



Long-Term Care insurance: Consumer town hall meeting

Presented by: the Iowa Insurance Division and SHIIP

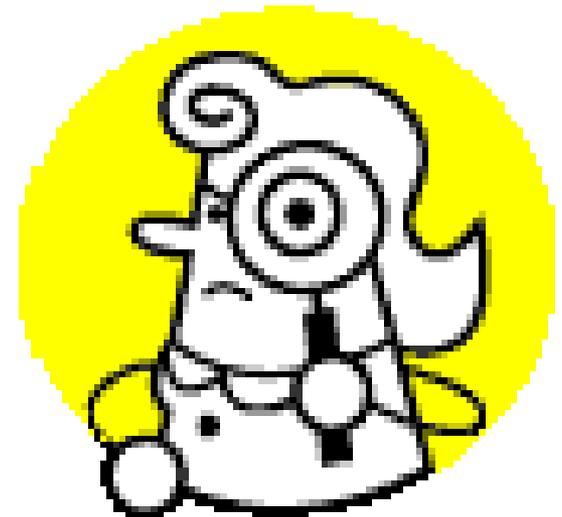
Why are we here?

- ▶ Governor Culver and Commissioner Voss know this is an important topic to lowans and wanted to provide a forum in which we can:
- ▶ provide education
- ▶ answer questions
- ▶ listen to concerns
- ▶ report back
- ▶ consider educational enhancements and new protections



Who we are and what we do

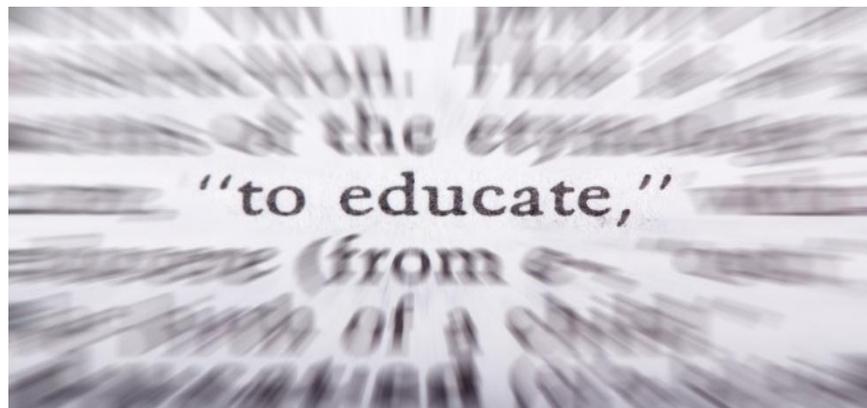
- ▶ **Becky Blum, Senior Health Insurance Specialist:**
 - ▶ Monitors insurance company and agent activity, policy forms and advertising to ensure compliance with Iowa law.
 - ▶ Liaison between insurance companies and the Insurance Division
 - ▶ Assists in rulemaking and legislative issues



SHIIP, Long-Term Care Specialist

Jason Cooper; SHIIP, Long-Term Care Specialist:

- ▶ Educates Iowa's insurance consumers on Long-Term Care insurance basics.
- ▶ Helps Iowans understand circumstances when Long-Term Care insurance might be beneficial.
- ▶ Assists Iowans who own policies sort out issues that arise that may be confusing or complicated.



Senior Health Insurance Information Program (SHIIP)

- ▶ Is a free and confidential service offered in Iowa to help people sort through confusing information about Medicare, health insurance, and long-term care insurance.
- ▶ Has a state-wide network of nearly 300 well-trained volunteers,
- ▶ Has sponsor sites in most Iowa counties.



Who pays for long-term care?

- ▶ Most long-term care costs are covered by:
 - ▶ Medicaid (Title 19)
 - ▶ Assets and savings
 - ▶ Personal Income (Pension, Social Security, etc.)
 - ▶ Long-Term Care insurance



Does Medicare pay for Long-Term Care?



- ▶ Medicare only pays for short-term skilled care
 - ▶ After 3 days in hospital (3 midnight rule); and
 - ▶ Up to 20 days at 100% and 80 days with a daily coinsurance payment of \$133.50



Is Long-Term Care insurance suitable?

- ▶ Trusted insurance agents and financial planners should always help you determine your needs and develop your goals.
- ▶ Rules of thumb that may lead you to seek this professional help
 - ▶ Assets of more than \$75,000 (excluding home value) that you want to protect.
 - ▶ Sufficient income to afford premium, even if it increases.
 - ▶ Premium should not exceed 6 or 7% of your income.
 - ▶ Important to you to have choice of settings.



Tinkering with Long-Term Care Insurance

- ▶ Once you have determined that long-term care insurance is suitable for you, the basic parts of the policy that you should understand are these:

- ▶ Covered Facilities
- ▶ Benefit Triggers
- ▶ Elimination Period
- ▶ Length of Coverage



Care settings eligible for coverage

- ▶ Nursing Home
- ▶ Assisted Living Facility
- ▶ Home and Community Based Care
 - ▶ Home health
 - ▶ Adult Day Care
 - ▶ Respite care
 - ▶ Homemaker services
 - ▶ Etc.



Benefit Triggers

- ▶ **Cognitive Impairment**

- ▶ Loss of intellectual ability to care for oneself
- ▶ Includes Alzheimer's and other dementia

- ▶ **Functional Impairment**

- ▶ **Activities of Daily Living (ADLs)**
 - ▶ Bathing
 - ▶ Dressing
 - ▶ Eating
 - ▶ Transferring
 - ▶ Toileting
 - ▶ Continence



Elimination Period

- ▶ The Long-Term Care “Deductible” measured in days or dollars
 - ▶ A 60 day elimination period = the policyholder paying 60 days of care prior to the policy paying anything.
 - ▶ The shorter the elimination period, the more expensive the policy.



Length of coverage

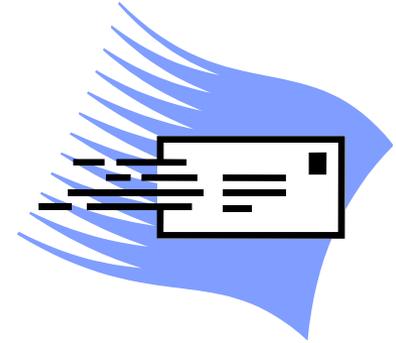
- ▶ Policies must cover at least one year and can run as long as unlimited or “lifetime” duration.
 - ▶ As the length of coverage increases, the cost of coverage increases.



What's New in the rules?

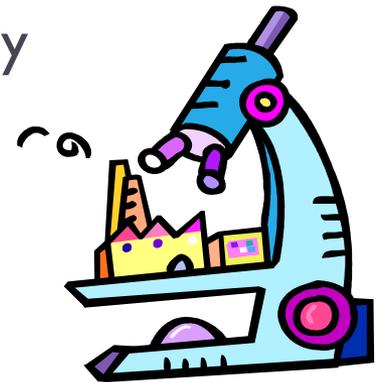
▶ Prompt Pay

- ▶ On claims after January 1, 2009
- ▶ Insurer must promptly pay or deny a “clean claim”



▶ Independent Review

- ▶ For **claims** initiated after January 1, 2009
- ▶ Insured must first exhaust all internal appeals on denied claims
- ▶ Insured can then request an Independent Review
- ▶ For reason of benefit trigger determination only



Who to contact in case of problems...

▶ Generally in this order

1. Local SHIP volunteer by appointment
 - ▶ (800) 351-4664
2. Jason Cooper, SHIP Long-Term Care Specialist
 - ▶ ship@iid.iowa.gov
3. Iowa Insurance Division, Market Regulation Bureau
 - ▶ (515) 281-6348, toll free 1-877-955-1212, or online at <http://www.iid.state.ia.us/>

