

DUKE DEMENTIA FAMILY SUPPORT PROGRAM

Caregiver Connections

An Educational Webinar Series With The Experts

**The presentation will begin shortly.
Thank you for your patience!**

dukefamilysupport.org

919-660-7510

Understanding LTC Insurance & Navigating LTC Claims

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This presentation is for educational/informational purposes only. It is not an offer of insurance nor a solicitation to buy insurance. Not all policy features/benefits are available on all policies nor in all states. Please seek professional, licensed advice for personal insurance coverage options available in your state and for any personal LTC claims, Medicaid or tax advice.

LTC Insurance - Basics

Types of policies:

- “Traditional” or “stand-alone” – Pure LTCI coverage
 - Most common type in-force
 - Best value for premium vs. maximum LTC benefits
- “Hybrid” or “combo” – Newer type
 - Links either an annuity or life insurance with LTCI
 - LTC claim draws down the annuity or death benefit first
 - If LTC never needed, the death benefit is paid to heirs
 - Significantly more expensive

LTC Insurance - Basics

Types of benefit payments:

- “Reimbursement”
 - Most common type
 - Pays back actual expenses paid for COVERED services up to a maximum per day or per month
- “Indemnity” or “Cash Benefit”
 - Not common
 - Once benefit eligible, pays FULL benefit amount regardless of actual expenses
 - VERY flexible for paying any/all types of care/caregivers

LTC Insurance - Basics

BUYING:

- Plan ahead – you must be healthy to buy
- Don't "over-buy"
- Work with an independent broker

CLAIMING:

- Read (get copy of) your actual policy
- Understand the 3 biggest challenges ...

#1

Are You Benefit Eligible?

Nothing happens until “benefit eligible”

“Functional Disability”:

– Physical

- Activities of Daily Living (ADLs)

OR

– Mental

- Cognitive Impairment

#1

Activities of Daily Living

1. Transferring
2. Toileting
3. Bathing
4. Dressing
5. Eating
6. Continence

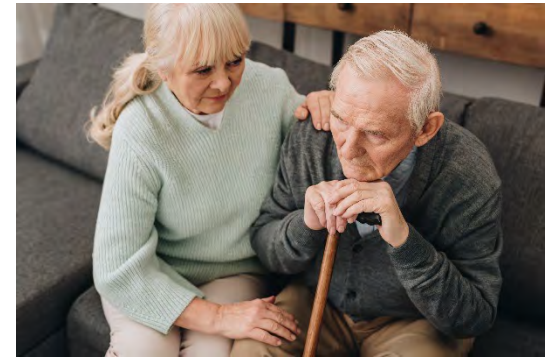
- Need help with 2 of 6 ADLs
- At least “Stand-by” help (or “Hands-on”)
 - Provider must chart “stand-by” activities



#1

Cognitive Impairment

- Measured loss of short and/or long-term memory
- Awareness of person, place or time
- Safety issues
- Standardized testing
- Requires “supervision”
 - Since 1997 must be 24/7 – can include spouse, family & friends in the care plan





The Elimination Period

- The policy's “deductible”
 - Does not start until “benefit eligible”
- Stated as # of days ... 30, 60, 90, 180 ...
- Not based on \$ spent - based on needing/receiving care
- Medicare-paid skilled rehab may count
- Be careful ...



The Elimination Period

- How are days counted? (Home Care Issue)
 - Calendar days – only measures impairment
 - Service days – paid & covered services
 - Very problematic:
 - HC 3 days/week = 7.5 months to get to 90 days
 - Hybrid/crediting
 - 1 paid day/week = 7 EP days
 - 0-day (“Waiver of EP for HC”)



Care Provider Definition

WHO/WHAT is covered and HOW?

- Contract language is critical

Look for:

- Skilled Nursing Facility (“Nursing Home”)
- Assisted Living / Memory Care
- Adult Day Care
- Home Care

If not named, then not covered



AL / Memory Care

- HOW is the facility defined?
- Contract language is critical
 - “Licensed facility”
 - In NC, “memory care” licensed as type of ALF
 - Family care home???
 - Look for minimum number of beds requirement



Home Care Definition

- Is Home Care covered? How much?
- WHO is covered?

Contract language is critical:

- “Licensed” agency
- Non-medical agency (IF meets policy definition)
- Independent (rare)
 - Trained, certified “aide”
 - “Free agent” or family



Claim Timing

- **Elimination Period**
 - “Deductible” – have to be eligible to start
- **Reimbursement**
 - Client pays for care
 - Submit bills to insurance company
 - Company reviews
 - Benefit paid to client
- **Best case: 1st \$ in 4-5 months**

Crisis Financing

- Medicaid
 - Financial qualification, nursing home-bias
- Self-funding
 - Reverse mortgage
 - Pre-paid, discounted home care plan
 - Immediate need annuity

Either path requires personal, professional consultation & advice.

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