

Long Term Care Frequently Asked Questions

What is long term care insurance?

A long term care (LTC) insurance policy helps cover the cost of long term care, picking up where health and disability insurance leave off. LTC refers to help with daily activities -- such as eating, bathing or dressing -- over an extended period of time. It can also include help for those suffering from a severe cognitive impairment such as Alzheimer's disease. LTC is generally provided in the patient's home, an assisted living facility, or a nursing home.

Why would I want long term care insurance?

Because: (1) at some point in your life there is a strong probability that you may need LTC (2) LTC is very expensive. The national average cost of a semi-private room in a nursing home is now \$70,000 annually. By 2030, the average annual cost of nursing home care is expected to exceed \$190,000 per year; (3) in most cases, health and disability insurance cover only a fraction of LTC costs.

Don't expect much help from Medicare or Medicaid either. Medicare pays for skilled care, however it is for a limited period of time and generally does not purely cover custodial care (other than incidental homemaker services). Medicaid covers some long term care, but not until you (and your spouse) "spend down" nearly all of your assets.

The bottom line: If you want access to the highest quality of care and don't want to trade the wealth you've accumulated over a lifetime to pay for your care, you need LTC insurance.

Remember, too, that the need for LTC can happen to anyone, even in the prime of life. And the cost of purchasing LTC insurance is substantially reduced when you purchase it while you're young.

Doesn't Medicare or Medicaid cover long term care?

Generally, Medicare doesn't pay for long term care. Medicare pays only for medically necessary skilled nursing facility or home health care, subject to certain conditions. Most long term care is to assist people with support services, such as activities of daily living like dressing, bathing and using the bathroom. Medicare doesn't pay for this type of care, called "custodial" care. Some Medicare Advantage plans may offer limited skilled (not custodial) nursing facility and home care coverage if the care is medically necessary.

Medicaid will cover nursing home and, in some cases, other long term care expenses; however, you must first qualify for Medicaid by meeting poverty guidelines. This often means you must "spend down" or deplete most of your assets before qualifying. (Actual Medicaid requirements vary by state.)

How long will I have to pay premiums?

Most long term care insurance policyholders choose to pay premiums over a lifetime. However, LifeSecure also offers two limited premium payment choices: 10-year Premium Payment and To-age-65 Premium Payment which allow for accelerated payments over a shorter period of time. You can self-quote any variation using your on-line Quote Calculator. LifeSecure's long term care insurance policy also includes a waiver of Premium provision. Your premium payments are waived beginning on the first day you start receiving benefits.

How do I qualify for a spouse or domestic partner discount?

You can qualify for a spouse or domestic partner discount in one of two ways: 1) If you and your spouse/partner are both issued coverage, a 30% discount will be applied to both policies; or 2) if your spouse/partner does not apply for coverage or is not accepted for coverage, a 10% discount will be applied to your policy alone.

Does a deductible apply to my coverage?

The "Benefit Wait Period" is a form of deductible with long term care insurance. Our policy has a 90-day Benefit Wait Period. This is the period of time from when your qualifying impairment begins to when your benefits actually become payable. Your Benefit Wait Period need only be met once per lifetime. And you are not required to be receiving paid services in order to accumulate your Benefit Wait Period days.

Does the policy include any exclusions or limitations?

Yes. Charges for care or services provided by a family member, as well as care or services for which no charge is made in the absence of insurance, are excluded under the reimbursable covered expenses portion of the policy. However, such care or services may be payable under our Flexible Benefit.