



## **LONG TERM CARE INSURANCE: WHAT YOU NEED TO KNOW**

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## About Long Term Care:

### What is it?

There are many different services that would fall under the definition of long term care. These services include institutional care in nursing facilities or non-institutional care such as home health care, personal care, adult day care, long term home health care, respite care and hospice care.

- **Nursing homes** in New York State are licensed under the Public Health Law.
- **Home health care** consists of services received in your home, and can include skilled nursing care, speech, physical or occupational therapy or home health aide services.
- **Home care (personal care)** consists of assistance with personal hygiene, dressing or feeding, nutritional or support functions and health-related tasks.
- **Adult Day Care** is group supervision for elderly persons, including social and recreational services and in some cases health services, in a community facility.
- **Assisted living facilities** provide housing and ongoing care and services to those unable to perform activities of daily living or who have a cognitive impairment.
- An **alternate level of care** is care received as a hospital inpatient when there is no medical necessity for being in the hospital and is for those persons waiting to be placed in a nursing home or while arrangements are being made for home care.
- **Respite care** is temporary institutional or at home care of a dependent elderly, ill, or handicapped person, providing relief for their usual caregivers.
- **Hospice care** is a program of care and treatment, either in a hospice care facility or in the home, for persons who are terminally ill and have a life expectancy of six months or less.

### The Likelihood of Needing Long Term Care

The chances of needing some type of long term care services is high. It is estimated that over 40% of all persons who were 65 years old in 1990 will enter a nursing home during their lifetimes.

### The Cost of Long Term Care in New York

Long term care is very expensive. Most people cannot afford to privately pay for long term care services for very long.

Nursing home care costs vary in upstate New York from \$284 per day in Central New York to \$331 per day in the Rochester area, which is approximately \$103,740 per year in Central New York to \$120,876 per year in the Rochester area. Downstate, nursing home costs vary from \$366 per day in the Northern Metropolitan area to \$398 per day in Long Island, which is approximately \$133,620 per year in the Northern Metropolitan area to \$145,344 per year in Long Island. It is estimated that persons in nursing homes stay for less than 2½ years on average.

Home health care is also expensive. The average cost of home health care in New York State in 2011 was \$20 per hour, according to an industry survey. Assuming 20 hours of care per week, this represents average home health care costs throughout the State reach \$21,000 per year.

### **Is Long Term Care Covered By Medicare or Health Insurance?**

**Medicare:** Medicare does NOT pay for most long term care services. Individuals should not rely on Medicare to meet their long term care service needs. Medicare does not pay for custodial care when that is the only kind of care needed. Skilled nursing facility care is covered by Medicare but only on a very limited basis.

If you need skilled health care in your home for the treatment of an illness or injury, Medicare may pay for some part-time or intermittent home health services furnished by a home health agency. Visit [www.medicare.gov](http://www.medicare.gov) and [www.cms.gov](http://www.cms.gov) for more information on what is/is not covered by Medicare.

**Medicare Supplement Insurance Plans:** These plans are designed to fill in some of the gaps in Medicare coverage, but they do NOT cover most long term care services.

**Private health insurance:** that you might already have covers mainly acute conditions and probably does NOT cover long term care.

**Medicaid:** In order to qualify for Medicaid coverage, you must meet certain income and asset tests. Because of the high cost of nursing home care, more than half of those who enter nursing homes privately paying for their care deplete their assets to the level required to qualify for Medicaid in less than a year. In New York State in 2014, if only one spouse needs nursing home care, the married couple is allowed to keep a home, a car and assets up to \$117,240. A single person who requires such care may have resources up to \$14,550 and still qualify for Medicaid.

### **How Else Can I Pay For Long Term Care?**

There are other options that you may need to consider in order to pay for long term care services:

- **Savings and Investments:** A savings or investment plan may help pay for long term care services. A retirement plan such as an IRA or 401K plan may also be available to you.
- **Life Insurance:** A life insurance policy may offer the opportunity for a loan or withdrawal of the cash value. In addition, a person who is terminally ill may arrange for an accelerated cash lump sum death benefit from his life insurance company or for a cash lump sum (called a viatical settlement) from an outside firm. (Note: not all life insurance companies offer an accelerated death benefit option). These cash lump sum benefits are paid in lieu of the policy's death benefit.
- **Equity in Your Home:** If you have built up equity in your home, you could use the profit from the sale of your home to fund long term care costs and move to less expensive accommodations. Another option is a "reverse mortgage," which is a loan based on the amount of equity you have built up in your home.
- **Other Housing:** You may be able to buy into a Continuing Care Retirement Community where the cost includes future access to long term care services. You may also find shared housing with supportive services.

## Continuing Care Retirement Communities

Continuing care retirement communities (CCRCs) provide another option for meeting your long term care needs. This option may be very expensive and is only practical for those persons with higher than average incomes and significant assets to protect. CCRCs are residential communities that offer seniors a place to live that offer a variety of services and care, including long term care services. These communities provide not only housing but also organized social events, dining facilities, sports facilities, special interest clubs, outings and vacation opportunities. They also provide home care services, nursing facility services, adult home services and access to physician and other professional services for their residents.

Entrance fees for CCRCs may be substantial, and depending on the size and type of the dwelling chosen by the resident, can range in price from approximately \$200,000 to \$1 million. There is also an additional monthly fee that typically ranges from approximately \$2,000 to \$5,000.

CCRCs in New York State offer three different types of life care contracts for their residents. One type is all-inclusive (Type A), another provides modified (Type B) services, and the third (Type C) is fee for service:

- **Type A Contracts:** Type A contracts provide housing, residential services, many amenities and unlimited, specific health-related services, including long term care services. If the resident's health deteriorates to the point that they need long term care services or admission to the nursing home, all of the services covered under the contract are provided without an increase in the monthly fee (except for normal operating costs and inflation adjustments). The monthly fee also will not increase due to the amount of services the resident requires.
- **Type B Contracts:** Type B contracts provide housing, residential services and many amenities. This contract differs from the Type A contract in the amount of long term care services that will be provided before an adjustment is made in the amount of the monthly fee paid by the resident. For example, under this type of contract, the CCRC could allow residents a specified number of days in a nursing home without a change in the monthly fee. Once this limit is reached, the resident could be required to pay for continued nursing home services on a full per diem basis or a discounted per diem basis.
- **Type C contracts:** Type C contracts provide housing, residential services and amenities under the entrance fee and/or monthly fee in the same way as Type A and B contracts. This contract differs from the other two types of contracts in that all other health related services, including nursing home care, are paid for by the resident as they are needed on a fee-for-service basis. Under this type of agreement, the resident pays lower fees upon entry, but in turn accepts the risk of paying for the care needed.

[Operational Continuing Care Retirement Communities in New York \(PDF\)](#)

## Long Term Care Insurance

### Insurance policies covering long term care

Insurance policies covering long term care services are a relatively new form of insurance. The New York State Department of Financial Services has encouraged insurance companies to offer policies covering long term care services and has established minimum standards for four classifications of insurance policies covering such services.

The services covered under these policies can be significantly different among policies. It is very important to read the policies carefully and compare the benefits to determine which policy will best meet your own personal needs.

Insurance policies covering long term care services in New York are sold on both an individual and a group basis. Some employers and association groups offer such policies to their employees or members. If you are unable to obtain such a policy through a group, the policies are also sold on an individual basis.

All insurance policies covering long term care services currently being sold in New York State are indemnity policies. Indemnity policies pay a specific dollar amount for each day you spend in a nursing facility or for each home health or home care visit. Some of these policies pay the daily benefit amount regardless of the charges; others will pay covered charges, or a percentage of covered charges up to the daily benefit amount.

Over time, as nursing home and home care charges increase, the daily dollar amounts which are payable under these policies do not increase, however, insurers selling these policies are required at the time of sale to also offer an "inflation protection" benefit. All Partnership approved policies must include an inflation protection benefit of at least 3.5% compounded annually unless the policy is purchased at age 80 or above. A 5% compounded annually inflation protection benefit is also offered unless the Partnership policy is purchased at age 80 or above. This benefit increases the daily benefit amount over time to help keep pace with inflation and increased expenses. Without the "inflation protection" benefit, you will pay more out-of-pocket should you need nursing home care or home care.

Some insurers also offer an option to increase the daily benefit amounts and maximum policy benefit at a future time. Under this option, you have the ability to increase the amounts every specified number of years. Unlike an inflation protection benefit purchased at the same time as the policy, if you opt to increase the daily benefit amounts and maximum policy benefit under this option, your premiums will increase based on your attained age at the time you opt to increase the benefits.

### **Minimum Standards for LTC Policies in New York**

New York State has established minimum standards for insurance policies covering long term care services.

The Department has established four different classifications for these policies:

- Long Term Care Insurance
- Nursing Home and Home Care Insurance
- Nursing Home Insurance Only
- Home Care Insurance Only

**Long Term Care Insurance** policies provide the broadest coverage of long term care services. The Department requires that these policies cover for at least 24 consecutive months, the following benefits:

- Coverage of all levels of care in a nursing home of at least: \$100 per day for policies sold in the New York City Metropolitan area (the counties of Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk, Rockland and Westchester); and \$70 per day for all other parts of New York State; and
- Coverage of home care of at least 50% of the daily indemnity amount provided for care in a nursing home.

**Nursing Home and Home Care Insurance** combines the benefits of Nursing Home Insurance Only and Home Care Insurance Only. This policy is for those persons who want some coverage for nursing home and home care services but who cannot afford Long Term Care Insurance.

The Department requires that these policies cover, for at least a period of 12 consecutive months, the following benefits:

- Coverage of custodial care services of at least \$50 a day while confined in a nursing home; and
- Coverage of custodial care services of at least \$25 per day in a private home.

**Nursing Home Insurance Only** is for those persons who either have no desire or intention to receive long term care services in their home or have the financial resources to self-pay for home care services, but desire financial protection against the greater cost of nursing home care.

- Nursing Home Insurance Only must provide at least twelve consecutive months of coverage of custodial care services of at least \$50 a day while confined in a nursing home.

IF THERE IS ANY CHANCE THAT YOU MAY REQUIRE INSURANCE COVERAGE FOR HOME HEALTH CARE SERVICES IN THE FUTURE, A NURSING HOME INSURANCE ONLY POLICY MAY NOT BE THE BEST TYPE OF LONG TERM CARE COVERAGE FOR YOU.

**Home Care Insurance Only** is a very limited policy. This type of policy should only be considered by those persons who either have no desire or intention of entering a nursing home, and would be able to obtain long term care services in their home or have already purchased a nursing home policy and wish to add a home care benefit.

Home Care Insurance Only must provide at least twelve consecutive months of coverage of custodial care services of at least \$25 per day in a private home.

IF THERE IS ANY CHANCE THAT YOU MAY REQUIRE NURSING HOME SERVICES IN THE FUTURE, A HOME CARE INSURANCE ONLY POLICY IS MOST LIKELY NOT THE BEST TYPE OF LONG TERM CARE COVERAGE FOR YOU.

### **New York State Partnership for Long Term Care Program**

In 1993, the New York State Partnership for Long Term Care was initiated in New York State to encourage more people to purchase long term care insurance policies. In this program, if you purchase an approved long term care policy and meet certain other requirements, you can obtain Medicaid coverage after the benefits under the long term care policy are exhausted. Qualification is based on income and you are able to retain some or all of your assets (depending on the policy purchased). The Partnership for Long Term Care web site provides more information on Medicaid Eligibility at <http://www.nyspltc.org>.

All New York State Partnership approved policies prominently display the logo:



In order to purchase a Partnership-approved long term care policy, an applicant must meet all underwriting rules of the insurance company. When benefits under the policy are nearly exhausted, an application for Medicaid must be filed by you or your representative.

If you are considering the purchase of a New York State Partnership long term care policy, but intend to move outside of New York, the benefits under the long term care policy will still be payable. The asset protection under the New York State Medicaid Program only applies if you are a New York State resident. Asset protection under the Medicaid Programs and Partnership Programs (if any) of other states may be available to the New York State Partnership insured if the other state participates in Medicaid reciprocity when the New York State Partnership insured applies for Medicaid in that state. Consult the documents issued with your New York State Partnership coverage carefully concerning Medicaid reciprocity and all other matters.

For more information on the Long Term Care Partnership Program call 1-888-NYS-PLTC (1-888-697-7582) or (518) 473-8083 or visit the Partnership's website at <http://www.nyspltc.org>.

### **Tax Savings on LTC Policies**

**Federal Tax Deduction:** The Federal government allows favorable tax treatment of long term care policies which qualify under the law. Generally, benefits you receive from tax-qualified policies will not be considered as taxable income under either federal or state law as long as the benefits are reasonably related to the long term care charges incurred within the federally prescribed limits.

The premiums charged for tax-qualified policies are treated as medical expenses for purposes of itemized deductions up to certain dollar limits that are indexed annually.

[Insurers Currently Offering Long Term Care Insurance](#) (PDF)

**New York State Tax Credit:** New York State allows favorable state tax treatment of premiums paid for policies which qualify under the federal law and meet New York minimum standards. Long term care premium tax credit legislation was passed in 2000 and took effect in taxable years beginning in 2002.

Additional legislation was passed increasing the tax credit for long term care insurance premiums from 10% to 20% for taxable years beginning in 2004. Any qualified policy covering long term care services that was approved in New York and issued before January 1, 1997, also qualifies for favorable tax treatment with certain limited exceptions.

A qualified long-term care insurance policy is one that is:

approved by the New York State Superintendent of Financial Services under section 1117(g) of the Insurance Law; **and**

a qualified long-term care insurance contract under section 7702B of the Internal Revenue Code (IRC). (Note that section 7702B relates to policies for which a federal itemized deduction is allowed.)

**or**

is a group contract delivered or issued for delivery outside New York State; **and**

the group contract is a qualified long-term care insurance contract under section 7702B of the IRC. The premiums paid for this insurance qualify for the credit even if the policy is not approved by the New York State Superintendent of Financial Services.

You should consult with an attorney, accountant or tax advisor regarding the tax implications of purchasing a tax-qualified policy.

Remember, not all long term care policies qualify for favorable tax treatment. Insurers who market tax-qualified policies may also market non-tax-qualified policies. This information can be obtained by contacting the insurance carrier.

**Claiming the New York State Credit:** To claim the New York State Credit you must complete [Form IT-249, Claim for Long-Term Care Insurance Credit](#), and attach it to your New York State Return.

## Shopping for Long Term Care Insurance

### Things to Consider Before Purchasing LTC Insurance

- Are you eligible for Medicaid? If so, Medicaid will pay your long term care expenses.
- How much can you afford to pay out-of-pocket for long term care expenses?
- How much can you afford to pay for an insurance policy covering long term care services?
- If you are planning to retire, will your reduced income be enough to pay the premium?
- All long term care policies are medically underwritten, (i.e., your physical/mental condition and health history will be evaluated) so, if you intend to purchase a policy, don't wait until you have a medical condition that could make long term care coverage more expensive or unavailable.
- In most cases, the premium for a policy will be lower when purchased at a younger age. Also, insurance policies covering long term care services are only offered at certain ages.
- What types of long term care services would best meet your own personal needs and preferences? What are the costs of these services in the locality where you would be receiving them?

[Checklist for Purchasing Long Term Care Insurance](#) (PDF)

### Comparing LTC Policies

All individual policies covering long term care services in New York State must be guaranteed renewable. Guaranteed renewable means that you have the right to continue the policy as long as the premiums are paid on a timely basis. An insurer cannot terminate the policy if your health declines. The insurer also cannot make any change in any provision of the policy while the insurance is in force without your agreement. However, an insurer can change the premium. An insurer cannot change the premium charged for the policy unless it receives the approval of the Department and it applies to all members of a class covered by the policy.



All policies covering long term care services place certain limits on benefits and may exclude certain benefits completely. In choosing a policy that will best meet your own personal needs, it is important to understand the limitations and benefit exclusions which are contained in these policies. The most common exclusions and limits that are used in insurance policies covering long term care services are described below:

**Maximum Policy Benefit:** The maximum policy benefit is the period of time or dollar amount limit for which long term care benefits will be paid under the policy. Insurance policies covering long term care services contain maximums of from one to ten years, lifetime benefits, or a dollar amount limit. Most of the maximum policy benefits with dollar amount limits are calculated by multiplying the number of years of benefits chosen, times 365 days, times the daily benefit amount chosen. Once the benefit limit or time limit is reached under these policies, no other benefits will be paid for your continuous need for long term care services. It is important to note that in some long term care policies the maximum policy benefit is not the same for all benefits listed in the policy. For example, some nursing home and home care policies have separate maximum benefits for nursing home and home care. Certain policies also contain a separate benefit limit for each particular period of care (generally successive days of care in a nursing home or while receiving home care without a break in the care for a period of time specified in the policy).

**Elimination or Waiting Period:** The elimination or waiting period is the number of days you must receive long term care services before benefits will be paid under the policy. During the elimination or waiting period you will have to privately pay for the care you receive. A new elimination or waiting period may be imposed for each period of care. Shorter periods increase the cost of coverage. Different policies count elimination periods differently, so please review the policy language carefully. Some policies may require you receive formal long term care services each day in order for the day to count towards the elimination period.

**Preexisting Condition Limitation:** A preexisting condition is a condition for which medical advice was given or treatment was recommended by, or received from, a licensed health care provider within six months before the effective date of coverage of the insured person. Some of the policies covering long term care services contain a preexisting condition limitation. This limitation is the period of time after you buy the policy that benefits will NOT be payable for care related to the preexisting condition. Some policies apply preexisting condition limitations only for medical conditions that are not disclosed on the application. Therefore, it is very important that you answer all questions on the application as completely as possible. Policies covering long term care services may not contain a preexisting condition limitation of more than six months after the effective date of coverage.

**Policy Exclusions:** Specific exclusions are listed in all long term care policies. Some of the more common exclusions in policies covering long term care services are:

- Mental illness, however, the policy may NOT exclude or limit benefits for Alzheimer's Disease, senile dementia, or demonstrable organic brain disease.
- Intentionally self-inflicted injuries.
- Alcoholism and drug addiction.
- Care in government nursing facilities unless a charge is made in which you are obligated to pay.
- Coverage while the insured is outside the United States and its possessions.

**Daily Benefit Amount:** Most of the policies covering long term care services currently being sold do not cover the full charge for a nursing facility or home health agency. Each indemnity policy limits

payment to a daily benefit amount, which is the dollar amount payable per day based on the type of care being provided. Any charges above the daily benefit amount must be paid by you. Many indemnity policies cover provider charges up to the daily benefit amount.

## Optional Benefits

The New York State Department of Financial Services requires that at the time of sale of policies covering long term care services, certain optional benefits must be offered. These options (and the types of policies they must be offered with) follow:

**Inflation Protection:** An Inflation Protection Benefit must be offered with "Long Term Care Insurance," "Nursing Home Insurance Only," "Home Care Insurance Only" and "Nursing Home and Home Care Insurance". Policies approved under the New York State Partnership for Long Term Care must contain an inflation protection benefit of at least 3.5% compounded annually, unless the policy is purchased at or after age 80. A 5% compound annual inflation protection benefit is also offered unless the Partnership policy is purchased at age 80 or above. Remember, a daily benefit amount that is adequate today may not be adequate ten years from now. In an indemnity policy an inflation protection benefit increases the daily benefit amount and/or maximum policy benefit over time to help keep pace with inflation and increased expenses.

**Nonforfeiture:** A Nonforfeiture Benefit must be offered with "Long Term Care Insurance" policies. The nonforfeiture benefit is designed to ensure that if you lapse your policy (i.e., stop paying premiums) after a specified number of years, you retain some benefits from the policy. There are currently two common types of nonforfeiture benefits being offered with certain insurance policies covering long term care services. These are referred to as a "Reduced Paid-Up Benefit" and a "Shortened Benefit Period." A brief description of these benefits follow:

**Reduced Paid-Up Benefit:** If you purchase a reduced paid-up benefit, it will provide that if you lapse your policy after a specified number of years, the policy will continue with reduced daily benefit amounts (some insurers apply this nonforfeiture benefit only to nursing home benefits).

**Shortened Benefit Period:** If you purchase a shortened benefit period, it will provide that if you lapse your policy after a specified number of years, the policy will continue to cover the same benefits (amounts and frequency in effect at the time of lapse) that would have been covered under your policy until the nonforfeiture benefit amount is exhausted. A similar nonforfeiture benefit that was offered in the past was known as an "Extended Term Benefit".

In other words, the "Reduced Paid-Up Benefit" provides reduced benefits for the original term of the policy, and the "Shortened Benefit Period" provides full benefits for a reduced period of time.

NOTE: ALL OF THE OPTIONAL BENEFITS NOTED ABOVE INCREASE THE COST OF THE BASIC POLICY.

## Comparing Premiums for LTC Insurance

### How much does it cost?

Only an insurance company can tell you the exact cost based on your individual age, health benefit choices and premium choices with any premium discounts that may apply.

The Department's portal provides some examples of the annual cost of individual long term care insurance policies being offered in New York State based on certain variable criteria in an interactive guide:

### [Sample Premiums for Long Term Care Insurance](#)

Here is an example of the type of information that is available on the website.

At age 55, an individual non-Partnership policy offering two years of coverage, a 100-day elimination period, at a benefit level of \$300 per day for Nursing Home, Assisted Living, and Home Care, two different policies are offered by two companies and the premiums range from \$1,422 to \$2,010 per year without inflation protection and from \$4,671 to \$7,578 per year with inflation protection.

For the same policy purchased at age 65, the premiums range from \$2,805 to \$4,048 per year without inflation protection and from \$6,522 to \$9,148 per year with inflation protection.

This comparison clearly illustrates how waiting to purchase long term care insurance impacts the cost.

The sample premiums are based upon a limited number of criteria. Many factors are considered in the pricing of a Long Term Care policy including, but not limited to, the daily benefit amount(s), benefit period, elimination period, level of inflation protection, age of the applicant, health of the applicant, and any premium discount that may apply. Any additional or innovative benefits purchased with a policy will most likely add to the cost. The policies that you may be interested in may offer options that our website is not able to consider. You are encouraged to use our website and take the information that you receive from this interactive site and use it as the basis of a discussion with an insurance agent.

### **Can the premium increase?**

Both initial premiums and premium increases on open or closed blocks of business must be approved by the Department. When a premium is approved for a new long term care insurance policy, it is expected to remain stable throughout the life of a policy. Typically, insureds make the same payment annually for the amount of time required by the policy (usually lifetime or 10 years), which is known as a level premium. Level premium does not mean that the premium cannot increase. A company may seek the Department's approval of a premium change on a class basis. A premium increase on a class basis means that a person cannot be singled out for their own premium increase (for example, as you age or if you become ill). An increase could be approved for all persons who have a particular policy if something changed significantly with respect to the original assumptions made for that policy.

### **What if the company stops selling the policy?**

For a number of reasons, an insurer may decide to stop selling a certain policy to new applicants (also known as "closing a block of business"). Existing insureds are allowed to remain on the policy.

Since new, healthy people are not being added to the policy, some consumers are concerned that this will result in a premium increase. When the Department approves the initial premium of the policy, the policy must be shown to be self-supporting. This means increases should be unnecessary through the life of the insured pool provided the assumptions in the original pricing are correct. Insurers may still

request approval of a premium rate increase on a closed block of business due to unanticipated factors arising after the original pricing.

[Insurers Currently Offering Long Term Care Insurance](#)

### **Insurance Company Ratings and Stability**

When selecting an insurance policy, you are also selecting an insurance company and you may wish to know how stable that company is financially. Many firms rate the financial soundness of insurance companies. Some provide the ratings free while others charge a fee, ranging from a small fee for an online rating to a larger amount for quarterly reports. Each firm has a different rating scale and firms may differ in the conclusions they reach about a specific insurance company. Therefore, you may wish to check with more than one firm before selecting an insurance company. Listed below are some of the firms that rate insurance companies along with their phone numbers and web addresses:

A.M. Best Insurance Review  
1-908-439-2200 ext. 5742  
[www.ambest.com](http://www.ambest.com)

Fitch Ratings  
1-800-75-FITCH  
[www.fitchratings.com](http://www.fitchratings.com)

Moody's Investor's Service  
1-212-553-0377  
[www.moody.com](http://www.moody.com)

Standard & Poor's  
1-877-772-5436  
[www.standardandpoors.com](http://www.standardandpoors.com)

Thestreet.com  
[www.thestreet.com/](http://www.thestreet.com/)

### **Financial Stability and the Department of Financial Services**

One of the New York State Department of Financial Services' primary functions is overseeing the financial stability of insurance companies. A company's financial stability helps to assure the consumer that the company will be there to pay claims in the future. Few company failures have occurred in the past, and the Department remains confident that the statutory and regulatory framework currently in place will continue to afford the consumer the greatest protection and the least disruption to their coverage. When necessary, the Department will work with an insurer to take all reasonably feasible actions to rehabilitate its financial situation, including supervision of the reinsurance or sale of one or more blocks of business.

To date, New York has not experienced a company's financial failure involving long term care insurance. Several published opinions by the Department have concluded that the Life Insurance Company Guaranty Corporation is applicable to long term care insurance policies issued by life insurance companies authorized to transact accident and health insurance in New York. Under this guaranty fund, life insurance companies that are members meet their obligations to the guaranty fund by offering coverage to those individuals who lose coverage under the insolvent firm. The coverage may or may not be the same as the prior coverage. This fund applies only to insurers organized as life insurance

companies. More information regarding the guaranty fund can be found their web site at [www.nylifega.org](http://www.nylifega.org)

## Contact Us

Questions about long term care insurance coverage should be directed to the New York State Department of Financial Services at 1-800-342-3736, (212) 480-6400 or (518) 474-6600.

## Tools and Resources

[Insurers Currently Offering Long Term Care Insurance](#) (PDF)

[Checklist for Purchasing Long Term Care Insurance](#) (PDF)

[Sample Premiums for Long Term Care Insurance](#) (DFS Portal)

## Glossary of LTC Terms

**Activities of Daily Living (ADLs):** Everyday actions performed by individuals such as dressing, eating, bathing, toileting, continence and transferring. Most insurance policies covering long term care services base your qualification for benefits on your inability to perform a certain number of ADLs.

**Adult Day Care:** Group supervision for elderly persons, including social and recreational services and in some cases health services, in a community facility.

**Alternate Level of Care Benefits:** Care in a hospital inpatient setting for those persons waiting to be placed in a nursing home or while arrangements are being made for home care.

**Assisted Living Facility:** A residential facility providing ongoing care and related services for persons needing assistance with activities of daily living.

**Copayment or Coinsurance:** The amount you must pay for each medical service, outpatient hospital service or hospital stay.

**Custodial Care:** Non-medical care that meets your personal needs. For example, custodial care includes help eating, bathing, toileting, taking medication or walking.

**Cognitive Impairment:** Deterioration in intellectual activity such as thinking, reasoning or remembering.

**Daily Benefit Amount:** The amount your insurance policy will cover for each day of services provided. Some policies pay a flat daily benefit amount, while others will pay reasonable and customary charges up to the daily benefit amount.

**Deductible:** The amount you must pay for health care before Medicare or private medical insurance begins to pay.

**Dementia:** Impairment of intellectual faculties due to a disorder of the brain.

**Elimination or Waiting Period:** The elimination or waiting period is the number of days you must receive long term care services before benefits will be paid under the policy. During the elimination or waiting period you will have to privately pay for the care you receive. A new elimination or waiting period may be imposed for each period of care. Shorter periods increase the cost of coverage. Different policies count elimination periods differently, so please review the policy language carefully. Some policies may require you receive formal long term care services each day in order for the day to count towards the elimination period.

**Free Look Period:** The time period after receipt of the policy during which a policyholder can cancel and get a full refund. In New York State this period is 30 days for long term care insurance.

**Functional Impairment:** The need for assistance to carry out a specific number of activities of daily living.

**Guaranteed Renewable:** Guaranteed renewable means that you have the right to continue the policy as long as the premiums are paid on a timely basis. An insurer cannot terminate the policy if your health declines. The insurer also cannot make any change in any provision of the policy while the insurance is in force without your agreement. However, an insurer can change the premium. An insurer cannot change the premium charged for the policy unless it is approved by the New York State Department of Financial Services and it applies to all members of a class covered by the policy.

**Home Care (personal care):** Assistance with personal hygiene, dressing or feeding, nutritional or support functions and health-related tasks.

**Home Health Care:** Health services received in your home, including skilled nursing care, speech, physical or occupational therapy or home health aide services.

**Hospice Care:** A program of care and treatment, either in a hospice facility or in the home, for persons who are terminally ill and have a life expectancy of six months or less.

**Inflation Protection Benefit:** Increases the daily benefit amount and policy maximums over time to help keep pace with inflation and increased expenses.

**Maximum Policy Benefit:** The period of time or dollar amount limit for which long term care benefits will be paid under the policy.

**Medicaid:** A governmental program for low-income individuals and families.

**Medicare:** A federal program providing hospital and medical insurance to people aged 65 or older and to certain ill or disabled persons.

**Medicare Supplement Insurance:** Private insurance designed to fill in some of the major gaps in Medicare coverage.

**New York City Metropolitan Area:** The counties of Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester.

**Nonforfeiture Benefit:** A benefit designed to ensure that if an insurance policy is lapsed after a specific number of years, some of the benefits from the policy will be retained.

**Partnership for Long Term Care:** A public-private partnership which provides that if a long term care policy qualifying under the partnership program is purchased, the insured will qualify for Medicaid

services without spending down some or all of their assets (depending on the policy purchased) once the benefits under the policy are exhausted.

**Period of Care:** A specified number of days of care either in a nursing home or while receiving home care services without a break in the services for a specified number of days.

**Preexisting Condition:** A medical condition for which medical advice was given or treatment was recommended by, or received from, a licensed health care provider within six months before the effective date of coverage.

**Respite Care:** Services to provide family members a rest or vacation from caregiving responsibilities.

**Skilled Nursing Care:** A level of care that must be given or supervised by registered nurses.

**Viatical Settlement:** A cash lump sum paid in lieu of a life insurance policy's death benefits.

**Waiting Period:** The number of days you must be in a nursing facility or the number of days of home health care you must receive before long term care benefits will be paid under the policy. During the waiting period, you must privately pay for the nursing facility stay or home health care services.

**Waiver of Premium:** After a policyholder has received benefits for the specific number of days stated in the policy, no further premiums will be due until they leave the nursing home. (Sometimes this feature is also available for long term care services received in the home.)

## Helpful Links

**New York State HIICAP (Health Insurance Information, Counseling and Assistance Program)** - HIICAP provides free, confidential, accurate and unbiased health insurance information, counseling and assistance. Trained volunteer counselors and staff explain the coverage, costs, comparison and options of Medicare, Medicaid and private insurance, including Medigap and long term care insurance.

Phone No. 1-800-701-0501

Web site [www.aging.ny.gov/HealthBenefits/Index.cfm](http://www.aging.ny.gov/HealthBenefits/Index.cfm)

**New York State Office for the Aging** - The Office for the Aging plans and coordinates programs and services for the aging at all levels in both the public and private sectors and operates the Senior Citizens' Hot Line.

NYS Senior Citizens' Hot Line 1-800-342-9871

Web site [www.aging.ny.gov](http://www.aging.ny.gov)

**New York State Department of Health** – The mission of the New York State Department of Health is to protect, improve and promote the health, productivity and well being of all New Yorkers. Questions about Partnership for Long Term Care should be directed to the New York State Department of Health.

Phone No. 1-888-NYS-PLTC (1-888-697-7582) or (518) 473-8083

Web site [www.nyspltc.org](http://www.nyspltc.org)

**Centers for Medicare and Medicaid Services** - The Centers for Medicare & Medicaid Services (CMS) is a federal agency within the U.S. Department of Health and Human Services. CMS runs the Medicare program, Medicaid program, and State Children's Health Insurance Program (SCHIP) - three national health care programs that benefit over 80 million Americans.

Phone No. 1-800-633-4227

Web site [www.cms.gov](http://www.cms.gov)