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Ask a Care Manager

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What is Long Term Care Insurance?

My parents purchased a long term care insurance policy some years back. My father is in the hospital and my mother is worried about being able to care for him. I know Medicare will help with physical therapy, nurses' visits, occupational therapy, speech therapy and/or a social worker for several weeks after discharge but know covered benefits are limited in scope and time. If the long term care insurance policy is a good one, it could help keep my father at home paying for additional care and supporting my mother as the primary caregiver too. Is long term care insurance something that can help them now?

Depending on the policy your parents purchased, this may be the time to file a claim for benefits. Long term care insurance evolved more than 15 years ago as a retirement planning tool for healthy individuals who recognized the limitations of public coverage for long term care. The original product was called "nursing home care" because in truth, it only covered someone if or when they entered a nursing home. Fortunately, policies these days offer coverage for community-based care including care in your own home, in an assisted living, while attending adult day care, or in a nursing home. In reality, long term care can be defined as care you've purchased to use in your older years for a long time. You can only qualify to use it when you're unable to accomplish daily tasks on your own such as walking, bathing, eating, or living alone safely.

How do I see if my parents qualify for benefits?

If both parents have coverage, it is likely that there are two policies since policies normally are written on the individual. After you locate the policy, look for a number to file a claim. When you call, you will need the individual's full name, date of birth, policy number and reason you are filing a claim. Note: If you cannot locate the policy but have the name of the insurance company and the policy number and/or the date of purchase, you still may be able to file a claim.

The insurance company will then determine eligibility by sending out a home health professional to assess the individual's ability to complete activities of daily living or will send a form to be completed by the individual's physician regarding the need for assistance in the home. This process may take several weeks before eligibility is established.

After reading my father's policy, I believe he will qualify for benefits. Can I start services to help my father as soon as he is released from the hospital?

Yes, you can contract for help in your parent's home with an agency that provides home care and if approved for benefits, the insurance company will normally recognize agency documentation. If the claim is approved, there may be an elimination period before benefits are paid.

What is an elimination period?

An elimination period is a deductible period that must be met before the insurance will begin paying benefits. A typical elimination period is 30-90 days. The individual is responsible for paying for care privately with documentation sent to the insurance company. Once the required number of days is met, the insurance company will send a letter to the policy holder approving benefit payments.

How are payments structured once the claim is approved and the elimination period is met?

Payments can be paid at a maximum daily rate i.e., \$80/day or a capitated monthly rate of \$2,500/month. Each policy should have a summary page at the beginning of the policy that details how benefits will be paid as well as the specifics of the elimination period.

How are these benefits different from those covered by Medicare?

Long term care insurance covers services not covered within Medicare. Examples are assisting with ambulation and transfers, meal preparation, supervision when memory impairment requires supervision, helping someone to eat, bathing and personal care. These activities are necessary for a person's independence but are considered non-medical home care.

How long will the benefits be paid?

Once a claim is approved for benefits, the insurance company will pay monthly benefits as long as the policy holder is disabled and eligible for benefits. An annual re-assessment is common to assure the disability remains. The company will continue to pay for the life of the policy or until all benefits have been utilized.

Do you have questions we can help with? Send your questions to carol@elderoptionsca.com and look for them in future columns. Carol S. Heape, MSW, CMC is Executive Director of Elder Options, Inc. serving Sacramento to South Lake Tahoe. For information: www.elderoptionsca.com or call (530)626-6939, (916)391-8083.