



THE TRUTH ABOUT

Long-Term Care Insurance

WHY IT MIGHT NOT BE AS HELPFUL AS YOU THINK

KENDAL[®] *at Home*
Together, transforming the experience of aging.[®]



Every month, [Mary Rose Derks](#) would take \$100 out of her grocery fund and set it aside for her long-term care insurance policy, as detailed in this [New York Times story](#).

Derks thought this policy — and the money she was saving each month — would help her take care of any long-term care expenses she might need without burdening her family.

After a few years of saving, Derks decided it would be best for her to move into an assisted living facility. Imagine her and her family's surprise when that insurance policy wouldn't cover the expenses involved with her care at the facility.

Derks had developed early stage dementia and took upward of 30 pills per day. Still, her insurance company argued, she wasn't sufficiently infirm.

Her family has paid over \$70,000, mailed dozens of envelopes of paperwork and wasted hours on the phone only to receive the same answer: Denied.

The Truth Behind Long-Term Care Insurance

You might think Mary Rose Derks' story is unique. Maybe she didn't choose the right policy, maybe there was something she missed in the fine print. But the truth is, many older adults incorrectly assume their long-term care insurance policies will cover everything they need as they age.

Imagine this scenario: You break your leg. At first, you think it's not a big deal, but because you live alone, you soon realize you will need help getting groceries, cooking and driving, so you call your insurance company.

BUT YOU RUN INTO A PROBLEM

Your long-term care insurance policy requires you to go through an elimination period for your claim to even be considered, typically these elimination periods average 90 days. In 90 days your leg will be healed! Even if you were still struggling with your injury after the elimination period, your policy requires that you are unable to perform a couple of your activities of daily living (ADLs) like eating, dressing, bathing, toileting, transferring and mobility.

During this 90-day period, you can't drive, which means you can't get to the grocery store, and you certainly can't



Your long-term care insurance policy will likely require you to go through **an elimination period for your claim to even be considered**, typically ranging from **30-180 days**.

stand long enough to prepare any food you do have. While you might think this situation makes you unable to eat, it's likely your insurance company will disagree. The insurance company will indeed want to see that you cannot eat — meaning lifting a utensil from a plate to your mouth and swallowing.

SO, WHAT DO YOU DO?

Do you spend money out of your own pocket for private help? Do you ask family or friends to help you? Do you waste time on the phone explaining your situation to a rotating cast of customer service representatives at your long-term care insurance company?

What to Consider About Long-term Care Insurance

If you already have a policy or are considering purchasing one, evaluate these things before you purchase or make any changes to a policy.

READ THE FINE PRINT

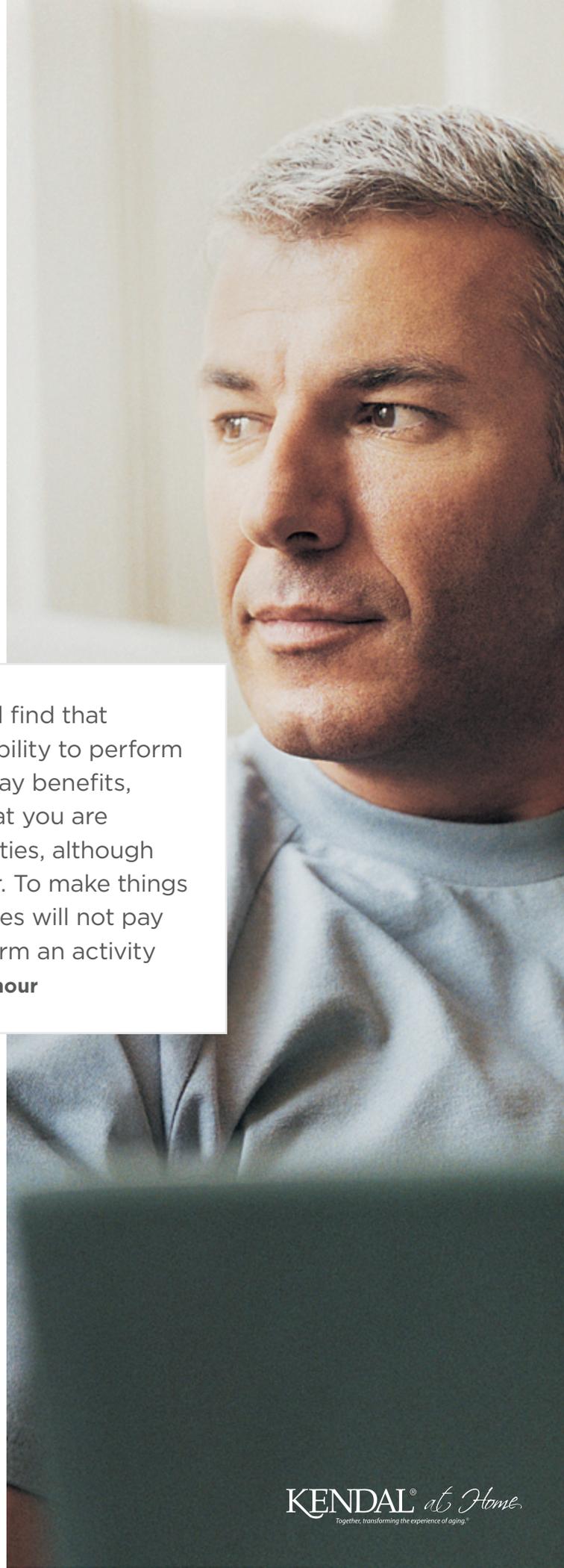
Just because you've been paying premiums for years doesn't mean you'll be covered when you need it.



If you look at the fine print of a policy, you will find that eligibility is generally determined by one's inability to perform certain 'activities of daily living.' Before they pay benefits, most insurers require a physician to certify that you are unable to perform two or more of these activities, although some policies specify an even greater number. To make things even more complex, many insurance companies will not pay unless you need hands-on assistance to perform an activity rather than stand-by assistance." — **PBS Newshour**

THE MARKET HAS DIMINISHED

In the late 1990s, around 100 companies were selling long-term care insurance. However, the uncertain cost of paying future claims — many companies [underestimated how long people would live](#) — combined with the 2008 recession, led the market to shrink significantly. According to NerdWallet, only seven major companies [provide long-term care insurance](#) today.



What to Consider About Long-Term Care Insurance

INSURANCE COMPANIES RARELY PAY FULL AMOUNTS

FindLaw has compiled statistics about how long-term care insurance performed in the 1990s:

- About *50 percent* of all long-term care insurance policies lapsed before the insurance company had to pay out any money.
- Of the people who bought and paid for insurance and eventually entered a long-term care facility, about half *never collected any benefits* from their insurance provider.
- Of those who purchased nursing home coverage but instead ended up with assisted residential living arrangements, *no one* ever received any benefits from their insurance provider.
- If and when insurance benefits were paid out, they were *typically below* the actual cost of care.
- For those with insurance who had a long stay in a nursing home, many *used up their benefits* before leaving the nursing home.



Long-term Care Misconceptions

MYTH NO. 1

Medicare will cover care

[Medicare won't pay for home care or long-term nursing care.](#) It typically pays for short stays in a skilled-nursing facility. It also doesn't cover for ADLs you need to maintain your independence, and Medicaid will only provide care if your income is below a certain level.

MYTH NO. 2

My family will care for me for free

Yes, your family will probably take care of you because they love you. But will you want them to? Research shows 40 to 70 percent of family caregivers [suffer from clinically significant symptoms of depression](#) as a result of the stressors of caregiving. Aside from the research, think about this: Would you want your children, sister or cousin providing services — like changing soiled undergarments or administering medications — that a trained medical professional could provide?

MYTH NO. 3

When I need help, I can get it

Think of it this way: An insurance company wouldn't insure a house that is actively burning. When you apply for coverage, the company will evaluate your health based on your most recent medical history. AARP notes that about 17 percent of people who [apply for insurance while in their 50s](#) are denied coverage. But if you apply for coverage in your 70s, the denial rate increases to 45 percent.

MYTH NO. 4

Long-term care insurance and/or my pension will cover all my needs

A lot of plans have deductibles you need to meet before payment. And if your expenses exceed those of your policy, you will have to pay the balance.



We joined Kendal at Home because our children would not have to be put in the position of having to find resources for us like physical therapy or nursing homes — our care coordinator has the expertise to assist them. They wouldn't be faced with the situation I had, needing to coordinate my mother's care from 300 miles away,"

— Donna Dowling, PhD, RN, professor at the
Case Western Reserve Frances Payne Bolton School of Nursing

An Alternative to Long-Term Care Insurance

So let's say you've broken your leg, and you can't perform some ADLs. Your family lives too far away to offer help and your long-term care insurance won't provide assistance until you have satisfied your elimination period.

“ Being able to stay in our own home even when health problems might require extensive help from others was critical. We understood this program could be the least expensive option in the long run.

There is no real way of knowing what the most economical option for continuing healthcare will be for a particular individual, but it is also true that cost is not the only factor, maybe not even the most important one in making health care decisions. Combining Kendal at Home services with Medicare made, we felt, our future health care as secure as we could reasonably expect. This security was important to our peace of mind.”

— Roger Binkley, professor of chemistry at Cleveland State University



It might seem that you have no other option but to go hungry or pay out of pocket for home care.

If you were a member of an [at-home, aging in place program](#), you would not have to worry about whether your insurance policy will provide coverage or if you could find a friend or neighbor to bring you groceries, medicine and help you cook or bathe.

CONSIDER THIS

You want to stay in your home. You've planned your life around the home you have made, so you want to feel safe while you're there. You want to maintain your hobbies and active lifestyle. Your family and friends are busy with their own lives and commitments and though they would help if needed, it would likely be a large inconvenience. But as a member of an aging in place program, the minute you injure your leg and head to the hospital, [a Life Plan Coordinator](#) will be there to help. He or she will ensure you have what you need before you are discharged from the hospital and will ensure you get the help you need immediately — without a 90-day elimination period.



When I finally retire for real, I want to keep my mind and curiosity active, and Kendal at Home seems like a great way to do that.”

— **Jonathan Entin, Professor Emeritus of Law and Adjunct Professor of Political Science at Case Western University**



Maintain your independence and your family's peace of mind. See how.

ATTEND A FREE SEMINAR.