

The Agent's Role in the Long Term Care Claim Process

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presented by Angie Forsell Long Term Care Group, Inc.



Introduction

- Purpose: To understand how we can help purchasers of long-term care insurance to ensure they buy what they need and understand what they bought before they need to use it.
- **Process:** During the following presentation we will discuss five key components of a positive claim experience.

Payoff: Gain further knowledge and understanding of the Long-Term Care claim process and your role.



Topics for Discussion

1- The Agent's Role



2- Purchasing the Right Product



3- Help Clients Plan ahead



4- Explain the Benefits



5- The Claims Process





The Agent's Role

- *Educate* to ensure a sale that is responsive to the client's vision of his/her long term care experience
- Help clients plan ahead while they are functionally and cognitively independent
- Set expectations to minimize surprises at claim time



Purchasing the Right Product

Help clients envision their long term care needs

- Does client want maximum flexibility to receive care at home or in a range of long-term care facilities?
- Does client want to minimize cost and plan only for nursing home care?
- Does client live in a remote or metropolitan area with few or many caregiving choices?
- Help clients select products they can use consider the client's geographic area and support system



Purchasing the Right Product, cont'd

Ask client to think about the kind of care they want

- If they want to remain in their homes, are there adequate eligible home care providers in their community?
- Encourage clients to visit local nursing homes, assisted living facilities, continuing care communities before they need one – don't wait for the decision to be made in time of crisis.
 - Suggest clients ask neighbors, business associates for references.
- Be sure they have coverage for the kind of care and the type of caregiver or facility they wish to <u>use</u>.



Help Clients Plan Ahead

Encourage clients to plan their long term care before they need care Power of Attorney and/or Health Care Agent

- take the time now to select someone they trust
- tell their representative what they want in terms of care minimize the decision-making at claim time
- make sure their representative is willing and able to carry out their wishes
- educate clients about <u>HIPAA</u>



Explain Plan Benefits

Help clients understand what they're buying What is an ADL?

- Scheduled needs bathing, dressing
- On Demand needs toileting, transfers, continence, eating, mobility

How does the insurance company decide if I'm dependent?

- Through onsite assessment, will ask for demonstration
- Carrier's assessor should probe into informal support systems



Explain Plan Benefits

Help clients understand what they're buying What is Cognitive Impairment?

- Does plan language define it?
- Is plan tax-qualified?
- Is a diagnosis of dementia sufficient to trigger benefits?



Explain Plan Benefits, a Case Study

- A claimant was diagnosed with Alzheimer's and prescribed Aricept. His physician has indicated he has mild dementia.
- He continues to drive and lives alone.
- He is requesting coverage for 4 hours/day for bathing assist and homemaker services.
- He has a TQ plan.
- Claimant does not require continuous supervision. He is not at least 2 ADL dependent. He is not yet a Chronically III Individual.



Explain Plan Benefits

Help clients understand what they're buying Do I have an elimination period? How do I satisfy it?

- Service Day?
- Calendar Day? Can claimant receive mostly informal care to minimize out of pocket expense?
- Do acute care days apply?



Explain Plan Benefits, a Case Study

- A claimant had an acute hospital stay, then returned home with multiple ADL deficits.
- The family chose to care for her themselves while at home, believing they could meet the Elimination Period before incurring any expense.
- The claimant's plan required a first day of eligible service, after which the Elimination Period could be satisfied in calendar days. Hospital days are not considered eligible.
- When formal care was put in place some 100 days later, the Elimination Period had not yet been met.
- A call to the Claims Department could have avoided this costly misunderstanding.



Explain Plan Benefits, cont'd

- What kinds of facilities and caregivers are covered? Can I hire my granddaughter? Can I have an aide help me in the ALF?
- What options does the Alternate Plan of Care provide me?



Explain Plan Benefits, a Case Study

- The claimant has a home health care plan.
- The plan limits coverage to eligible services provided in her home, which specifically excludes institutional settings.
- She moved into an Assisted Living Facility and hired a Home Health Aide for her personal cares (bathing, dressing, etc.) and transportation assistance.
- Through Care Management assistance, the claimant might have chosen an Independent Living facility, likely an eligible location to receive Home Health Care Benefits.



Explain Plan Benefits, cont'd

What does it mean that the claimant's plan is tax-qualified?

- Chronically III Individual
- Substantial Assistance
- Substantial Supervision
- Approved Plan of <u>Care</u>



The Claims Process

Educate clients on the claim process

- Report the claim timely, abide requirements for claim forms, HIPAA-compliant authorizations
- Anticipate the need for an in-home assessment
- Explain privacy laws and respect their boundaries
- Encourage clients and families to call before care is needed!



What are the steps? Intake process

- assessment methodology
 - in home assessment
 - facility records
 - caregiver notes
- eligibility decision
 - does claimant trigger benefits?
 - is provider eligible or does claimant need assistance finding an eligible provider?



Plan of Care, if approved for benefits

- determine type, level and frequency of care
- ensure consistency with basis for approval

Set coverage period, schedule reassessment

- anticipate need for updated information from provider, facility or through in-home assessment
- make appropriate changes to Plan of Care
 close claims if no longer triggering



The Claim Process

- Claimants do recover!
- The initial approval period considers:
 - expectation of change in care need, both a need for more care and for less care
 - concern for adequacy of care plan
 - stability of caregiving relationship
- Claimants need to understand coverage will end upon recovery setting expectations is critical!
- Reassessment process is dictated by type of care
 and clinical picture
 - Nursing Homes, typically by records
 - Assisted Living Care, records and/or onsite
 - Home Care, often through combination of caregiving notes and onsite assessment



Sample Plan of Care

- Policy trigger: 2 ADL/cog, claimant needs assist with bathing and dressing.
- Homemaker services are not covered.
- Provider must be licensed or certified.

Care Plan may look like this: 4 hours/day, 7 days/week Assist with bathing, dressing, no coverage for homemaker services Provider is Mary Jones, HHA Rate is \$15/hour, not to exceed Maximum Daily Benefit



Payment of Benefits

- understand daily and monthly maximums
- are benefits on a reimbursement or per diem basis what's the difference?
- what's needed from the claimant?
 - itemized bills
 - caregiver or facility notes
 - proof of payment
- does carrier permit assignment of benefits?



Tax Reporting

- claimants receive a 1099-LTC
- providers to whom benefits have been assigned receive a 1099-MISC
- consult tax advisor as to reportability of benefits received
- maintain good records duplicate
 EOBs may be difficult to get



Avoid common misunderstandings through education before claim time:

- family members as caregivers
- Chronic Illness, as defined by the IRS
- Instrumental Activities of Daily Living what's typically covered and what's not?
 - Are homemaker services explicitly or implicitly excluded?
 - Is there a rider adding homemaker services?
- Prepayment of nursing home care
- Alternate Plan of Care benefit know the carrier's guidelines!



Topics Discussed

The Agent's Role



Purchasing the Right Product



Help Clients Plan ahead



Explain the Benefits

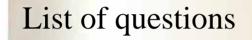


The Claims Process





Questions?



What have you learned?

How will you apply the topics to your practice?

Etc....