

Home Care and LTC Insurance: The Real Facts About Current Usage

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Overview

- Home Care 101
- Research, trends and misconceptions
- Helping you sell policies



What is Home Care?: Services

- Companion care
 - Homemaking, transportation, companionship, menu planning
- Personal care
 - Bathing, Dressing, Grooming & other ADLs
- Minor Medical/Nursing
 - vital signs, coordinating with healthcare professionals, evaluation of health and community needs, nurse assessments for LTCi



Activities of Daily Living

- Bathing
 - Dressing
 - Eating
 - Transferring
 - Toileting
 - Continence
- Measure of functional status and need for home care services



What is Home Care?

Features

- Personalized care plans
- Match caregiver with client
- Care coordination services
- Trained, screened and bonded caregivers
- Ancillary services: Personal Emergency Response Systems, etc.



What is Home Care?

Benefits

- Provides dignity and independence for client
- Peace of mind for family members
- Prevents and/or postpones hospital, nursing home care
- Allows maximum freedom and comfort
- Offers care tailored to the needs of the individual
- Professional services relieve stress of the family caregiver



What is Home Care?

Home Health vs. Home Care

- Home Health
 - Provided by nurses, RN or LPN
 - Skilled, hands on care
 - Covered by Medicaid and Medicare
- Home Care
 - Provided by trained , care givers and CNAs
 - Non-skilled, hands on and hands off care
 - Predominately private pay, LTCi
 - More affordable option



Who provides care?

- Private duty agency
 - Registries
 - Independent caregivers
- Most LTCi will cover all types of home care, but policy holders want to consider quality and their responsibilities as well as cost



Cost and Use of Care

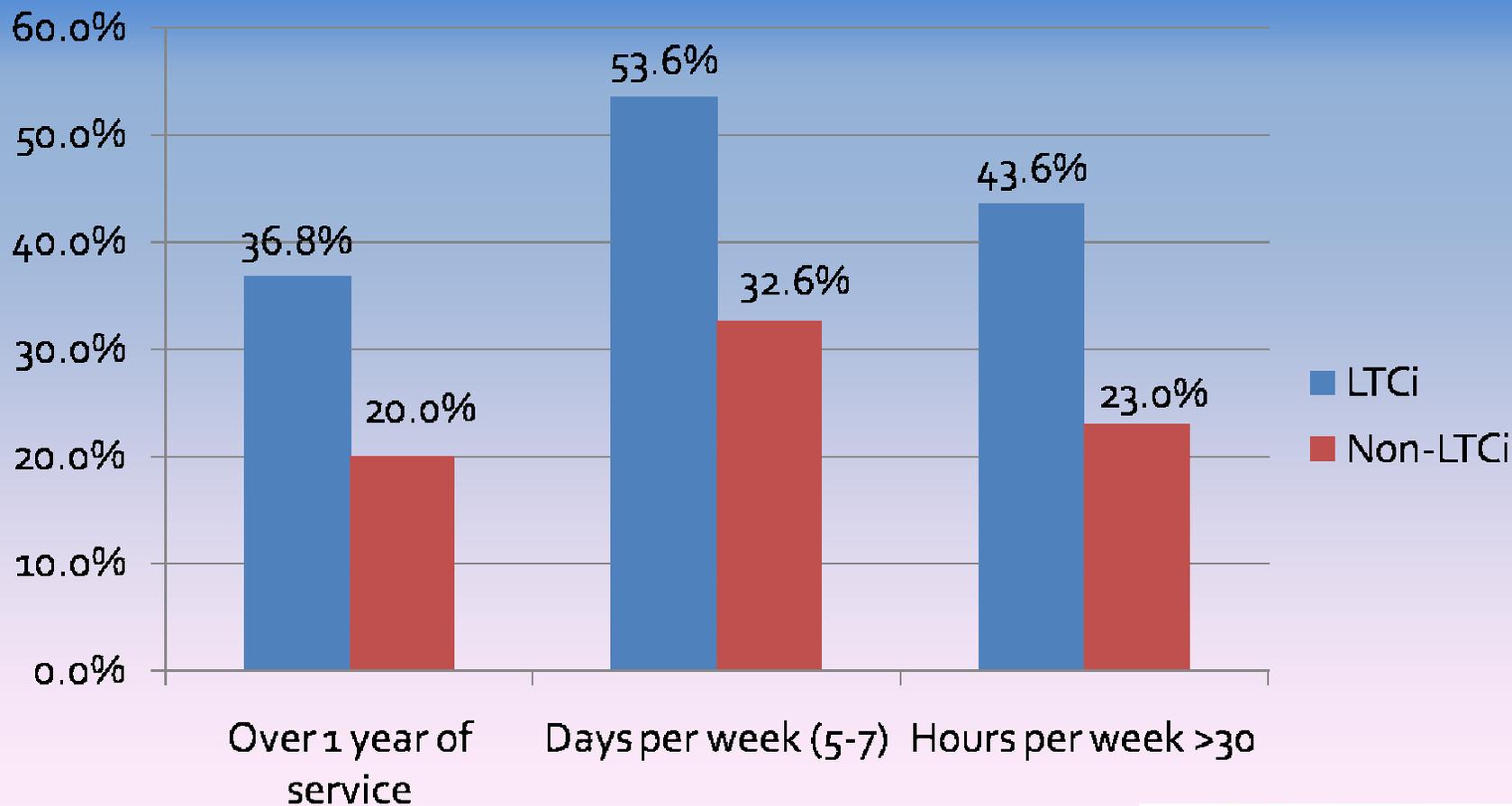
- Nursing home semi-private room:
from **\$69,715 annually**
- Assisted Living Facility: from **\$36,372 annually**
- Adult day services: **\$64 per day (\$23,360 annually)**
- Home Care
 - Home health aide: **\$20 hour**, Homemaker services: **\$18 hour**
 - Average clients use 20 hours/day for 13 months=
\$18,720 - \$20,800 annually



Cost and Use of Care: Research

- Majority of providers are providing services to clients through their elimination periods but the majority are providing fewer hours of care during that time*
 - Average 5-15 hours per week, versus 21-30
 - Most of the time, clients are self-rationing during elim. periods when care is private pay
 - Some private duty agencies are sharing the elimination period with skilled agencies

Cost and Use of Care: Research



LTC/Home Care Trends

- Increase in usage of LTC
 - 40% of providers report an increase in clients using LTC
- Care based on gender
 - Client mix is over 75% women
 - Older women use more care than older men
- Care based on disease process
 - 47% of all claims involve cognitive disorders



Dementia Care and LTCi

- Frequency of Alzheimers or Dementia
 - 66.8% report frequently
- Other trends/statistics:
 - Dementia claims are often filed in later stages of the disease
 - Only 36% of claims last more than 2 years
- Families delay hiring a caregiver



Healthcare Reform - Proposal

- No one knows what will ultimately be approved
- Change is inevitable
- Anticipated impact on seniors:
 - All proposals have included Medicare cuts
 - Last estimate was over \$140 billion in total
 - Lower and bundled reimbursements for providers
 - Home Health slated for strong reductions and its holding
 - Custodial and long-term care exclusions



Healthcare Reform – Opportunity for LTC i

- Increasing market (baby boomers)
 - Willing to pay for the care they want
- Life expectancy increasing
- Young age groups are too small to counterbalance the aging
 - Impacts entitlement programs (Medicare/Medicaid/Obamacare)
- Burden on “traditional care model”



Common Misconceptions About Home Care

1. Home care replaces the care of family and friends
2. Most people use their LTCi to go to an assisted living facility



Common Misconceptions About Home Care

3. Home care has to be scheduled in advance of need
4. I'll start using my benefits when I'm in my 80's.



Common Misconceptions About Home Care

5. Homecare used as an interim step before an Assisted Living or Skilled Nursing Facility



How we work with LTCi

- Similar target markets to which a co-marketing message can be powerful
- Seminars and combined presentations to target market to educate about home care and LTCi
- Networking
- Quality care at affordable rates



How we work with LTCi: Research

- **62%** Have difficulty understanding policy
- **67%** Policy maximums aren't enough to cover the care they need
- **76%** Policy doesn't max out
- **72%** Clients are not experiencing trouble getting insurance companies to reimburse them directly



How we work with LTCi: Research

- Most clients come to us needing 2+ ADLs
 - However, there is a small percentage who only need 1 ADL and would not be eligible for benefits
 - 39% providers say the policy won't pay for the type of care their clients needs
- Assignment of benefits
 - Reimbursement easy?



How does home care help sell policies?

- 86% of seniors want to continue living in their own homes
- Easier to imagine needing a little help at home than moving into a Assisted Living Facility
- Medicare does not cover home care services
- Costs less than facility care to help benefits last longer



How to sell more LTCi

The policy is not the plan

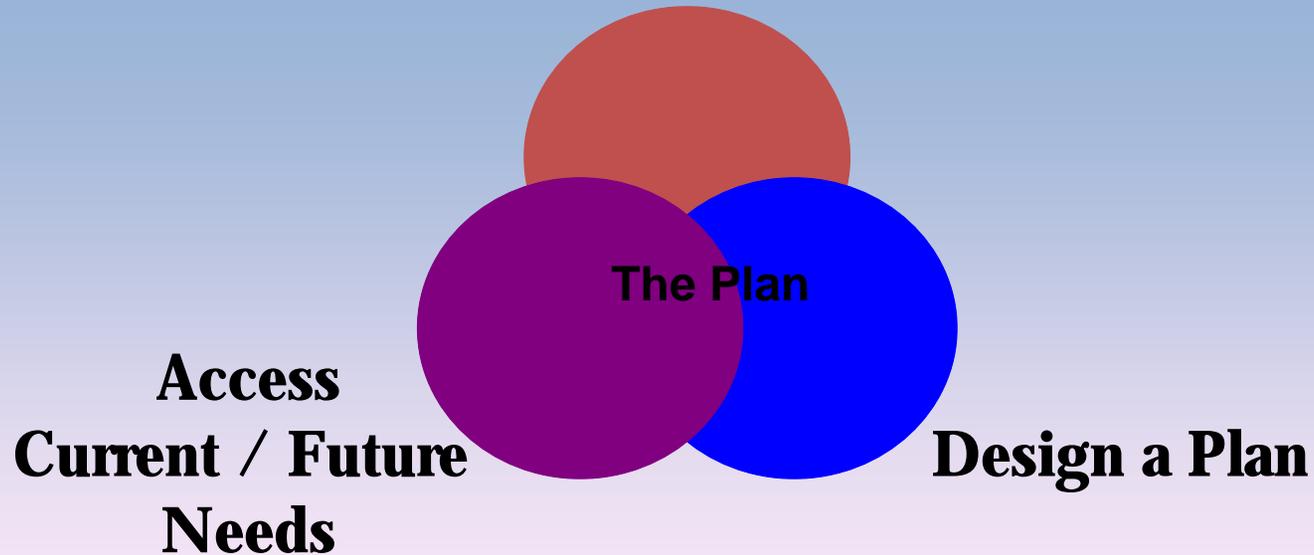
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The policy pays for the plan



How to sell more LTCi

Client Expectations



How to sell more LTCi

Ask your clients

“As you prepare for your future long term care needs – what does that look like”

- What does your aging process look like?
- Where do you want to live as you age?
- What types of services do you think you'll need?
- Do you have any illness that we need to be aware of?

– Make this a discussion comfortable



How to sell more LTCi

- **Sell Knowledge not fear**
- **Find a policy that will pay for the plan**
- **Make sure you are meeting your clients expectations**
- **Open and honest dialogue**
- **Explain choices and options**
- **Listen**



Questions?

Home Instead, Homewatch CareGivers, and Right at Home thank you for your time and attention today.

