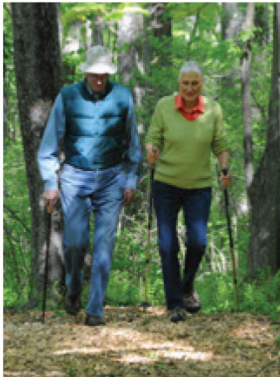


Long-Term Care Insurance & LifeCare

Myths, Facts & Helpful Tips



Duncaster
is where to *live*.

If you have Long-term care Insurance it is likely you have had it for a number of years and may not be familiar with the details of your coverage. You also may not know how your Long-term care policy benefits can supplement or in some cases pay for your LifeCare plan at Duncaster.

In this Ebook, we will address some of the myths surrounding policies and offer facts on how these policies can complement the benefits of having a LifeCare plan.

At Duncaster, we meet people every day who have Long-term care insurance, but are unaware of the reality of what their policies cover—or don't. In addition, there are a lot of misunderstandings about how your policy works in conjunction with LifeCare.

We are here to help if you have questions.

IN THIS EBOOK, WE'LL LOOK AT EIGHT OF THE MOST COMMON MYTHS.

MYTH #1—Long-term care insurance takes care of all costs when you need skilled nursing care.

MYTH #2—Since Long-term care insurance covers homecare it makes more sense to use that coverage and bring care into the house.

MYTH #3—Long-term care insurance takes care of everything as soon as I develop an impairment or health issue.

MYTH #4—Having a Long-term care policy means automatic entry to a skilled nursing center.

MYTH #5—I don't need LifeCare if I have Long-term care insurance.

MYTH #6—Since I have Long-term care insurance, all I have to do is give the provider my card when I need services.

MYTH #7—I am over-insured if I have a Long-term care insurance and I have a LifeCare plan.

MYTH #8—If I have Long-term care insurance, I don't need to move to a Life Plan Community.



NOW LET'S GET STARTED

MYTH #1

Long-term care insurance takes care of all costs when you need skilled nursing care.

Reality:

This is a common misconception. All Long-term care policies have maximum payouts, in dollars or time. Policies don't cover costs completely.

In 2018, the average daily cost of skilled nursing care in the Hartford, Connecticut region was \$455 per day* for a private room, but less than 10 percent of skilled nursing accommodations are private. Semi-private rooms (ones in which you have a roommate) are \$415 a day. That's \$151,475 - \$166,075 per year. These are average costs that take into the equation the daily rates of lower performing skilled nursing centers.

The Centers for Medicare/Medicaid Services (CMS), the Federal agency responsible for overseeing and licensing skilled centers, has a rating system from one to five stars. Highly rated centers (four to five star) are often rated higher because they are better performing in the areas of patient care, staffing, etc. and subsequently charge a higher daily rate. Caleb Hitchcock Health Center at Duncaster has maintained a 5-Star rating since 2009 when the rating system was first implemented.

Most Long-term care policies don't fully cover the average daily rate and certainly don't cover the cost for the exceptional skilled nursing centers. Only a LifeCare plan can reduce the daily costs of care so that your policy has the best potential to cover the entire cost of care.



MYTH #2

Since Long-term care insurance covers homecare, it makes more sense to use that coverage and just bring care to the home.

Reality:

It's a myth that care at home is less expensive and easier to manage than at a skilled nursing center. There are a number of considerations with receiving care at home. The management of home care is not easy. You will want to consider your or your spouse's ability to oversee the day-to-day traffic of having a caregiver(s) coming in and out of your house.

Next, let's talk about finding the right caregiver. Anyone who's been through this will tell you that it's difficult to find caregivers under the best of circumstances.

Third, there's the issue of covering the expenses needed to maintain a home. Those who choose care at home still have to cover the normal expenses of keeping their house running, like taxes, utilities, major and minor repairs.

Lastly, an important consideration is the isolation factor. In a community setting individuals have tremendous social, recreational, and enrichment opportunities that are just not available at home.

A move to Duncaster cannot only ease the many stresses of coordinating care while managing a house, but can increase your independence and health in your retirement says a study conducted by Mather Lifeways^.

MYTH #3

Long-term care insurance takes care of everything as soon as I develop any kind of impairment.

Reality:

Long-term care insurance coverage doesn't start the moment you have a health change. Each policy has its own elimination period that determines when coverage begins. It is based on cognitive impairment and/or how many activities of daily living you are having trouble managing.

Before paying benefits, insurers require certification by a physician or licensed healthcare practitioner that you can't perform a certain number of these activities of daily living because of physical OR cognitive impairment.



MYTH #4

Having a Long-term care policy means automatic entry to a skilled nursing center.

Reality:

Not true. Highly rated skilled centers, those with 5-Stars, are in demand. Their reputation for care, specialized programs and demonstrated outcomes make them the preferred choice of doctors, discharge planners, geriatric case managers and other professionals. Simply having a Long-term care policy is not a ticket to admission to a skilled center.

Only residents of Duncaster have priority admission privileges to the 5-Star rated Caleb Hitchcock Health Center.

MYTH #5

I don't need LifeCare if I have Long-term care insurance.

Reality:

LifeCare is a financial and care agreement that lowers the costs of assisted living, memory care and Long-term care. A LifeCare Plan not only entitles the individual or couple access to the continuum of care but the increase in care that is provided in these settings will not result in an increase in daily costs.

With LifeCare, Long-term care benefits will often cover the entire cost of care and your benefits will last Longer.

MYTH #6

Since I have Long-term care insurance, all I have to do is give the provider my card when I need services.

Reality:

Filing a claim to access a Long-term care insurance benefit is not like using your health insurance. You can't just show proof of the policy and get reimbursement. In fact, you must submit your bill for reimbursement each month.

At Duncaster, we have social services and accounting professionals on staff to assist with filling claims and ensuring that documentation is submitted correctly and in a timely manner.



MYTH #7

I am over-insured if I have a Long-term care insurance and I have a LifeCare plan.

Reality:

Not necessarily. LifeCare at Duncaster brings down the costs of long-term care. If your policy offers a daily rate that exceeds your LifeCare daily rate, then there may be an opportunity to lower your daily rate benefit and thus your premiums saving you money on your policy.

MYTH #8

If I have Long-term care insurance, I don't need to move to a Life Plan Community.

Reality:

Give this more thought. As mentioned earlier, only living at Duncaster guarantees access to Caleb Hitchcock Health Center either for short-term rehabilitation or long-term care. Long-term care insurance gives you coverage for care, but it doesn't guarantee where that care will be delivered unless you are already a resident of the community.

Regardless of whether you have Long-term care insurance, selecting a Life Plan Community that offers a LifeCare Plan is a not only a good way to hold down care costs, but there are many other financial reasons that contribute to LifeCare being a good decision. There are also tax advantages with LifeCare and preservation of assets for those with an estate plan.

Just like Long-term Care policies Life Plan Communities vary and it's best to find out whether the community offers full LifeCare (Type A), modified lifeCare (Type B), or fee-for-service (Type C) through their residency agreement. If a community cannot tell you that they offer a Type A, B or C residency option, then they are not a Life Plan Community. Read the White Paper on "LifeCare: A Brief Narrative" also available on the Duncaster website.



STILL HAVE QUESTIONS?

At Duncaster, we work with people to help them consider the kind of life they want in future years and plan to protect themselves and their loved ones. We know that understanding your policy and making sure those who care about you - your family and your advisors—understand it too. We're happy to offer you a private consultation to help you understand your policy and LifeCare.

Contact Mike C. Myers or Nancy Sproat for more information at 860-380-5006.

*Genworth Cost of Care Survey 2018: www.genworth.com/about-us/industry-expertise/cost-of-care.html

^Mather Lifeways Age Well Study Report Year 1: <https://www.matherlifeway-sinstituteonaging.com/senior-living-professionals/free-industry-information/age-well-study-report-2019/>

Duncaster, a locally founded not-for-profit, is located in Bloomfield, Connecticut. A Life Plan Community celebrating its 35th anniversary, Duncaster sits on 94 beautiful acres and offers options for senior adults seeking independent living, assisted living, memory care, rehab services, and Long-term care. Duncaster was voted the Best Retirement Community by readers of Hartford Magazine, is CARF/CCAC certified, and rated 5-Star by the Centers for Medicare/Medicaid Services. Call 860.380.5006 for more information.



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