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# The Federal Long Term Care Insurance Program

[www.LTCFEDS.com](http://www.LTCFEDS.com)

1-800-LTC-FEDS

(1-800-582-3337) (TTY 1-800-843-3557)

# What is long term care?

- ▶ Non-skilled care
  - ▶ “custodial” or “informal” care
- ▶ Help with activities of daily living (ADLs)
  - ▶ bathing
  - ▶ dressing
  - ▶ eating
  - ▶ transferring
  - ▶ continence
  - ▶ toileting

And/Or

- ▶ Supervision due to cognitive impairment
  - ▶ e.g., Alzheimer’s disease



# Why plan for long term care?

- ▶ People are living longer
- ▶ The longer we live, the higher probability that we'll need care
  - ▶ after age 65, Americans have a **70%** chance of needing some form of LTC during their lives<sup>1</sup>
- ▶ The cost of long term care can derail retirement planning



# What pays for long term care?

- ▶ Long term disability insurance?
- ▶ Health insurance?
- ▶ Medicare? (Medigap)
- ▶ Medicaid?
- ▶ Department of Veterans Affairs?
- ▶ Out of pocket?
- ▶ Long term care insurance?



# Can I pay for my own long term care?

## Average annual LTC costs in 2011



- ▶ As costs increase due to inflation, the annual cost of care in 20 or 30 years may become unaffordable for some people



# Comprehensive Coverage

- ▶ All FLTCIP 2.0 coverage includes:
  - Home care
    - Formal caregivers - licensed home health aides
    - **Informal caregivers - choose your own caregiver:**
      - **Family\***
      - **Friends, neighbors, etc.**
  - Adult day care
  - Care in assisted living facilities
  - Nursing home care
  - Hospice care (home or facility)



\* When provided by family, covered up to 500 days, provided they do not live in your home at the time you become benefit eligible.

# FLTCIP 2.0 Overview

- ▶ Three essential decisions to make:
  - ▶ daily benefit amount (DBA)
  - ▶ benefit period
  - ▶ inflation protection



# How it works – Sample

## Maximum Lifetime Benefit calculation

$$\begin{array}{l} \text{daily benefit amount (DBA): } \$150 \\ \times \text{ benefit period: } 3 \text{ years (or 1,095 days)} \\ \hline = \text{ maximum lifetime benefit (MLB)} \end{array}$$

$$\$150 \times 1,095 = \$164,250$$

- ▶ If less than the DBA is spent on care each day, benefit period may last longer



# Choosing a Plan



## Prepackaged plan

### 1. Choose a plan

- |  |  |                         |
|--|--|-------------------------|
| <input type="checkbox"/> <b>Plan A</b> | Daily benefit amount<br>Benefit period | <b>\$150</b><br>2 years |
| <input type="checkbox"/> <b>Plan B</b> | Daily benefit amount<br>Benefit period | <b>\$150</b><br>3 years |
| <input type="checkbox"/> <b>Plan C</b> | Daily benefit amount<br>Benefit period | <b>\$200</b><br>3 years |
| <input type="checkbox"/> <b>Plan D</b> | Daily benefit amount<br>Benefit period | <b>\$200</b><br>5 years |

### 2. Choose an inflation protection option

- 4% Automatic Compound Inflation Option
- 5% Automatic Compound Inflation Option
- Future Purchase Option

*or*

## Customized plan

### 1. Choose a daily benefit amount

- \$100    \$150    \$200    \$250
- \$300    \$350    \$400    \$450

### 2. Choose a benefit period

- 2 years    3 years    5 years    Unlimited

### 3. Choose an inflation protection option

- 4% Automatic Compound Inflation Option
- 5% Automatic Compound Inflation Option
- Future Purchase Option

# When your premiums can be increased

- ▶ Your premium can be increased in the future
  - ▶ however, you cannot be singled out for a premium increase because of your advancing age, declining health, claim status or for any other reason related solely to you
- ▶ Your premium can increase if you are among a group of enrollees whose premium is determined to be inadequate
- ▶ While the Group Policy is in effect, OPM must approve the increase in premium
- ▶ As a reminder, your premium may also increase if you voluntarily elect to increase your benefit



# Things to remember...

- ▶ You can apply at any time!
  - ▶ current spouse
  - ▶ adult children
  - ▶ parents, parents-in-law & stepparents of employees\*
  - ▶ same sex domestic partners of eligible Federal and U.S. Postal Service employees and annuitants
- ▶ each person applies individually
- ▶ Care Coordinators / Waiting Period
- ▶ coverage is fully portable
- ▶ payroll / annuity deduction available



# Next steps

▶ Program Overview Brochure

▶ [www.LTCFEDS.com](http://www.LTCFEDS.com)

▶ Certified Long Term Care Consultants

- ▶ do not work on commission
- ▶ personalized plans and rate quotes
- ▶ policy comparisons
- ▶ available weekdays, 8 a.m.–6 p.m., ET





# Thank You & Questions

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The Federal Long Term Care Insurance Program is sponsored by the U.S. Office of Personnel Management, offered by John Hancock Life & Health Insurance Company, Boston, MA 02117, and administered by Long Term Care Partners, LLC

*John Hancock*



*A New Day  
for the Civil Service*

# Sample bi-weekly premiums for Pre-packaged Plan B

Age at purchase	4% ACIO	5% ACIO	FPO
<b>40</b>	<b>\$27.23</b>	<b>\$40.17</b>	<b>\$9.39</b>
<b>50</b>	<b>\$42.21</b>	<b>\$57.61</b>	<b>\$16.11</b>
<b>60</b>	<b>\$68.75</b>	<b>\$86.40</b>	<b>\$30.75</b>
<b>70</b>	<b>\$98.88</b>	<b>\$114.55</b>	<b>\$65.80</b>

Pre-packaged Plan B includes: 3 year benefit period, \$150 daily benefit, up to 100% DBA for home health care, 90 calendar day waiting period, stay-at-home benefit, among other standard features. Choice of inflation protection option.

Premiums are set with the expectation that they will be sufficient, but they are not guaranteed. Premiums can increase only if you are among a group of enrollees whose premiums is determined to be inadequate.