



Long-term Care Basics

What you need to know

FACT SHEET

Do you know the answers to these questions?

- Will Medicare or private insurance pay for in-home care for my mother if she becomes ill or disabled?
- What is an advance directive?
- Do I need long-term care insurance?
- Should I get a reverse mortgage?
- What programs are available in my community to help me stay active and healthy?

These are important questions that should be answered as part of the long-term care planning process. Whether you're exploring options for yourself or an aging loved one, call Council on Aging for help answering these questions and more.

It's a fact: 70 percent of us will need some type of long-term care in our lifetime.

But what is long-term care?

Long-term care is the help you need when you're not able to perform daily activities by yourself such as preparing food, dressing, bathing, managing medications or handling personal paperwork.

Many people learn about long-term care the hard way: when they or a loved one need care, and quickly. Too often, that's when they discover:

- Long-term care can be expensive
- Medicare doesn't cover it
- There are many complex issues - finances, insurance, legal matters - that can't be dealt with properly in a crisis
- Options may be limited if you haven't planned ahead

Contrary to popular belief, long-term care does not mean a one-way trip to the nursing home. In fact, long-term care today is more likely to be delivered in a variety of settings such as home, adult day centers, and assisted living facilities.

Council on Aging can help you plan for your (or a loved one's) long-term care needs

Whether you're exploring options for yourself or an aging loved one, call Council on Aging for help answering these questions and more (513) 721-1025. Or, plan to attend our annual Own Your Future [link to page] long-term care planning workshop. It's free and unbiased – no one will try to sell you anything. We promise.

Continue to the next page for list of commonly-used long-term care definitions.

Long-term Care Basics FACT SHEET (Cont.)

Long-term Care Definitions

Accelerated Death Benefit - A feature of some life insurance policies which permits you to use the money before you die to pay for personal health care bills.

Activities of Daily Living (ADL) - Many LTC policies start paying benefits when you are no longer able to perform basic actions without help. Basic actions include bathing, dressing, eating, toileting, and transferring from the bed.

Adult Day Services - Care that is typically provided during daytime hours in a local adult care center.

Benefit Period - The length of time a policy will pay for services. It is usually described in years (one year, two years, etc.). A policy with a "lifetime" benefit period does not limit the number of years it will pay, but it may limit the total amount of dollars it will pay.

Benefit Trigger - The medical condition that qualifies you to begin receiving benefits from the policy.

Care Management - Most insurance companies will have a system for reviewing your medical records and verifying what kind of care you need. The company may contract with a separate "care management" organization.

Cognitive Impairment - An inability to take care of yourself as a result of loss of memory or some other mental deterioration.

Contingent Benefit Upon Lapse - As of 2002, a provision in every long-term care policy, required by Ohio law. Policy owners who have declined to buy nonforfeiture are protected in the event of a very large increase in your premium. Depending on your age at the time you buy, if the increases exceed a certain percentage of the original premium, the company must either:

- Offer to reduce benefits to keep your premium the same, or
- Offer to convert your policy to "paid-up" status, meaning the policy would pay benefits up to the amount you paid in premiums
 - Unless you tell the company which option you want, it is required to choose the "paid-up" option for you.

The company must give you written notice of contingent benefit upon lapse and the schedule of percentage increase limits by age at purchase.

Daily Benefit - The maximum amount the policy will pay for each day of care.

Elimination (Deductible) Period - The number of days you have to pay nursing home bills from your own pocket before the LTC policy starts to pay.

Free-Look Period - The first 30 days after you receive a new policy. During this period you can cancel for any reason and receive a full refund.

Guaranteed Renewable - You have the right to renew your LTC policy for life, as long as you pay the premiums. The company cannot change the benefits. It can, however, increase premiums for all policies at the same time.

Inflation Protection - A provision in a long-term care policy that permits benefits to increase in the future. There are different kinds and levels of inflation protection.

Long-term Care Basics FACT SHEET (Cont.)

Level of Care

Long-term care is divided into three levels, determined by how much assistance you need.

- **Skilled Care:** Daily care provided by a nurse or therapist under a doctor's supervision. Skilled care usually lasts for relatively short periods and is often covered by Medicare.
- **Intermediate Care:** Occasional nursing and rehabilitative care, supervised by medical professionals. It is less specialized than skilled care and often continues much longer.
- **Custodial Care:** Help with your daily activities (eating, dressing, bathing, etc.). Custodial care does not require medical personnel. Much of nursing home care is custodial. If you need care, this is the most likely level.

Noncancellable - You have the right to renew your LTC policy for life, as long as you pay the premiums. The company cannot change the benefits or increase the premiums unless it increases premiums for all policies at the same time.

Nonforfeiture - Nonforfeiture guarantees you will receive something (such as limited benefits or a return of premium) if you cancel the policy or the company cancels because your payments stop. This feature usually increases the policy premium. Ohio now requires every company selling long-term care insurance to offer the nonforfeiture option.

Outline of Coverage - A summary of a policy's benefits and limitations which is intended to make it easier to understand the policy and compare it with other policies.

Pre-existing Condition - A medical condition which was treated or diagnosed in the six months before you bought the policy. If you need care due to a pre-existing condition and the care begins during the waiting period, some policies will not pay the claim.

Reinstatement - Protection against unintentional (accidental) lapse, required by Ohio law. Reinstatement lets you save your LTC policy from cancellation if you miss payments because of mental impairment (such as Alzheimer's, senility, etc.).

Spend-down - A process by which you become eligible for Medicaid by using your resources to pay medical bills until you reach the eligible income limits.

Waiver of Premium - A "waiver of premium" lets you stop paying premiums once you're receiving long-term care. It may not take effect until the policy has paid your bills for as long as three months. This is a common, built-in-feature of LTC policies.

Preserving Independence, Enhancing Quality of Life

Council on Aging is designated by the state of Ohio to serve older adults and people with disabilities within a multi-county region. We are experts at helping people with complex medical and long-term care needs, offering a variety of services via publicly-funded programs. **Our mission:** *Enhance people's lives by assisting them to remain independent at home through a range of quality services.*



03/23/2018