

**LTCG**

*Long Term Care Group, Inc.*

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

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***presented by***

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## 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



### 3- Help Clients Plan ahead



### 4- Explain the Benefits



### 5- The Claims Process



### 2- Purchasing the Right Product



# *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

## ***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

## ***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 [use](#).



# *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 [HIPAA](#)

# ***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 Ill 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.



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

- Chronically Ill Individual
- Substantial Assistance
- Substantial Supervision
- Approved Plan of Care

# *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?

# ***The Claim Process, cont'd***

## ***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

# ***The Claim Process, cont'd***

## ***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



Help Clients Plan ahead



Explain the Benefits



Purchasing the Right Product



The Claims Process



# ***Questions?***



List of questions

What have you learned?

How will you apply the topics to your practice?

Etc....