

Facts & Information To Help You Make The Right Decision

QUESTIONS AND ANSWERS ABOUT LONG-TERM CARE

Q I'M REALLY HEALTHY RIGHT NOW...
WHY WOULD I NEED LONG-TERM CARE INSURANCE?

A Although healthy people don't like to think about getting older, developing a disability, becoming less independent, or needing help with personal care, the fact is a person can need long-term care services at any age.

- Forty (40%) percent of people currently receiving long-term care are adults 18 to 64.¹
- Seventy (70%) of adults who live beyond age 65 will need some type of long-term care services, and the likelihood of needing care increases with age.¹

You may be in good health today...but if your health changes, even as early as tomorrow, you may not be able to get insurance at any price. And then you could be faced with paying all the bills yourself.

Q AM I TOO YOUNG TO BE THINKING
ABOUT LONG-TERM CARE?

A The need for long-term care can come at any age, no matter what a person's health status. Many people who truly intend to purchase long-term care insurance put it off from year to year. They procrastinate...thinking they can wait until they're a little bit older before deciding to buy. But waiting might be costly!

For starters, like most insurance - premiums are based on how old you are when you apply. The older you are when you sign your application - the higher your premiums will always be.

Also, the information you provide on your application is based on your past history up to the time you apply for coverage. Should your health change...or should you suffer an accident... you could become uninsurable.

Q RIGHT NOW, I DON'T WANT TO THINK ABOUT FACILITY CARE.
IS THERE A WAY I CAN STAY HOME AND COLLECT BENEFITS -
EVEN IF MY SPOUSE, FRIENDS OR FAMILY TAKE CARE OF ME?

A Many people who need long-term care develop the need for care gradually. At first, they may only need care a few times a week, one or two times a day, for example, to help with bathing and dressing.

- Today, there are policies on the market that pay Monthly Cash Benefits when home care is provided by spouse, friends or family.
 - Payments begin on the very first day you're eligible for benefits. There are no bills to submit - no paperwork - no strings attached. The money can be used as you see fit.
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I ALREADY HAVE HEALTH INSURANCE ... DO I REALLY NEED LONG-TERM CARE INSURANCE TOO?



There's a big difference between health insurance and long-term care insurance! Health insurance (including Medicare) generally pays the cost of treating illness or injuries, including doctor visits, hospitalization, and lab tests.

Long-term care insurance, on the other hand, is designed to cover ongoing care and services required by those who are unable to care for themselves. Long-term care may be needed because of physical limitations or cognitive difficulties.



WHAT ARE THE MAIN ADVANTAGES OF HAVING LONG-TERM CARE INSURANCE?



A key advantage is freedom to choose where you want to receive care. As mentioned earlier, many people prefer to be cared for in the comfort of their own home. For optimum protection, look for a policy that pays cash benefits when home care is provided by spouse, friends or family and traditional reimbursement benefits when care is provided by licensed home health personnel or in a facility.



JUST HOW EXPENSIVE IS LONG-TERM CARE? I WANT TO BE SURE MY RETIREMENT IS SECURE.



Long-term care services can be very expensive and costs vary widely based on where you live.¹ As a national average, the daily rate for a private room in a nursing home is \$209 or \$76,285 per year. The monthly rate for a one-bedroom assisted living facility unit is \$3,008 or \$36,096 per year.

As for home care, the hourly rate for a home health aide is \$29 and the hourly rate for homemaker services is \$18. Because professional home care services costs much more, many policies offer higher benefits to cover the services of a registered nurse, physical therapist, etc.

If you want to help protect your income and assets, long-term care insurance should be an essential part of your retirement plan. The cost of long-term care services can be staggering and could pose a threat to your financial independence during your retirement years.



WHAT KIND OF RISK WOULD I BE TAKING WITHOUT LONG TERM-CARE INSURANCE?



Many people who begin paying for nursing home care find that their savings are not enough to cover lengthy confinements. The failure to prepare for the cost of a nursing facility stay or other long-term care is often the reason for the loss of financial security among retirees.

Long-term care insurance can help you protect your nest egg - and help ensure your financial security.



WOULDN'T MEDICARE PAY FOR MY LONG-TERM CARE NEEDS?



Many people believe they can rely on Medicare to pay for any long-term care services they will need. The fact is:

- Medicare does not pay for what comprises the majority of long-term care services - non-skilled assistance with Activities of Daily Living.
- Medicare does not pay anything for care in an Assisted Living Facility.
- Medicare only pays for long-term care if you require skilled services or recuperative care for a short period of time.
- In reality, Medicare coverage is limited to skilled nursing care for a maximum of 100 days.



WHAT ARE THE ODDS OF IT HAPPENING TO ME?



According to a study done by The National Academy of Elder Law Attorneys, your risk of needing long-term care assistance is 1 out of 2 (50%).

The study compared the risk of needing long-term care with the risk of other financially devastating risks, such as a major auto accident, or a fire in a person's home.

According to that study, the odds are:

- Automobile accident 1 out of 240 [0.4%]
- Fire damaging your home 1 out of 1,200 [0.08%]
- Needing long term care assistance 1 out of 2 [50%]

Given the one out of two odds of needing long-term care, many people find the risk worth insuring against. Don't let long-term care insurance be the missing link in your financial plan.



CAN I FIT THE COST OF LONG-TERM CARE INSURANCE INTO MY BUDGET?



It's always easier to budget a set monthly amount than be hit with large and often unexpected expenses. In fact, your GOLDENCARE USA Agent can show you how you can get full coverage at a reduced premium!

You can choose to pay only 70%, 80% or 90% of your initial premium until you reach age 65. Premiums then become level until Age 85 when the policy is considered fully paid-up.

If you didn't have health insurance and incurred large medical bills, you would have to reach deep into your pockets - maybe tap your savings - to pay the bills. The same holds true for long-term care.

If something happened to you and you needed to be cared for over a long period of time, your retirement savings, perhaps the money you hoped to leave your children, might need to be used to pay the bills.



WHAT IS A LONG-TERM CARE PARTNERSHIP PLAN AND HOW CAN IT HELP ME KEEP MY ASSETS?



Partnership plans work between state government and private insurance companies to help individuals plan for their long-term care needs. Consumers who purchase a qualified Long-Term Care Partnership Policy can have “dollar-for-dollar” asset protection by purchasing policies with coverage equal to their assets and can keep \$1 in assets for every \$1 the policy pays in long-term care benefits. No extra underwriting is required.



WHAT IS THE CLASS ACT AND WILL IT PROVIDE FOR ALL MY LONG-TERM CARE NEEDS?



The Community Living Assistance and Supports Act (CLASS Act) is part of the Health Care Reform Bill. Regulations are still being written and should be finalized by October 2012. The CLASS Act:

- Provides limited benefits that may not be adequate to meet the high cost of extended care;
- Requires the participant to pay premiums for five years before being able to collect benefits; and
- Requires that the participant be actively employed both at enrollment and during at least part of the five-year vesting period.

Private long-term care insurance policies provide a broader range of benefits and options, and (unlike the CLASS Act) do not typically require that premiums be paid for a designated time period before benefit eligibility - and do not require the insured to be actively at work after enrollment.

Delaying the purchase of insurance until final details of the CLASS Act are determined may not be in the best interests of consumers. A person's health condition may change over the next several years making them ineligible for private insurance, and the older the applicant, the higher the premium.



IS IT WISE FOR ME TO SHOP AROUND BEFORE SELECTING AN INSURER?



Purchasing long-term care insurance can be complicated. That's why your agent makes it a practice to look at the same things you'd want to know when choosing an insurance company. For example, is the insurer financially stable with a strong commitment to the long-term care market? Are their policies priced correctly? How about their contracts - are they easy to understand?

You can count on GOLDENCARE USA and your agent to research the growing number of insurers and the long-term care products they offer. This research saves you the time and hassle you'd have to endure if you shopped for long-term care insurance all by yourself.



HOW IMPORTANT ARE A COMPANY'S RATINGS, ESPECIALLY IN TODAY'S ECONOMIC ENVIRONMENT?



Because ratings indicate a company's financial strength, it's wise to select a company that has the resources and the commitment to cover its obligations. It is suggested you check the ratings from A.M. Best Company, Standard & Poor's and Fitch.

1. *National Clearing House for Long-Term Care - U.S. Dept. of Health & Human Services 2008*

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