



Former First Lady Rosalynn Carter:

**“There are only four kinds of people in this world:
Those who have been caregivers.
Those who currently are caregivers.
Those who will be caregivers.
Those who will need caregivers.”**

In 2011, 1.34 million Hoosiers provided unpaid care for a loved one, placing the economic value of their help at \$9.4 billion – 4.1 times greater than the total Medicaid spending on LTC services in Indiana.

From USA Today, 1/2014: “Today, there are an estimated 42 million caregivers in America – about one out of every five adults – and pressure on family members is sure to rise as the Boomer generation gets older.”

From the National Underwriter, (2011) “*Home Is Favored for Long Term Care: Study*”: Around 12 million individuals are receiving LTC at home for an acute or terminal illness, long term health condition or permanent disability, according to a study by the American Association for Long Term Care Insurance and Homewatch Caregivers. Annual expenditures were over \$72 billion. In comparison, only 1.5 million are receiving extended care in nursing homes and 1.1 million in assisted-living facilities.”

From Northwestern University, Chicago News, 2/14/13:
“By 2020, a third of working Americans will be faced with ensuring some form of long term care for their parents.”

What is Long Term Care Insurance (LTCI)?

LTCI provides the financial means, the purchasing power, to pay for LTC services. As with other risk management insurance, LTCI allows the insured to leverage dollars (premium) to redirect responsibility of larger expenditures (risk) to an insurance company.

Since most of us will need some type of long term care at some point in our lives, most of us will have to determine how to pay for it. Except for limited VA benefits, basically, the choices are: (1) assets and income, or (2) LTC insurance.

The manner in which we choose to pay for our LTC may have an effect on our choices, options, and quality of care.



Why do I need LTCI?

Aging and LTC Risk

- A. **Most** of us will need some level of long term care at some point in our lives, especially those living into their 80s.
- B. According to the U.S. Dept. of Health and Human Services, 7 in 10 people over the age of 65 will require long term care. This compares to a 1 in 340 chance of a major auto accident and a 1 in 1,200 chance of a total loss from a fire. (Wall Street Journal, 9/2012.)
- C. “Roughly 75% of Americans over 65 will eventually need long term care, a reality that will cost, on average, a quarter of a million dollars per person in as little as 3 years.” (Northwestern University, Chicago News, 2/14/13.)

D. General Accounting Office, Long Term Care Current Issues and Future Directions:

Over 40% of Americans [currently] receiving long term care are between the ages of 18 and 64. These individuals need long term care due to accidents, disabling events or disabling diseases.

E. From IN Assoc. of Area Agencies on Aging, “Action Alerts”:
“One-third of all Indiana residents will be over the age of 60 by the year 2030, according to census projections. Of that group, a significant number will be over the age of 85. The state is not equipped to meet the long term care challenges.”

F. WOMEN are more likely to need formal long term care services. Women live longer, making them more likely to develop chronic health problems and are more likely to live alone.

NOTE: Yes, women are at higher risk to need LTC, but if men are going to need care, they are more likely to need it BEFORE their wives – thus putting women at more risk to be financially devastated by their husband’s need for LTC than vice versa.

G. Average number of years people need LTC services: 3 years



Medicare: Pays for skilled care only. (All LTC policies are prohibited from paying benefits when care is being paid for by Medicare.)

(1) Skilled Nursing Facility Care –
Medicare Part A provides limited coverage for skilled care in a nursing facility IF

- Medicare-approved, skilled nursing facility
- 3-day prior hospitalization requirement has been met
- admission within 30 days of hospital discharge
- Medicare recipient qualifies for Medicare-approved

skilled care
- show signs of improvement

If qualified, Medicare Part A will pay
From 1-20 days – all eligible expenses
From 21-100 days - \$157.50 per day (2015 figure)

(2)Home Health Care - Home health care: Pays only if certain criteria are met. These include a requirement of being homebound and needing skilled care. If the criteria are met, Medicare pays 100%, except for durable medical equipment for which it pays 80%.

Medicare Advantage Plans: The majority of Medicare Advantage Plans cover nursing home care similarly to original Medicare. LTC services that are not covered under original Medicare are also not covered under Medicare Advantage Plans.

Medicare Supplements (Medigap): do not include long term care coverage. They pay the co-payments and deductibles of Medicare, so if Medicare doesn't include coverage, neither do "supps".



How do I obtain LTCI?

For additional information on your Long Term Care Insurance options please contact:

LTCI Indiana, LLC
Becky Zehr
1144 S E Main Street

Paoli IN 47454

Email: Becky@LTCIindiana.com

Phone: 317-782-3222

Cell: 317-435-4447

www.LTCIindiana.com

SHIP - 1-800-452-4800

www.medicare.in.gov

Indiana LTC Partnership Program:

www.longtermcareinsurance.in.gov

Indiana Area Agencies on Aging

www.in.gov/fssa/da/3478.htm