



What to consider before buying long-term care insurance

- **Age and life expectancy:** The longer you live, the more likely you will need long-term care. The younger you are when you buy the insurance, the lower your premiums will be.
- **Shop:** Check with several companies and agents. Compare prices and benefits. An outline of coverage explains policy benefits and points out key features. Ask about the company's history of rate increases. The Insurance Division annually ranks insurers based on consumer complaints. Call an advocate for details or a copy of the report: 1-888-877-4894.
- **Income and assets:** Long-term care insurance may protect assets you have accumulated. On the other hand, a long-term care policy is **not** a good choice if you have few assets or a limited income.
- **Understand your policy:** Sales literature is no substitute for the policy itself. Don't sign an application if you don't understand what you're buying. Discuss your options with trusted advisers, friends, or family.

Premiums

- Match your need for long-term care with your need to protect assets and your ability to pay premiums.
- Understand how much your premium will be and how often it must be paid.
- Remember that your premium may increase after your purchase.

Do you qualify for Medicaid?

As an older adult, you may qualify for Medicaid, which pays almost half of the nation's long-term care bills. For more information on Medicaid benefits, contact:

Department of Human Services

spdweb@state.or.us

503-945-5772

800-527-5772

TTY: 800-375-2863

www.oregon.gov/dhs/healthplan



Department of Consumer and Business Services Consumer Advocacy Unit

888-877-4894 toll-free

503-947-7984 in Salem

www.insurance.oregon.gov

U.S. Department of Health and Human Services

National Clearinghouse for
Long-Term Care Information
www.longtermcare.gov

440-3643 (7/11/COM)

Long-term Care Insurance: What you should know



 DEPARTMENT OF
CONSUMER
& BUSINESS
SERVICES
Oregon Insurance Division

At least 70 percent of people age 65 and older will require some long-term care services at some point in their lives.

In 2011, the typical annual cost of a semi-private nursing home room in Oregon was \$80,300. A one-bedroom unit in an assisted living facility was about \$42,000 a year while employing a home health aide for 44 hours a week was more than \$49,000 a year.



What is long-term care?

Long-term care refers to medical, personal, and social services that a person may need in the event of a prolonged illness or disability. This care may include help at home with daily activities, adult foster care, nursing home care, or care in an assisted living facility. Long-term care insurance is one way to help pay for these services. It covers all or some long-term care services.

How much does long-term care insurance cost?

Costs rise with age and vary greatly based on the coverage a person selects. In 2007, Americans paid the following approximate average amounts for long-term care policies:

- \$2,000 per year at age 50
- \$2,500 per year at age 65
- More than \$3,000 per year for those age 70 and older

Premiums may increase after purchase.

How much will the policy pay?

You select a daily benefit amount (for example, \$100 a day), which is the maximum daily amount the policy will pay for care. Most policies let you choose from \$50 a day to as much as \$500 a day. Also, you may choose a benefit period ranging from two years to the remainder of your life. Ask the person selling the policy if the benefits will increase with inflation.

When will benefits be available?

A long-term care policy does not guarantee coverage unless you satisfy certain requirements. For example, most policies require that you are

unable to perform a given number of the six daily living activities: Bathing, dressing, eating, transferring (to or from a bed or chair), toileting, and continence (bowel/bladder control). Also, most policies have a benefit trigger for cognitive impairment. For example, as a policyholder you can only qualify for these benefits if you are unable to pass a test assessing your mental functioning.

Also, long-term care policies have an elimination period (also called a waiting period). This period is the number of days you must need services before your policy pays for benefits. The shorter the period, the higher your premium. Elimination periods may range from zero to 180 days.

Are there exclusions?

Every policy has an exclusion and/or limitation section that lists the services that are **not covered** or that have limits on coverage. Be sure to review this section when choosing a policy.

Can I change my mind?

If you buy a policy and change your mind, you can return it within 30 days of purchase and get a full premium refund.

What are partnership policies?

These policies protect some of your assets if you ever need to apply for Medicaid. Every dollar that a partnership policy pays out in benefits is a dollar that isn't counted toward the resource limit if you apply for Medicaid. The Oregon Insurance Division website, insurance.oregon.gov, lists the companies that are approved to sell these types of long-term care policies. If you need help finding this list, contact a consumer advocate: 1-888-877-4894 (toll-free) or 503-947-7984 in Salem.