipts, policy plans, riders, endorsements and agreements, regarding your insurance policy.

Q: Where can I get additional information?

A: Call the Ohio Senior Health Information Program (OSHIIP) at (800) 686-1578 or visit www.insurance.ohio.gov and www.ltc4me.ohio.gov for unbiased, free long-term care insurance information. Also, the Ohio Department of Job and Family Services (800-324-8680) determines Medicaid eligibility and administers Ohio's Partnership for Long-Term Care program.

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This “Law You Can Use” column was provided by the Ohio State Bar Association. It was originally prepared by the Ohio Department of Insurance and updated by attorney Brandon A. Borgmann of the Columbus firm, Carlile Patchen & Murphy LLP.