

Long Term Care Insurance Overview

Long-term care includes many different services that help people with chronic conditions overcome limitations that keep them from being independent. Long-term care helps individuals maintain their levels of functioning, rather than improving or correcting medical conditions. If individuals have physical illnesses or disabilities, they will often need hands-on help with their activities of daily living (ADLs). These ADLs include bathing, continence, dressing, eating, toileting and transferring. If individuals have cognitive impairments, they usually need supervision, protection, or verbal reminders to do their everyday activities. Skilled care and custodial care are the terms most often used to describe long-term care and the type or level of care you may need.

Long Term Care Insurance:

Long-term care insurance is designed to help pay for an individual's long-term care expenses. Depending on the plan you choose, it may pay part or all of your care.

Long-term care insurance policies are not standardized like Medicare Supplement plans. Instead, companies are selling policies that combine a variety of benefits and coverage in different ways. Policies may also be complicated. Every insurance company must define its terms, benefits, and exclusions in the policy. Companies must deliver to a prospective buyer an "Outline of Coverage" which helps to explain these terms. **Bottom line:** Be thorough when shopping for long-term care coverage.

You should understand what services the long-term care insurance policy covers and the many types of long-term care services you might need. Some policies cover only stays in nursing homes. Others cover only care in your home. Still others cover both nursing home and home health care. Many policies also include coverage for adult day care centers, assisted living centers, or other community facilities. Home health care coverage also varies. Some policies pay benefits only for skilled nursing care performed in your home by registered nurses, licensed practical nurses, and occupational, speech, and/or physical therapists.

When you apply for a long-term care policy, you will have a choice in designing your policy. You decide on:

- the daily benefit amount,
- the maximum benefit period, and
- the elimination period that would best suit your needs.

The benefit may be a set dollar amount or may be stated as the number of years, months, or days you will receive benefits. However, before the benefits start, you must satisfy an elimination period, which is the length of time you must wait after entering a nursing home or using home care before benefits from your policy will begin. The elimination period will range from zero to 180 days. You must determine the period of time you are able to pay for care out of pocket in order to select the appropriate number of days for your elimination period.

What is a Tax Qualified Long-Term Care Insurance Policy?

Federally tax-qualified long-term care insurance contracts provide certain federal income tax advantages. If you are paying a premium for a qualified long-term care contract, you may deduct part or the entire premium.

What if I can't afford a Long-Term Care Policy?

Seniors who do not have the financial resources to pay their long-term health care expenses may qualify for Medicaid. To qualify for Medicaid, your monthly income must be less than the federal poverty level, and your assets cannot exceed certain limits.

Medicaid will cover you only in Medicaid approved nursing homes that provide the level of care you need. Under certain circumstances, Medicaid will pay for home health care. The rules governing Medicaid are complex. For more information about Medicaid, contact the Florida Department of Children and Families at 1-866-762-2237.

What is a Long-Term Care Partnership Program Policy?

The Long Term Care Partnership Program (LTCP) is designed to help protect the assets of long-term care insurance policyholders who subsequently seek Medicaid benefits. The Federal Deficit Reduction Act of 2005 allowed states to establish Qualified State Long Term Care Partnership Programs. However, having a qualified LTCP policy does not guarantee that the insured will be eligible for Medicaid. The Department of Children and Families determines Medicaid eligibility in Florida. They can be reached at 1-866-762-2237. [Click here](#) to visit the FL Medicaid Web site for information on the Long Term Care Partnership Program overseen by the Agency for Health Care Administration (AHCA).

While Florida participates in the LTCP, not all states do. If a consumer plans to move to another state, check with its Medicaid eligibility agency to find out if they participate in the program. Also, while not all states recognize policies purchased in other states, Florida does honor LTCP insurance policies purchased in other reciprocal states.

What is the advantage of a Long-Term Care Partnership Program Policy?

When you have exhausted all the benefits of a long term care policy that qualifies for the Long Term Care Partnership Program, the advantage of that policy is called asset disregard. In return for purchasing a partnership policy or certificate, a portion of a policyholder's assets will be disregarded when determining their eligibility for Medicaid long term care services, if and when they apply for such services.

Traditionally, to be eligible for Medicaid, applicants' assets cannot exceed certain financial eligibility thresholds. When applying for Medicaid long term care benefits, the program allows individuals who purchase these policies to retain one dollar in assets for each dollar of long term care insurance benefits paid by the policy. For example, the typical asset limit for an individual applying for Medicaid nursing home services is \$2,000. If an applicant received \$100,000 in benefits through a partnership program insurance policy or certificate, they may retain up to \$102,000 in assets.

Long Term Care Insurance Tips

- [Verify before you buy!!!!](#) Contact us to verify the license of the agent and the insurance company before you sign the application for a policy.
- [Long Term Care Insurance Guide](#) The guide is an excellent tool if you are shopping for an insurance policy. It will help you understand the coverage and your rights and responsibilities.
- [Review your policy carefully!!!!](#) Understand your coverage, where the care is to be provided, when it starts, and how long it lasts.
- [Individuals have a 30-day free look provision.](#) You have the right to take up to 30 days to review your policy and decide if you want to keep it or return it for a full refund.
- [An individual policy must include a grace period provision.](#) The grace period for premium payment is 30 days for a Long-Term Care Insurance Policy.
- [Homemaker service contracts are not insurance.](#) Since these plans are not insurance, there is no protection if the company goes out of business.

Want more information?

Visit the [Long Term Care Insurance portion of the Insurance Library](#) or call **1-877-MY-FL-CFO (1-877-693-5236)**