Long Term Care
Information Meeting

The Municipal Pool
Who is CNA?

- CNA, headquartered in Chicago, is an insurance organization with a 100+ year legacy built on financial strength, market stability, and commitment to its business partners and customers.

- Group Long Term Care Insurance from CNA is one of the products sold by CNA Group Benefits, a business unit of CNA. The CNA company that underwrites group long term care insurance is Continental Casualty Company.
What is Long Term Care - LTC?

• Long Term Care is a variety of services provided to those unable to take care of themselves.

• Services can range from simple help with meal preparation, to assistance with daily living activities, to 24-hour monitored care.

• We are all at risk for needing LTC and most of us aren’t covered.
Where Is Long Term Care Provided?

- Nursing Homes
- Assisted Living Facilities
- At Home
- Adult Day Care Facilities
- Adult Foster Care Facilities
- Hospice Care Facilities
What Is Long Term Care Insurance?

It pays for the costs of long term care services.

- It is not health insurance.
  
  *It does not pay hospital or doctor bills.*

- It is not disability insurance.
  
  *It does not replace lost income.*
Long Term Care (LTC) Facts

- Facility Care cost can average $50,000 to $110,000 dollars per year.\(^1\)
- Home Health Services can cost up to $36,000 per year.\(^2\)
- Medicare generally only pays for limited care following hospitalization.\(^3\)
- LTC is not just for the elderly.
- Almost 40% of all people needing long term care services are working age adults.\(^4\)
- Many financial planners today recommend a LTC policy as part of a sound financial plan.

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1. 2011 CNA Nursing Home Cost Survey
4. CNA Claim Data as of January 1, 2009.
Why should you consider this coverage?

Preservation of independence!
- Changes and mobility in family structures and demographics

Protection of personal assets!
- Other funding/planning mechanisms not intended to pay for LTC
  - Do you want your savings to go for LTC or towards retirement?
  - Do you want to borrow to pay for the costs of LTC?

Choice of care services!
- Choice of facility or home care professional

Peace of mind!
Average Daily Semi-private Nursing Home Rates in Various States*

- Minnesota $185
- Wisconsin $247
- Illinois $161
- Iowa $173
- South Dakota $173
- Florida $219
- New York $368
- California $228
- Texas $142
- US Average $215

* 2011 CNA Cost of Care Survey
Who Is Eligible?

• All actively-at-work, benefits eligible employees
  – Guaranteed acceptance during the new hire initial enrollment period
  – Must be approved for coverage with Evidence of Insurability (EOI) after the new hire initial enrollment period ends

• Spouses/Domestic partners – EOI is required

• Parents (Parents-In-Law) – EOI is required

• Grandparents (Grandparents-In-Law) – EOI is required

• Retirees (and Spouses/Domestic Partners) – EOI is required
What’s in the Plan?

• Group plan
  – Affordable
  – Portable

• Each person buys his/her own policy.

• Spouse/domestic partner or parent and grandparent may buy even if employee does not.

• Premiums for employee and spouse/domestic partner are paid through payroll deduction.

• Premiums for all others will be directly billed to each person.

• Premiums do not increase with age.
What’s in the Plan?

Daily Nursing Home Care Benefit

• The plan pays 100% of the eligible expenses incurred per day, up to the daily benefit chosen by you, for services received in the following types of facilities:
  – Nursing homes - all levels of care
  – Alternate care facilities
  – Hospice facilities

• The plan pays up to 80% of the daily nursing home care benefit for services received in an assisted living facility.
What’s in the Plan?

Monthly Community Based Care Benefit

- Pays eligible expenses incurred, up to a flat monthly amount based on the daily facility care benefit chosen, for services received in any of the following settings:
  - Your home
  - Adult day care facility
  - Home hospice care
What’s in the Plan?

**Lifetime maximum benefit**

- Pool of dollars you have available under the policy to pay for LTC services
- Corresponds to the daily facility care benefit you choose
- Typically described as “years of coverage”
- Think of it as a “minimum” benefit as dollars can last longer than stated years if home based care benefits used
### What’s in the Plan?

<table>
<thead>
<tr>
<th>Daily Nursing Home Care Benefit</th>
<th>Monthly Community Based Care Benefit</th>
<th>Lifetime Max Benefit*</th>
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</thead>
<tbody>
<tr>
<td>$120</td>
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<td>$87,600 (730x)</td>
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<td>$456,250 (1825x)</td>
</tr>
</tbody>
</table>

* number of days in a 2-year, 3.4-year (approx.) or 5-year period, multiplied by the elected Daily Facility Based Care Benefit
What’s in the Plan?

Inflation protection

- Guaranteed benefit increase (Choice #1)
  - Opportunity to purchase additional coverage at routine intervals (3 to 5 years)
  - Increases daily maximums and lifetime maximum pools
  - Premiums for increased coverage based on your attained age
What’s in the Plan?

Inflation protection

• Automatic Benefit Increase (Choice #2)
  – Automatically keeps up with inflation
  – Both daily benefits and lifetime maximum increase by 5% compounded each year
  – Premiums remain level
  – Choice #2 is Minnesota LTC Partnership qualified.
How do you qualify for coverage?

• One of two ways to receive benefits.
  
  – Certification as “chronically ill” by a licensed health care practitioner. Must be unable to perform 2 of the 6 activities of daily living (eating, dressing, toileting, bathing, continence, transferring).

  – Have a cognitive impairment such as Alzheimer’s.

• Must incur expenses for LTC services.

• Must satisfy the waiting period.
What’s in the Plan?

- **Alternate Plan of Care** – Allows CNA to consider emerging or non-traditional long term care services not covered elsewhere under the policy. When such services are appropriate and cost effective, CNA will propose a written Alternate Plan of Care that specifies benefits provided and levels of payment for each benefit. You and your physician must approve the plan, and benefits paid will not exceed your Daily Nursing Home Care Benefit.

- **Temporary Bed Holding** – Pays up to the Daily Facility Care Benefit, 21 days per year, to hold your place in a nursing home or other facility if you need to be away temporarily.

- **Care Assist Benefit** – This benefit is designed to temporarily relieve and Informal Caregiver from the duties of caring for the insured person, for up to 14 days per year.
What’s in the Plan?

• **Nonforfeiture Benefit Account** – There may come a time when you cannot, or no longer want to, continue paying premiums. If you stop paying premiums after at least three years of coverage, this feature keeps your daily benefits the same but reduces your Lifetime Maximum Benefit. Your reduced Lifetime Maximum Benefit equals the total premiums paid or 30 times your Daily Nursing Home Care Benefit, whichever is higher.

• **Emergency Alert Benefit** – Pays the actual expense per month, for the rental or lease of Emergency Alert equipment, not to exceed 75% of the Daily Nursing Home Benefit each month.

• **Caregiver Training** – Pays up to 10% your Monthly Community Based Care Benefit to train an informal caregiver or an independent provider to care for you at home.
What’s in the Plan?

• **Waiting Period** – After you qualify for benefits, you will need to satisfy a waiting period before benefits can be paid. You must only satisfy this waiting period once in your lifetime. The waiting period is:
  
  – 60 days of service for Nursing Home Care; or
  
  – 15 days of service for Community Based Care

• **Waiver of Premium** – Your premiums will be waived after you have received long term care services for 60 days.

• **World Wide Coverage** – If you are living or traveling outside the United States and qualify for benefits, we will make a cash payment equal to your Home Based Care Benefit, but not more than 75% of the Facility Care Benefit, each day you receive services. Any caregiver may provide services. To receive benefits, a Licensed Health Care Practitioner (as defined by the country you are in) must certify that you are chronically ill and have a plan of care. We will pay all benefits in United States currency.
Limitations and Exclusions

- Long term care resulting from war or an act of war whether declared or undeclared;
- Long term care payable under Worker’s Compensation or the Occupational Disease Act or Law;
- Long term care which would be provided without charge in the absence of insurance;
- Long term care received in a facility or section of a facility which operates primarily for the treatment of substance abuse;
- Long term care to the extent that benefits are payable under Medicare or would be so reimbursable but for the application of a deductible or coinsurance amount.
How to pay for premiums

Employee/ Spouse/ Domestic Partner premiums
Payroll Deduction

Parents/ Grandparents/ Retirees premiums
Directly billed to their homes
Several modes of premium can be established
Several premium collection methods

*Premiums are based on the enrollees age as of the effective date of coverage and the plan selected.*
Items to consider when choosing coverage

- How much coverage do you need?
  - *What is the average length of stay in a nursing home?*

- What can you afford?
  - *Is some coverage better than none?*

- What is your family health history?
- Do you have savings to protect?
Questions?

• Call Customer Service toll free at:
  1-888-825-0686

• Hours
  – Monday through Friday
  – 7 AM to 5 PM (CST)