

## Long-term Care & Partnership Training Proposed Outline (combined 16 hours)

### **Chapter One - Overview of Long-term Care**

What is Long-Term Care?

Definition of LTC by Impairment

Activities of Daily Living (ADLs)

Cognitive Impairment

Levels of Long Term Care

Risk of Needing LTC

Who Needs Long Term Care?

Risk Factors for Needing LTC

Need for Long-Term Care

How Much Care Will Be Needed

Length of Stay in a Nursing Home

Care Needs Change Over Time – The LTC Continuum

Providers of Long Term Care

Informal Care

Formal Care

Caregiver Workforce Issues

Where Long-Term Care is Provided

Home and Community-Based Services (HCBS)

Impact of LTC on Employers

Facility-Based Long-Term Care Services

Cost of Long-Term Care

Payment for LTC

Long-Term Care Financing

Who Pays for Long-term Care?

Payment for Nursing Home Care

## **Chapter Two - Long-Term Care Planning**

People Need to Plan for LTC

Baby-boomers overwhelming deny it could happen to them

Aging Population & Projections

Planning for LTC

Components of Planning for LTC

Role of LTC Agents in Planning for Long-Term Care

Understand Your Client

Common Barriers to Planning

Planning Information and Resources

Long-Term Care Clearinghouse

Own Your Future Long-Term Care Awareness Campaign

Other State Resources

## **Chapter Three – Public Programs to Pay for Long-term Care**

National Spending on Long-Term Care

Public Programs that Pay for Long-Term Care

Medicare

Medicare Eligibility

The Different Parts of Medicare

Part A – Hospital Insurance

Part B – Medical Insurance

Part C - Medicare Advantage

Part D - Medicare's prescription drug benefit

Excluded or Limited in Medicare

Medicare Provides Limited Coverage for LTC Services

## WHAT MEDICARE COVERS

Skilled Nursing Facility Care (SNF)

Future Medicare Enrollment and Financing

Medicare's Home Health Care Benefit

Medicare Supplement Insurance

Medicaid

Medicaid Population

Medicaid Services

Medicaid Cost

## PERSONS COVERED BY MEDICAID

### MEDICAID SERVICES

Medicaid Long-Term Care Services

Medicaid Eligibility Requirements for Long-Term Care

Medicaid's General Eligibility Requirements

Medicaid's Functional Eligibility Requirements

Financial Eligibility Requirements

Spousal Impoverishment Provision

Medicaid Waivers

Applying for Medicaid

Medicaid Estate Recovery

Medicaid: Treatment of the Home

Funding for Medicaid

Changes in Medicaid

Older Americans Act Programs

Veterans Affairs - LTC Benefits

PACE Program

Social/Health Maintenance Organizations (S/HMOs)

State Managed Long-Term Care Programs

## **Chapter Four – Overview of Long-term Care Insurance**

Long Term Care Insurance

What Is an Insurance Contract?

The Basic Elements of a Contract

The Contract, the Policy, and the Application

LTC insurance

Benefits of LTC Insurance

Potential Drawbacks

With and Without a Policy

To Buy or Not to Buy?

Percent of Income Used to Buy LTC Insurance

Suitability – Personal Worksheet

Long-Term Care

Medicare

Medicaid

Shopper's Guide

Counseling

The Long-Term Care Insurance Market

Market Segments by Types of LTC Insurance Policies

Individual vs. Group Long-Term Care Insurance

Why People Buy Long-Term Care Insurance

Why People Do Not Buy Long-Term Care Insurance

Buyers vs. Non-Buyers

Demographic Differences between Buyers and Non-Buyers

Attitudes of Buyers vs. Non-Buyers

Benefit Payment in Long-Term Care Insurance

Benefit Payment Method

Tax Treatment of LTC Insurance

Tax-Qualified vs. Non-Qualified

## **Chapter Five - Long-term Care Insurance Features, Benefits and Provisions**

Policy Improvements

Features and Benefits

Covered Services

Facility Care

Typical Comprehensive Long-Term Care Insurance Benefit

Home and Community Care

Long-Term Care Insurance Exclusions

Private Insurance Does NOT Cover LTC

Daily, Monthly, and Weekly Benefits

Facility Care and Home Care

Daily Benefit Amounts

Choosing a Daily Benefit Amount

Lifetime Maximum Benefit

Pool of Dollars Approach

Lifetime/Unlimited Coverage

Inflation Protection in Long-Term Care Insurance

Automatic Inflation Protection

Types of Inflation Protection

Compound Inflation Protection

Simple Inflation Protection

Guaranteed Purchase Option

Future Purchase Options (FPO)

Nonforfeiture Provisions

Optional Nonforfeiture Provision

Contingent Nonforfeiture

The Elimination Period of a Long-Term Care Insurance Policy

Calendar Days or Service Days

Expense During the Elimination Period

Waiver of Premium (WP)

Care Coordination

Other Typical Coverage Features

Coverage Options (Additional Premium Charge)

Consumer Protection Provisions

## **Chapter Six - Long-term Care Insurance Premiums, Underwriting and Claims**

Long-Term Care Insurance Premiums

Premiums – Overview

Rate Increase – History

Consumer Protection – Rate Stability Guidelines

Consumer Protections

Coping with a Rate Increase

Factors Impacting Premiums

Long-Term Care Insurance Premiums Options

Preferred Standard and Substandard Categories

Premium Rate Classes

Right to Decrease Coverage (Step-Down Provision)

Premium Discounts

Underwriting

Qualifying to Purchase Long-Term Care Insurance

Underwriting Tools

Acceptance and Decline Rates

Claims

Long-Term Care Benefit Triggers

Tax Qualified (TQ) Policies

Non-Qualified (NQ) and Older Policies (prior to 1/1/97)

Degree of Loss

Processing Claims

Claim Denials

Incontestability

Exclusions and Limitations

Pre-Existing Condition Exclusion

Suitability

Is Long Term Care Insurance Right for Your Client?

When Should Someone Apply for Long Term Care Insurance?

Outline of Coverage

Key Elements are Included in the Outline of Coverage

Comparing Long Term Care Insurance Policies

Selecting an Insurance Company

## **Chapter Seven - Alternative LTC Financing Options**

Variety of Options

Use of Home Equity for LTC

Home Equity Conversion Mortgage (HECM)

Lender-Insured

Federal National Mortgage Association (FNMA)

Uninsured

Qualifying for Reverse Mortgage

General Considerations in Using Any Reverse Mortgage Program

Reverse Mortgage Annuity

Sell Home

Sale–Leaseback Arrangement

Use of Life Insurance

Accelerated Death Benefits (ADB)

Life Settlements

Viatical Settlements

Tax Treatment, Legislation, Regulation

Single Premium Life/LTC Policies

Long-Term Care Annuities

LTC Annuities – Deferred

Tax Rules

LTC Annuities – Immediate

Trusts

Types of Trusts for Long-Term Care

Medicaid Disability Trusts

Charitable Remainder Trusts

Assets and Income – Out of Pocket

Continuing Care Retirement Community (CCRC)

Types of CCRC Contracts

Medicaid Estate Planning

Artificial Impoverishment for Medicaid Qualification Purpose

Home Modification Loans

Evaluating Options

## **Chapter Eight - New National Partnership Initiative & The Deficit Reduction Act (DRA) 2006**

Learning Objectives

Deficit Reduction Act of 2005

Major Areas of LTC Reform in the DRA

Asset Transfers

Mandatory "Income-First" Rule

DRA Changes - Home Equity

What Is The Partnership For Long-Term Care?

Why the Partnership was Developed

Growth of Medicaid LTC Payments

Few Americans Plan Ahead for LTC Needs

More People Getting Older – Living Longer ..... 210

Family Caregivers not always Available

Expansion of LTC Partnerships

Qualification Requirements

Benefits of Partnership

Medicaid Review

How Medicaid Works

Mandatory & Optional Benefits

Medicaid Payment for Long-term Care

Medicaid Enrollees and Expenditures by Enrollment Group

Asset & Income Eligibility

Asset Protection & Medicaid Eligibility

Transfer of Property & Estate Recovery Under the DRA

Penalty Period Changes Under the DRA

Treatment of Annuities Under the DRA

Consideration of Income and Resources from an Annuity

Partnership Medicaid Asset Protection

Medicaid Estate Recovery

State Partnership Long-Term Care Insurance Programs

Partnership Goals

Education

Most People do not Understand the Costs and Risks of LTC

Affordability

Ease the burden of costs

PROGRAM OVERVIEW

Original 4 States Partnership Models

Current Programs History & Success

Long-Term Care Partnerships

Fast Facts

Private LTC Insurance

Long-Term Care Partnership Programs

Post-DRA: Changes in the Partnership Program

Effects of Inflation & Partnership Requirements

Life Expectancy & Inflation

Under the DRA Policies Must Meet the Following Inflation Provisions

Case Studies Regarding Buy-Up vs. Automatic Inflation Protection

Compound vs. Simple vs. No Inflation Protection

Case Study about Inflation Protection

Has the Partnership Program Fulfilled Its Promise?

## SERVICE UTILIZATION

Partnership Experience

Will States Seek to Make Further Improvements?

Responsibilities, Suitability & Ethical Concerns

Agent Responsibilities

NAIC Model Suitability Standards Apply

Disclosure Materials

Affordability and Suitability

Reasons People Buy LTC Insurance

Partnership Features Focus on the Reasons People Purchase LTC

Partnership Plan Design

Asset Protection & Plan Design

Short & Fat Partnership vs Long & Lean Non-Partnership