**LONG TERM CARE ASSOCIATES, INC.**

# Full Circle

**CAREGIVING – THE CIRCLE OF LIFE**

**Spring 2008** **800-422-2655**

## In This Issue…



The first quarter of this year saw the national media becoming even more involved in encouraging families to plan for long-term care. Our aging society, the future needs of the baby boomer generation, and the increasing concern that individuals will outlive their retirement savings, makes planning for long-term care that much more urgent.

John Hancock and Kiplinger's partnered to produce a DVD called "*Who Cares? Kiplinger's No-Nonsense Look at Long-Term Care and How to Pay for It*". This video is a very compelling program that intends to help you better understand the issues surrounding long-term care and how to prepare to meet the financial challenges. It provides expert advice from Kiplinger's finance writers.

In the PBS series titled "*Caring for Your Parents*", panelists discussed the impact of caregiving on their lives. This was a very poignant presentation because you were able to hear real life stories about the sorrows and joys of caring for someone. It gave you an inside look on the juggling a family must do to make sure that all facets of a disabled individual's life are managed and nurtured.

If you would like to receive a free copy of the Kiplinger's DVD or the PBS Caregiver's Handbook for yourself or a friend, please call us.

You may have received an email regarding reviewing your long-term care policy and your life insurance coverage. It is important to review your long-term care benefits to make sure you understand your coverage and your benefits are holding up to inflation. It is equally important to review your life insurance. The original purpose for purchasing your life insurance policy may no longer be an issue or the policy may not be performing as expected. You might be able to take advantage of the cash surrender value to better manage your finances.

On a personal note, one of my childhood dreams was to be a dancer. So, I put on my dancing shoes and took a ballroom dance class. I never had so much fun. What have you always wanted to do but never found the time to do it or were just too afraid to try? Be brave - live your life so that your dreams come true today!

As always, we are here to assist you with your long-term care planning.

Ann, Naomi and I hope you enjoy the short but sweet summer months.

**Money isn't everything but it sure keeps the kids happy.**

-www.proverbs.com

# NYS Partnership Plan for Long-Term Care vs. Traditional Policies

When thinking of purchasing long-term care insurance, one should carefully consider the advantages of several NYS Partnership plans now available.

When it was created in 1993, the NYS Partnership was intended to help individuals plan for long-term health care needs and, at the same time, remove the cost of such care from state Medicaid budgets. The double goal was to benefit individuals specifically and taxpayers generally.

The original Partnership plan offered 3 years of nursing home care or 6 years of home/assisted living care, after which the policyholder could apply for Medicaid without having to spend down their assets, and without any look-back or penalty periods. The only requirement was that income would be contributed to the cost of care according to Medicaid guidelines.

Fifteen years later, the Partnership has over 60,000 policies in force, and added three new options for a total of four available plans: two total asset protection plans, Total Asset 50 and Total Asset 100; and two partial asset protection plans, Dollar for Dollar 50 and Dollar for Dollar 100. The 50 and 100 notations mean that a policyholder would receive either 50% or 100% of their daily benefit for home care/assisted living.

The partial asset protection plans are geared to individuals with moderate income levels and fixed assets, such as a house. They protect assets equal to the amount of benefits paid out by the policy. Any unprotected assets are subject to Medicaid liens and look-back periods.

The Partnership plans have several advantages over traditional or non-partnership plans.

Premiums are generally lower, especially with Dollar for Dollar policies, because many of the enhancements and riders available with traditional policies are not available with carriers approved to sell the Partnership plan. Such benefits include different inflation options and shared care benefit riders. However, although the coverage is more basic, it is not necessarily less comprehensive.

For example, Partnership policies include all levels of care found in traditional policies, including home care (skilled, custodial and personal care), adult day care, assisted living, nursing home care, case management and respite care. Some Partnership plans even allow use of independent home care providers, or care by friends or family members.

Partnership policies also include inflation protection as a basic feature, one of the most important features to have in a long-term care insurance policy. The Partnership has a 5% compound inflation factor that becomes optional at age 80, which insures that your policy will have actual value when you need it. In a non-partnership plan, inflation protection is a rider that must be purchased separately, which could substantially increase the premium.

One possible drawback of a Partnership plan has historically been the limitation of asset protection if the individual moves out of NYS, which has been a factor for many people who decided against the plan. That is, you can use your Partnership benefits anywhere in the country, but you can only apply to NYS Medicaid to protect your assets, if you exhaust your benefits and still need care, for which you need to reside in NYS.

**How can I tell if my policy is a Partnership policy?**

Make sure the Partnership logo appears on your policy. All Partnership policies should have the Partnership logo on the front page of the insurance policy and other materials related to it.

**As a practical matter, with current plans, the Partnership may still be a very good choice even if you move or retire out-of-state. With a traditional policy, if you move out-of-state, exhaust your benefits and still need care, you will have to spend your assets for your additional care, which is the same scenario as the Partnership policy if you reside out-of-state. However, by choosing a Partnership Plan, you will probably pay less in premiums over the years, and will always have the option to return to NYS to take advantage of Medicaid to protect your assets.**

**Moreover, under the Deficit Reduction Act of 2006 and with the creation of partnership plans in states throughout the country, there may soon be reciprocity between state Medicaid departments that would permit Medicaid asset protection after policy benefits are exhausted without returning to NYS.**

**If, in seeking long-term care insurance to protect your assets and transfer risk, you need or wish to be economical, then a Partnership Plan may be a very sound alternative for you.**

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# Discount Group LTCI Plans

Group long-term care insurance programs will be an increasingly accessible way consumers will be able to purchase long-term care insurance coverage.

Businesses are beginning to understand the importance of long-term care insurance to the well-being of the family structure and, subsequently to the well-being of the company. The coverage protects an employee's retirement savings and provides a network of support for the employee/caregiver while at the same time helps to maintain company productivity levels and reduce caregiver absenteeism.

Corporations can offer long-term care insurance as a voluntary benefit, executive carve-out or split-billing arrangement.

- A company with as few as 5 employees can offer discounts on premiums for individual long-term care insurance policies. This voluntary benefit can run cost-free to the employer, and opens up the coverage to family-owned businesses.
- In an effort to attract exceptional employees, corporations can carve out a section of their staff to receive company paid long-term care insurance policies.
- Under the split-billing arrangement, employers can buy a base plan from which employees can buy up.

Call us today to learn more about group long-term care insurance programs for your business as well as your association.

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According to the Alzheimer's Association, Central NY Chapter, 43,828 individuals are afflicted with Alzheimer's in CNY and over 146,000 family members provide their care. In a study conducted by the Alzheimer's Association and the National Alliance for Caregivers, 41% of Alzheimer's caregivers rated their emotional stress at 4 or 5 on a scale where 5 is a great deal of emotional stress.

# Resource Center

If you have been thinking about purchasing long-term care insurance, these two easy to read books will give you a good foundation in understanding the coverage.

"*The Consumer's Guide to Long Term Care*"
by Stephen F. Rowley

"*Choosing the Right Long Term Care Insurance*"
by J.K. Lasser

Both books are available at Amazon.com.

*Learning is not attained by chance;*
*it must be sought for with ardor and*
*attended to with diligence.*
– Abigail Adams

## ASK SUSAN:

**Question: What is a cash policy?**

Answer: With a cash policy, once you qualify for benefits, the long-term care insurance company will send you a monthly check for your full monthly benefit regardless of the actual cost of care. You can generally have anyone take care of you (agency home health aide, friend, or family member) in any setting of your choice. Most companies offering this type of plan do not require that you submit medical vouchers. It is the most flexible policy on the market.

Please refer a friend or family member who you care about.

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