

LTCEPP® - Long-Term Care and Education Program

The Need to Plan for Long-Term Care

Today, individuals and families recognize the need to plan for the complex issues that surround their retirement and long-term care needs. LTCEPP®, Long-Term Care Education and Planning Program, addresses these issues with both an educational and insurance component.

EDUCATION

It's difficult for healthy people to imagine a time when they might need long-term care (LTC); it seems so far off. While many people do need this type of care as the natural result of aging, each year millions of Americans of all ages are faced with the sudden disruption to their lives and their family's lifestyle and finances due to a disability, chronic illness or cognitive issue that was totally unforeseen. Therefore, it's important that everyone understands their options and the consequences of their choices regarding long-term and extended health care planning.

Thinking that "it won't happen to me?" Once we reach age 65, 70% of Americans will need some type of long-term care in their lifetime.

If you or a family member suddenly needed assistance with the everyday activities of life, how would you be prepared to meet the expense of that care while maintaining the family lifestyle you've worked so hard to establish? Who in the family will provide the daily care, and for how long before their own commitments and responsibilities are negatively affected?

LTC is difficult enough on its own; what makes it even more difficult is a lack of planning. The topic of LTC and extended health care planning also tends to generate both questions and anxiety. Making decisions related to this important topic can be so challenging that it is easier to just put it off until another day, but therein lies the problem.

Education is the solution.

LTCEPP® will provide you with education and information on the risks, costs, and impact of needing LTC, as well as the consequences – financially, emotionally, and physically - on those you love the most. It will urge you to ask, ***"What is my plan to protect my most important asset – my family?"***

The fact is that paying for long-term care is just another expense in life. The only questions are what will be the impact on those you love the most and where will the money come from?

INSURANCE

Risks transferring insurance products that provide dollars to pay for LTC have changed dramatically in recent years.

With LTCEPP®, you can choose from a variety of insurance products and companies. These plans are designed to be affordable within your budget and dispel the myth that "long-term care insurance is too expensive."

The types of products available are:

TRADITIONAL LTC INSURANCE (LTCi):

Traditional LTC policies provide you with a pool of money that can be used in the event you require care. Based on the insurance carrier you select; the pool of money is determined in one of two ways:

Benefit Pool Account – you choose a total benefit account (\$100,000 - \$200,000 etc.) and it is paid out based on the monthly amount you choose (\$3,000 - \$4,500) until the total account is depleted.

Lifetime Benefit – you choose a daily (\$100 - \$150 etc.) or monthly (\$3,000 - \$4,500 etc.) amount as well as a benefit period (2 years – 3 years etc). To determine the total lifetime benefit, you multiply the daily or monthly benefit by the selected benefit period. For example, 3 years (36 months) x \$4,500 monthly benefit equals a total lifetime benefit of \$162,000.

How do you receive your benefits with traditional LTCi?

Cash Alternative Plan – is a hybrid plan combining both cash and reimbursement components that gives you the flexibility to control how you spend your policy benefits. You can choose to use a reduced amount of the available monthly benefit as a monthly cash benefit, in lieu of reimbursing any out-of-pocket expenses. This cash selection is paid without regard to the type and amount of actual LTC expenses you receive. You can access the cash alternative on a monthly basis throughout your claim for less expensive and/or informal services and switch to the full monthly reimbursement benefit as care costs rise. (Mutual of Omaha, Transamerica)

Reimbursement Plan - will reimburse you for only the actual out-of-pocket costs incurred by you for any care or services covered by the policy, either on a daily or monthly basis. These costs include care and services provided by qualified facilities (skilled nursing or assisted living), licensed home health care providers, adult day care, hospice or respite care. Typically, they will not pay for care provided by family members or physician's charges, hospital and laboratory charges, prescription or non-prescription medication, medical supplies, durable medical equipment, transportation, or any items and services specifically excluded by the policy. (National Guardian Life – USA - Genworth)

The Pennsylvania LTC Partnership - encourages Pennsylvanians to purchase traditional LTC insurance by providing asset coverage equal to the benefit paid by the policy. ***This means dollar-for-dollar asset protection.*** For example, a consumer who purchases a policy with a benefit payout of \$200,000 can protect \$200,000 in personal assets above and beyond the assets he/she is allowed to keep under Medicaid eligibility requirement.

LIFE INSURANCE, ANNUITY, or ASSET BASED POLICIES:

As the name implies, these products will provide dual benefits by either having the LTC benefit as a rider or imbedded in the policy design. The concept is that you will absolutely use either one or both of the benefits. (Protective, AIG, Nationwide, One America, Lincoln MoneyGuard)

SHORT TERM INDEMNITY SUPPLEMENTAL PLAN:

These plans reimburse you the total selected benefit amount, either on a daily or monthly basis, for any care or services covered by the policy regardless of the actual out-of-pocket expenses. You select specific periods of care and monthly dollar amount. These plans tend to restore themselves after a 180-day period. (Aetna, Kemper, Guaranteed Trust Life,

HOME CARE MEMBERSHIP:

Members buy a specific plan that will “bank” access to homecare service hours to utilize for health challenges they encounter in the future, ranging from 750 to 5,000 hours. (True Freedom HomeCare)

In addition to the various solutions above, please be aware of the Veteran's Aid and Attendance Benefit.

This is a benefit that is paid by the VA to veterans, veteran spouses or surviving spouses. It is paid in addition to a veteran's basic pension. ...Aid and Attendance is for applicants who need financial help for in-home care, to pay for an assisted living facility or a nursing home.

While LTC insurance isn't for everyone, having a long-term care plan is essential for all of us. ***LTCEPP® offers you valuable insight so that you can make an informed decision.***

The risk of needing long-term care is very real. Please take advantage of the opportunity to learn more about your options to protect your family against the impact and consequences of long-term care.

To discuss your specific situation, available options, and premium costs, please contact:

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