

2003 LONG-TERM-CARE INSURANCE IN OREGON COMPANIES & CONSUMER TIPS



SHIBA

OREGON SENIOR HEALTH INSURANCE BENEFITS ASSISTANCE PROGRAM

Table of contents

What is long-term care?	1
Is long-term-care insurance right for you?	2
Oregon requirements for all long-term-care policies	4
Companies offering long-term-care insurance in Oregon.....	5
Senior Health Insurance Benefits Assistance Program (SHIBA)	7
Words to know	8

Where to find help

Oregon Department of Consumer & Business Services

Insurance Division

- Senior Health Insurance Benefits Assistance (SHIBA) (503) 947-7984 or (800) 722-4134
— Information about Medicare and other health insurance (toll-free in Oregon)
— Publication requests
— Web site oregonshiba.org
- Consumer Protection Section (503) 947-7984 or (888) 877-4894
— Complaints about insurance companies or agents (toll-free in Oregon)
— Publication requests
— Web site oregoninsurance.org
- Authorized insurance companies (503) 947-7982
- Licensed insurance agents (503) 947-7981
- TTY access (503) 947-7280
- E-mail dcbs.inmail@state.or.us
- Web site oregoninsurance.org

Oregon Department of Human Services

Seniors & People with Disabilities (800) 232-3020 (toll-free)

- Licensed long-term-care facilities
- Medicaid (state and federal help for low income and medically needy)

Long Term Care Ombudsman..... (800) 522-2602 (toll-free)

- Complaints about long-term-care providers

What is long-term care?

What is long-term care?

Long-term care is help for people with chronic illness or disabilities who have problems living independently, usually when they are elderly. Most people need some kind of long-term care during their lifetimes. Historically, most long-term care has been provided by family members. Increasingly, other care providers are supplementing and replacing family caregivers.

A variety of medical, personal, and social services fall under long-term care, from in-home therapy to adult day care to residential care. What specific long-term-care services people may need depends on their lifestyle, their network of family and friends, and their personal and family health history. Accidental falls and injuries often lead to a need for long-term care.

Aging in place

Oregon has one of the most flexible long-term-care networks in the nation, based on the belief that Oregonians have a right to the most independent living situation possible. Appropriate services must be decided by patients together with their doctors, families, and other support people. The least-restrictive environment is a private home, usually on one level, that has been made comfortably convenient and hazard-free. Other residential options:

- Assisted living
- Adult foster care
- Custodial nursing care
- Intermediate nursing care
- Skilled nursing care

Paying for long-term care

Long-term care is expensive. Health insurance that pays for doctor visits and hospitalization covers few long-term-care services. Medicare pays only for medically necessary services that are prescribed by a doctor. Medicaid pays for long-term care for people with low income and little savings. Some military veterans are eligible for care through Veterans Affairs.

People who have enough of their own money can purchase long-term-care services wherever they want. People who own their homes may obtain a reverse mortgage from a bank, which provides income that can help pay for long-term care. Some people offer room and board in exchange for limited caregiver services from a live-in personal attendant.

Many people purchase long-term-care insurance to provide for future long-term-care needs. The monthly premiums can be expensive, but insurance may prove worth the expense if you need extensive long-term care. The following worksheet can help you determine whether long-term-care insurance is right for you.

It's OK to change your mind

If you aren't satisfied with the long-term-care insurance policy you purchase, you have a 30-day "free look" period during which you can cancel the policy for a full refund without penalty. If your insurance company denies you this "free look" period, call our Consumer Protection Section, (503) 947-7984, or (888) 877-4894 (toll-free in Oregon).

Is long-term-care insurance right for you?

Long-term-care insurance worksheet

What is your annual income?

- Under \$10,000 \$30,000 to \$50,000
 \$10,000 to \$20,000 Over \$50,000
 \$20,000 to \$30,000

It may not be a good idea to buy a policy if the premiums will be more than seven percent of your income.

How do you expect your income to change over the next 10 years?

- No change Increase Decrease

Where will you get the money to pay each year's premium?

- Income
 Savings
 Other family members will pay

Could you afford to keep this policy if the company raised your premiums by 25 percent?

- Yes No Don't know

Not counting your home, what is the approximate value of all of your assets (savings and investments)?

- \$0 to \$20,000 \$30,000 to \$50,000
 \$20,000 to \$30,000 Over \$50,000

It may not be a good idea to buy this policy if your assets are less than \$30,000.

How do you expect your assets to change over the next 10 years?

- No change Increase Decrease

Considerations

- Can your home be made convenient and hazard-free?
- Will your adult children or others be able and willing to help care for you?
- Are you willing to have caregivers hired by a facility or home health agency, or will you find your own caregivers? Some long-term-care policies limit whom you can hire.
- How much will the services that you need and want cost per day? Per week? Per month?
- How much will it cost to pay all of your daily/weekly/monthly expenses?
- Will you be able to purchase long-term-care insurance if you want to?
- Is the insurance company financially stable? (See *A.M. Best or Standard & Poor's*)
- Has the company ever increased premiums for existing policyholders? How often? (See list on Pages 5 and 6)

- Are premiums waived once you qualify for benefits?
- Do benefit payments increase with inflation?
- How does the company treat its enrollees? (See *2001 Oregon Complaint Guide*)
- What percentage of submitted claims are paid?

There are people who can help you assess your needs to determine if long-term-care insurance is worthwhile. To identify appropriate choices, contact one or more of the following:

- An insurance agent knowledgeable about long-term care
- Your financial consultant
- Senior Health Insurance Benefits Assistance (SHIBA)

Is long-term-care insurance right for you?

Tax-qualified vs. non-tax-qualified

Payment for premiums for long-term-care policies that meet certain federal requirements are deductible from state and federal income taxes. In addition, benefits paid are exempt from taxation. Companies that sell tax-qualified policies are listed at the back of this booklet. You can deduct qualified long-term-care-insurance premiums on income tax returns the same way you deduct medical expenses. Premiums may be lower on tax-qualified policies because it's harder to qualify for benefits. Before choosing a tax-qualified over a non-tax-qualified plan, calculate how much money you would save. You may find it helpful to contact the IRS or the Oregon Department of Revenue.

Long-term-care insurance resources

"A Shopper's Guide to Long-term Care Insurance," published by the National Association of Insurance Commissioners (NAIC), provides checklists and questionnaires to help plan for long-term care. Agents must provide free copies, or you can request one at www.oregoninsurance.org/docs/pubs.htm#consumer, or by calling (800) 722-4134 (toll free).

Senior Health Insurance Benefits Assistance (SHIBA) – See Page 7.

Be a SHIBA volunteer!

SHIBA's success is built on a statewide network of trained volunteers.

A good SHIBA volunteer candidate:

- Enjoys helping others
- Is dependable, understanding, patient, and compassionate
- Has good communication skills
- Can protect client confidentiality
- Has no conflicts of interest
- Wants to provide SHIBA services

Interested? Please call SHIBA, (800) 722-4134, and ask for a volunteer application.

Oregon requirements for all long-term-care policies

30-day free look

The first 30 days after you pay for a long-term-care policy are considered your “free look.” That means you can change your mind and get a full refund of premiums paid if you notify the insurance company in writing within 30 days. If you cancel within 30 days, and the company refuses to refund your money, call our consumer advocates, (503) 947-7984, or toll-free in Oregon, (888) 877-4894.

Range of residential options

Each long-term-care policy sold in Oregon since 1992 must provide benefits for in-home care, assisted living facilities, adult foster care, and nursing home care. It must be at least as easy to qualify for in-home care as for a nursing home. Nursing home benefits must cover custodial nursing care, intermediate nursing care, and skilled nursing care, depending on the patient’s needs.

Based on current need for help

In Oregon, patients must qualify for long-term-care benefits based on their need for help with some of these four activities of daily living (ADLs): eating, mobility, personal hygiene, and toileting. The insurer cannot base coverage solely on diagnosis.

The insurance policy must pay for the level of care that the patient needs. An insurer cannot require the insured to stay in a hospital before it pays long-term-care benefits. Some older policies state that you will not qualify for in-home care unless you have received skilled nursing care and intermediate care in a nursing home.

Limits on waiting periods

A new policy must begin covering pre-existing conditions of all kinds within six months after the insured buys the policy. Some policies have no waiting or elimination period.

Dementia covered

All long-term-care policies must pay for treatment of Alzheimer’s disease and other organic forms of dementia, whether in an Alzheimer facility or another location.

Visit our Web site for the
Consumer Guide to Oregon Insurance Complaints
and other insurance publications:

oregonshiba.org

Companies offering long-term-care insurance in Oregon

The following companies are licensed to sell long-term-care insurance in Oregon. Those with an asterisk (*) have tax-qualified policies as described on Page 3 - some offer both tax-qualified and non-tax-qualified plans. Policies' benefits packages and premiums vary, and the Insurance Division does not recommend one company over another. The names, Web addresses, and telephone numbers are provided so that you can contact the companies for information about the plans.

Allianz Life Ins. Co. of North America*

www.allianzlife.com
(800) 814-8841

AF&L Ins. Co.*

www.AFLLTC.com
(800) 659-9206

AFLAC - American Family Life Assurance Co. of Columbus*

www.aflac.com
(800) 992-3522

American Family Mutual Ins. Co.*

www.amfam.com
(800) 333-6886

Bankers Life and Casualty Co.*

www.bankerslifeandcasualty.com
(800) 621-3724

Catholic Order of Foresters*

www.catholicforester.com
(800) 552-0145

Combined Ins. Co. of America*

www.combinedinsurance.com
(800) 544-5531

Conseco Senior Health Ins. Co.*

www.conseco.com
(800) 541-2254

Continental General Ins. Co.*

www.continentalgeneral.com
(877) 291-5434

Country Life Ins. Co.*

www.countryfinancial.com
(888) 211-2555

CUNA Mutual Life Ins. Co.*

www.cunamutual.com
(800) 410-1895

Equitable Life and Casualty Ins. Co.*

(541) 928-2848

Farmers Life Ins. Co.

www.farmersinsurance.com
(877) 376-8021

General Electric Long Term Care Division*

www.gefn.com
(800) 816-7632

Great American Life Ins. Co.*

www.galicltc.com
(800) 771-2142

John Hancock Life Ins. Co.*

www.jhancock.com
(800) 377-7311

Life Investors Ins. Co. of America*

(800) 672-7202

Massachusetts Mutual Life Ins. Co.*

(888) 505-8952

MasterCare Solutions, Inc.

www.LTCexperts.com
(800) 275-4582

Metropolitan Life Ins. Co. (AARP)*

www.metlife.com
(800) 638-5433

Monumental Life Ins. Co.*

(800) 845-3695

Mutual of Omaha Ins. Co.*

www.mutualofomaha.com/ifs/ltc.html
(503) 244-3926

Companies offering long-term-care insurance in Oregon

**Mutual Protective Ins. Co.*/
Medico Life Ins. Co.***

www.mutualprotective.com
(800) 228-6080

National Life Ins. Co.*

www.planningresources.com
(503) 227-4817

National States Ins. Co.

(800) 868-6788

New York Life Ins. Co.*

www.newyorklifeltc.com
(800) 224-4582

Northwestern Long Term Care Ins. Co.*

(877) 582-6582

Pennsylvania Life Ins. Co.*

www.pennlife.com/products/
(800) 275-7366

PENN-TREATY Network America*

www.penntreaty.com
(800) 222-3469, option 3

Peoples Benefit Life Ins. Co.*

(800) 325-5823

Physicians Mutual Ins. Co.*

www.pmic.com
(800) 228-9100

Prudential LTC*

www.prudential.com
(800) 732-0416

Pyramid Life Ins. Co.*

www.pyramidlife.com
(800) 777-1126

Regence BlueCross BlueShield of Oregon*

www.or.regence.com
(800) 452-7278, x1843

State Farm Mutual Automobile Ins. Co.*

www.statefarm.com
Contact a local agent.

State Life Ins. Co. – One America*

(800) 524-3966

**Teachers Ins. and Annuity/
TIAA-CREF Life Ins. Co.***

www.TIAA-CREF.org/ltc/
(800) 223-1200

THRIVENT Financial for Lutherans

www.thrivent.com/insurance/longterm/
(800) 847-4836

Unum Life Ins. Co. of America*

www.unumprovident.com
(866) 491-8108

* Indicates companies that sell Oregon
tax-qualified policies

Other companies licensed to sell long-term-care insurance in Oregon chose not to be listed because they sell only to groups or are not currently seeking customers in Oregon.

Senior Health Insurance Benefits Assistance Program (SHIBA)

What is SHIBA?

SHIBA is a program of the Insurance Division of the Oregon Department of Consumer & Business Services. SHIBA can do the following:

- Help people with Medicare make better health insurance decisions.
- Provide confidential, uniform, and objective health insurance assistance to people with Medicare.
- Support and recognize the efforts of volunteers.

Why was SHIBA created?

Health insurance and the wide array of state and federal programs confuse some people. Many people with Medicare have too much or inappropriate health insurance. Others don't get all their medical claims paid because they're overwhelmed by the paperwork. Many people with Medicare pay too much out of their own pockets and don't participate in programs that may help them.

SHIBA helps people with Medicare avoid these pitfalls and enjoy the benefits to which they are entitled.

SHIBA is funded by the Centers for Medicare & Medicaid Services, State Health Insurance Assistance Program (SHIP), and the State of Oregon.

What are SHIBA's services?

SHIBA provides the following services through a statewide network of volunteers and a toll-free hotline:

- **Information**

People with Medicare have access to a range of information and materials through SHIBA's toll-free hotline. SHIBA staff also conduct seminars for groups interested in senior health insurance issues.

- **Counseling**

SHIBA volunteers provide one-on-one counseling at community sites or in homes. Volunteers help people with Medicare decide if they're eligible for benefits, compare insurance policies, file claims and make effective appeals and complaints.

- **Assistance activities**

SHIBA volunteers also are trained to make referrals to federal, state, and county agencies and to identify potential insurance law violations.

How can I get more information?

Call SHIBA: (503) 947-7984 or
(800) 722-4134 (toll-free in Oregon)

Web site: oregonshiba.org

About the Oregon Insurance Division

The mission of the Insurance Division is to administer the Insurance Code for the protection of the insurance-buying public while promoting a positive business climate. We ensure the financial soundness of insurers, the availability and affordability of insurance, and the fair treatment of consumers by:

- Licensing insurance companies and monitoring their solvency
- Reviewing insurance products and premium rates for compliance
- Licensing insurance agents and consultants
- Resolving consumer complaints
- Investigating and penalizing companies and agents for violations of insurance law
- Monitoring the marketplace conduct of insurers and agents
- Educating the public about insurance issues
- Advocating reforms that protect the insurance-buying public

Words to know

Activities of daily living (ADLs): Daily activities such as getting out of bed, walking, going to the toilet, bathing, dressing, eating, and taking medications.

Adult day care: Occasional supervision and support in a community setting for people who cannot leave home independently. Day care includes social contact and health monitoring and can provide respite for in-home caregivers.

Assisted living facility: A state-licensed residence providing a variety of flexible personal and community services in independent apartments. Meals and 24-hour staff are available.

Attained-age policy: A policy whose premium increases when an enrollee reaches a certain age.

Benefit period: The period during which benefits are payable according to a policy. Each insurer determines the length of its benefit period, which can be 12 months, a number of months between hospital admissions, or some other period.

Co-insurance/copay: The portion of covered expenses that an insured individual must pay out-of-pocket.

Custodial nursing care: A facility that serves people who need assistance with activities of daily living but who do not need specialized medical care. The staff usually are not nurses, and these facilities are not licensed by the state.

Deductible: An amount of money that an enrollee must pay out-of-pocket for covered services before the insurer begins to pay.

Dementia: Organic mental impairment, usually caused by stroke, head injury, or a disease such as Alzheimer's, which prevents people from caring for themselves or managing their daily affairs.

Elimination or waiting period: The time an enrollee must wait before the insurer will pay for covered services.

Endorsement/rider: A written change in a standard policy made at the purchaser's request.

Exclusion: Something that insurance will not pay for.

Grace period: The number of days late that you can pay your premium before your policy will be canceled.

Guaranteed renewable: A policy that can be canceled only if you have failed to pay premiums or you lied on your application.

Hospice: End-of-life care to relieve pain and suffering and to help the patient and family adjust.

In-home or home health care: Services provided in the home such as bathing, physical therapy, or post-surgical care.

Intermediate nursing care: A state-licensed facility that serves people who need some specialized medical care and may need assistance with activities of daily living. The staff usually are licensed nurses.

Issue-age policy: A policy whose premium is based on the enrollee's age at enrollment.

Long-term care: Help for people with chronic illness or disabilities who have problems living independently.

Maximum lifetime benefit: The length of time or total amount of expenses that an insurance policy will cover.

Medicaid: An assistance program that combines state and federal funding to pay for care for people who have low income and few resources.

Words to know

Medicare: The federal health insurance program for U.S. residents who have worked and are 65 and older, or any age with a disability, including kidney failure.

Nursing facility or nursing home: A facility that provides some level of care. Most are state-licensed and provide a range of services from assistance with activities of daily living to full-time skilled nursing.

Out-of-pocket: Expenses paid by the insured, not the insurer.

Pre-existing condition: A condition that existed before you had insurance.

Premium waiver: Premiums are no longer charged while a person is receiving long-term care benefits.

Respite care: Short-term care that gives in-home caregivers, usually family, a break by caring for their patient at home or in a facility.

Skilled nursing care: A state-licensed facility that serves people who primarily need specialized medical care. They may also need assistance with activities of daily living. The staff are certified nurses.

Underwriting: Using applicants' histories to avoid insuring people who are likely to need services.



In compliance with the *Americans with Disabilities Act* (ADA), this publication is available in alternative formats. Call (503) 947-7980 or (503) 947-7280 (TTY).





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