

Glossary of LTC Terms

Activities of Daily Living (ADL):

Bathing, dressing, eating, continence, toileting and transferring (things you normally do by yourself every day)

Assisted Living Facility:

Provides a hotel-like environment with a home health care component for people with relatively light disabilities.

Custodial Care:

Help with Activities of Daily Living only

Daily Benefit Rate:

Daily benefit paid by the insurance company based on your selection

Elimination Period or Waiting Period:

Option that determines the number of days you must receive care before the coverage begins (basically a deductible represented in a number of days).

Guaranteed Renewable:

Policies cannot be cancelled for any reason if premiums are paid.

Home Care Benefits:

RN, LPN, OT, PT or home health aide visits, other services and equipment.

Indemnity vs. Reimbursement:

Reimbursement policy pays you what you spend for care up to the daily benefit amount. An indemnity policy will pay you the full daily rate regardless of what you spend.

Inflation Protection or BIO (benefit increase option):

Optional increasing benefit provision to cover inflation.

Medicare:

A federal program which provides health insurance program for people 65 and older; certain disabled individuals and people with kidney failure may be eligible before 65.

Medicaid:

Title XIX of the Social Security Act provides health care benefits on the basis of financial need to persons under 21 years or 65 or over, or disabled, or blind of all ages who meet financial eligibility requirements. Also provided to some persons who over income eligibility but have high medical bills.

Non-Forfeiture Option:

Provision to include cash value after a specified period of time, if policy is lapsed.

Pre-existing Condition:

Health conditions diagnosed or treated customarily within a six-month period prior to the effective date of the insurance policy.

Skilled Nursing Care:

Nursing care, provided by a trained nurse, under the supervision of an MD.

Term/Maximum Benefits:

The number of years or benefit amount selected for the policy to provide coverage.

Triggers:

Prerequisites to claiming benefits: cognitive impairment or inability to perform activities of daily living (ADL's).

Waiver of Premium:

Once you are receiving benefits for a specified period of time, your future premiums are waived by the company. Joint Waiver of Premium waives the premiums for both husband and wife when only one spouse is confined or receiving benefits.

LTC Statistics

- The risk of losing assets due to an automobile accident is about 1 in 240
- **The risk of losing assets due to a fire in your home is about 1 in 1200 and most people would never consider going without coverage on their home. A nursing home stay is a much more possible risk and can wipe out all of your assets PLUS your home.**
- In comparison, however, **3 out of 5 people will need long-term care** of some kind at 75 or older. In fact, according to one national study, it is projected that **43% of adults who turned 65 years old in 1990 will be admitted for nursing home care at some point in their life.**
- **1 in 3 men** who live to age 65 will spend 3 months or more in a NH
- **52% of women** who are now 65 will spend their last days in a NH
- Approximately 1 in 4 people will spend a year or more in a NH
- **1 in 11 will spend 5 years or more in a NH**

For more info on any of these terms, or if you have other questions,

please call us at **(704) 875-1199** or email us at cafinancial@adelphia.net

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