

**LONG TERM CARE: THE INSURANCE COVERAGE
YOU WISH YOU COULD DO WITHOUT**

**By: Irwin Shanes
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In my discussions with members, both active and retired, the one major concern that comes up more than any other is that of the prospect of spending the last years of life in a nursing home. Most people would prefer staying at home in more familiar, less threatening surroundings, under the care of a professional home health aide. No one I know looks forward to either situation but all are concerned that the cost of such care - either at home or in a facility - will drain away whatever financial security they have built for themselves and their loved ones. Unfortunately, many people prefer to ignore this emotionally troubling matter. My advice is that it is far wiser to confront this issue head on and consider the purchase of Long Term Care insurance to provide you and your family with peace of mind.

Nursing home or home health care frequently referred to as "custodial care" is not covered by Medicare or basic health plans. Most health plans, including Medicare, provide for limited coverage in a skilled nursing facility or rehabilitation center. Such coverage is limited and designed for short stays in rehabilitation centers and skilled nursing facilities following hospitalization as an extension of care. This is not custodial care.

CSA retirees have some limited coverage for home care by the CSA Retiree Welfare Fund. Such coverage is designed for temporary care, primarily for members or dependents that need some custodial assistance following hospitalization. This coverage is limited to \$4,000 a year to a maximum of \$12,000 lifetime. It is not long term care.

Some members who purchased a catastrophic health plan from U.S. Life Insurance Company through Seabury & Smith (formerly Albert H. Wolhers' Company) of the Marsh Affinity Group are under the mistaken impression that they have long term care coverage. The Two Million Dollar Catastrophic Medical Plan does provide for nursing home or home care but the coverage is very limited. It is, therefore, not a long term care plan.

Long Term Care insurance is not necessary for people with limited income since such people should be able to qualify for Medicaid benefits. For our members who can expect a retirement income far in excess of Medicaid eligibility, long term care insurance is the only way to protect assets.

People buy Long Term Care Insurance because they don't want to be dependent on anyone for their care. They don't want to be a burden to family or friends. In many cases, adult children have paid premiums for parents who can't afford the insurance in order to protect themselves financially while insuring that their parents get adequate care without becoming a burden on the family.

There are many policies being offered with varying designs which can be adjusted for waiting periods, maximum daily limits and duration of coverage. These factors are what determine premium costs. Benefits start when certain criteria are met, criteria such as a person's inability to perform two or more

activities of daily living such as bathing, dressing, transferring, toileting, bladder control or eating without needing assistance. There are also criteria for cognitive impairment, such as Alzheimer's disease, which can trigger a claim.

Premiums are significant but are fixed at the age of purchase. Therefore, they are less expensive for people in their 50's than for those in their 60's. Inflation protection is quite important. A policy bought at age 65 may not provide adequate coverage at 85 because of cost of living increases. Since not all policies contain inflation protection, it is important that you are cognizant of this aspect of Long Term Care insurance.

It is also very important to price shop and compare before you buy a Long Term Care plan. Insurance companies offering this coverage differ in their criteria for eligibility, levels of coverage and premiums. Different companies offer different unique features and each company may offer a variety of options to be considered. It is, therefore, critical that you compare offerings from more than one insurance company.

Listed below are a number of insurance brokers who offer a variety of plans. Some offer a discount to CSA members.

Steve Sultan (516) 791-9090

Jay Kantrowitz (718) 895-1630 Ext: 20

Peter Puglisi (718) 745-8707

Howard Weinstein (516) 358-3703

Michael D. Berk (516) 794-9696 Ext: 28

James M. Dubreuler Jr. (800) 543-4287

Robert J. Brummer (845) 292-8538

We do not recommend any specific company program. We suggest that you contact two, three or all of these, or any other company, for a proposal of insurance. Compare their different features and costs before you make a final choice.