

*Long-Term Care Insurance is*  
**Productivity Insurance**



Caring for Employees and Their Families  
with Long-Term Care Insurance

*Long-Term Care Insurance: It's Simple to Offer*



### Employee Education Messages

- *What is Long-Term Care?*
- *What are the Odds I Will Need Long-Term Care?*
- *Who Pays for Long-Term Care?*
- *How Does a Long-Term Care Need Affect My Lifestyle?*
- *How Does Long-Term Care Insurance Work?*
- *The Value of Long-Term Care Insurance*
- *Should I Consider Long-Term Care Insurance for My Parents or Adult Children?*

Not sure about the overall interest of your employees in long-term care insurance?

A recent survey said when asked their greatest fear about having a long-term illness, people are over five times more worried about being a burden on their family than dying.<sup>4</sup> However, if you're not sure about your employees' interest, Got LTCi will provide you with an employee survey to find out for yourself.

## Productivity Insurance at Work for You

A long-term care event can happen to anyone at any age . . .

. . . and can quickly take an employee out of work whether the employee needs the care or provides the care. Health insurance and Medicare only pay for short term care, which forces workers to use their own money, and potentially lose their savings, their retirement funds, and even college education funds set aside for their children. While they struggle to keep their jobs and be caregivers, these workers will experience stress, absenteeism, tardiness, distraction, and many will give up their jobs. What does this mean for employers?

- Loss of productivity, employees quitting their jobs, retraining and replacement costs. At least seven out of ten working caregivers leave the workforce entirely or make a substantial change such as reducing hours or transferring into a less demanding job.<sup>1</sup>

A tidal wave of caregiving is about to hit U.S. employers as the fastest growing segment of the workforce is age 55 and up, employees who are in their prime caregiving years.<sup>2</sup> Just under half (49%) of the workforce expects to provide care to a family member or friend in the next five years.<sup>3</sup>

Offering long-term care insurance as part of your company's employee benefit package will increase your productivity and lower your costs related to employees who are caregivers.

## Employee Communication is Essential

Got LTCi provides all the communication pieces necessary to successfully incorporate long-term care insurance into your benefits package.

### Employee Education Components

If your employees fully understand the potential impact of providing long-term care to a family member, they will see the advantages of enrolling in your long-term care insurance program. And, they will appreciate more fully this new employee benefit. Many employees are already experiencing this, but for those who have not, early and repeated employee communications will ensure that long-term care insurance is a successful addition to your benefits package. A successful enrollment will include these components over a four-month period:

- Senior management support for the employee education process
- Announcement letter from CEO/President mailed to the homes
- A series of educational e-letters
- One-hour on-the-clock employee education meetings (*onsite, webinar or CD*)
- Personal consultations
- New hire enrollment kit

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### Step 1: Secure Management Support

Before the LTC insurance plan is offered to employees, it is important that senior managers understand how it can increase productivity by helping employees stay on the job when a caregiving need develops. One study showed that employees who are taking care of a family member are twice as likely to stay in the workforce.<sup>5</sup>

### Step 2: Announcement Letter

Send a letter to each employee's home announcing long-term care insurance as an exciting new benefit available to employees, spouses and extended family members such as parents and in-laws and adult children 18+. Mailing the letter to the homes makes the entire family feel included.

### Step 3: Educational Articles

Got LTCi will provide you with seven "e-letters" that build on each other to address a variety of long-term care issues that affect the lifestyles and finances of your employees. Sending these e-letters to your employees at regular intervals is the key to getting them excited about attending the employee meetings!



### Step 4: Employee Meetings

Getting employees together in small groups for a brief presentation is the best way to summarize the details of this meaningful new employee benefit. Attendance at these meetings should be strongly encouraged, if not mandatory. There will be no pressure to enroll, but all employees should have the opportunity to understand the benefits the company is offering to them. The insurance professional will explain the need for long-term care insurance, cover the specifics of the benefit options, and answer any questions. Experience shows that poor attendance at the employee meetings will result in low participation. High attendance results in employees of all ages buying long-term care insurance because they understand:

- Anyone can need extended care due to an automobile or sporting accident, a brain tumor, MS, Lou Gehrig's disease or even early Parkinson's or Alzheimer's disease.
- Long-term care insurance can be the only thing that keeps a loved one out of a nursing home by providing money for the family to hire caregivers to care for the person at home.
- Ten hours of home care or care in a facility averages \$180-\$200 per day and will triple in 20 years if historical trends continue<sup>6</sup>
- Long-term care insurance is not covered by health insurance, Medicare or disability income insurance as these programs cover short-term recovery care. Being able to hire caregivers can mean preserving the lifestyle they have worked so hard for vs. being responsible for someone else's care 24/7

### Step 5: Personal Consultations

Some employees may wish to consult one-on-one as choosing to provide for a family's future with long-term care insurance is an important decision. They have learned that a family member with a long-term care need affects the entire family and want to be sure the coverage they choose is adequate. Personal consultations following the group meetings are an important part of every enrollment. Each communication piece provides an online reservation link and employees are encouraged to lock in a time.

#### After the Enrollment

New hires who work full-time and are actively at work on the date coverage begins have a **one-time opportunity** to enroll in the LTCi plan **with no health questions** for 60 days.





## A Partnership Between Long-Term Care Insurance and Medicaid

States are cutting jobs and critical services like education to pay for Medicaid (TennCare in Tennessee).<sup>7</sup> Payment for long-term care services represents over a third of Medicaid spending.<sup>8</sup> In recognition that neither private dollars nor public dollars alone can meet the escalating need for long-term care, most states have approved a way for private and public to work together.

The Long-Term Care Partnership Program rewards the purchase of long-term care insurance by protecting assets equal to the long-term care benefits paid when Medicaid is accessed. Without a partnership-certified plan, Medicaid will pay only after most assets have been spent down. In Tennessee, families can't probate a will without a letter of release from TennCare that no money is owed to pay the state back for long-term care, and willing property to heirs does not circumvent this requirement.<sup>9</sup> (Applicants under age 76 must purchase an age-appropriate inflation benefit to have a Partnership plan.)

The idea is that private insurance pays first, then Medicaid acts as a safety net by picking up the back end as long as the functional or cognitive deficiencies required by TennCare to pay for long-term care are met. Keep in mind . . . **every dollar not paid by Medicaid is a dollar that can stay in the state budget for education, public works and to fund jobs for public employees.**

Not only does the Partnership program help state budgets, it provides the family with private-pay choices as long as possible.



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<sup>1</sup>AARP, 2011

<sup>2</sup>Bureau of Labor Statistics, 2009

<sup>3</sup>Mature Market Institute, 2010

<sup>4</sup>AgeWave, 2010

<sup>5</sup>America's Health Insurance Plans, 2008

<sup>6</sup>Agency on Healthcare Research and Quality, 2001 (historical trends); LTC Insurance Carrier Cost of Care Surveys, 2011 (current cost)

<sup>7</sup>Center on Budget and Policy Priorities, 2012

<sup>8</sup>Kaiser Commission on Medicaid and the Uninsured, 2011

<sup>9</sup>Supreme Court of Tennessee (M2009-02107-SC-R11-CV - Filed May 30, 2012)

## Got LTCi

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