

Common Questions/Quick Answers

What is Long-Term Care?

Long-Term care is the type of care people need when they cannot independently perform basic personal tasks of everyday life, called activities of daily living (ADLs).

ADL loss may be due to an illness (including dementia), accident or the normal aging process.

There are six commonly recognized ADLs — bathing, dressing, eating, transferring (oneself from a bed to a chair), toileting (ability to use the toilet and perform basic hygiene) and continence.

Who provides long-term care services?

Care can be provided in the home/community or in a facility.

- A nurse, home health or home care aide, and/or therapist who comes to the home
- A long-term care facility like an Assisted Living Facility or nursing home.

Long-Term Care Myths vs. Facts

MYTH: The odds are low someone will need long-term care.

FACT: According to the federal government, nearly 70 percent of people over age 65 will require long-term care services at some point in their lives.¹ Premiums are lower the earlier you obtain coverage.

MYTH: Employees should consider saving to pay for long-term care services.

FACT: Not everyone is able to save enough money to cover the high cost of long-term care. Without coverage, paying for long-term care services can quickly deplete even sizable savings and retirement accounts.

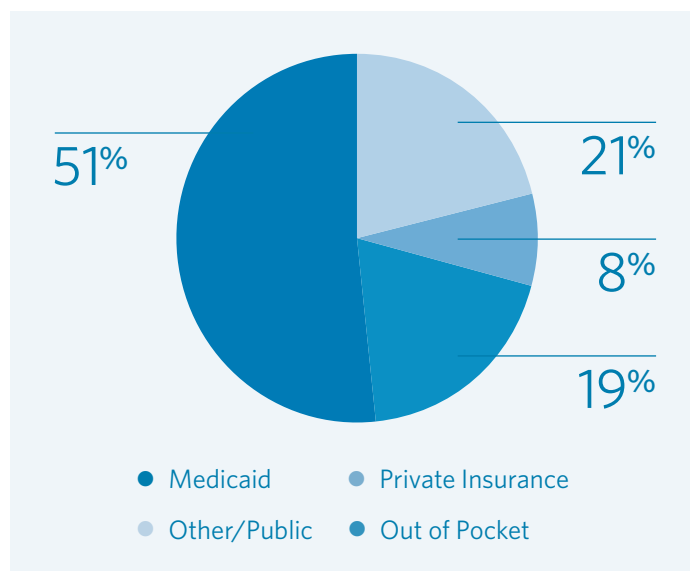
What is the average cost of long-term care services?

In the state of CA,

- Home Health Care: \$97/day assuming 4 hours per day
- Assisted Living Facility: \$163/day (\$4,890/mo., \$58,680/yr.)
- Nursing Home: \$283/day for semi-private room (\$8,490/mo.; \$101,880/yr.)

Who pays?

If someone cannot self-fund, they should understand that most medical plans cover very little long-term care, if at all. In general, they cover a stay in a hospital, but provide limited coverage, at best, for home or nursing facility care. Medicare (for people 65 and over) only pays for a limited amount of "skilled nursing care" which is NOT the same thing as the custodial care most people need.



Source: <https://www.kff.org/medicaid/report/edicaid-and-long-term-services-and-supports-a-primer>

Medicaid pays for the largest share of long-term care services, but to qualify, an individual's income must be below a certain level and they must meet minimum state eligibility requirements.

1. Who Needs Care? <https://longtermcare.acl.gov/the-basics/who-needs-care.html>



Who is eligible for the CalPERS Long-Term Care program?

- Current public employees of CA
- Former public employees and retirees of CA
- Spouses
- Parents
- Parents-in-law
- Adult children
- Son-in-law/daughter-in-law
- Brother-in-law/sister-in-law
- Adult siblings
- Step-relatives
 - Stepparents
 - Stepbrothers/sisters
 - Stepchildren
- Grandparents
- Grandchildren
- Aunts/uncles
- Nieces/nephews

What does someone need to think about when choosing a plan?

First, know the CalPERS plan helps cover care at home, in an adult day care center, in an assisted living facility or nursing home.

Second, select a daily benefit between \$150 and \$400. That's \$4,500 - \$12,000 a month. Decide if it would be possible to partially self-insure the cost of care, or if insurance would be needed to cover the entire cost. Reference the local average cost of care.

Next, decide how long benefits should last. The options are 3, 6 or 10 years. As the plan reimburses an insured for actual expenses, unused benefits will be carried forward, even beyond the selected benefit period.

So, for example, if an employee selects \$200/day and a 3-year duration, the total value of their plan would be $\$200 \times 365 \times 3 = \$219,000$. Three years would be the minimum amount of time benefits would last and would require full benefit payment every day for the three years. If the insured receives care for 15 days each month, coverage would last twice as long (6 years, in this example).

For more information, contact us at:

(800) 908-9119, M - F, 8:00 a.m. - 5:00 p.m. PT, or visit:
www.CalPERSLongTermCare.com



Consider how benefits should be protected against inflation over time. CalPERS offers three options:

- No Inflation Protection
- Benefit Increase Option (BIO) adds little to the cost of a plan and allows an insured to increase their daily benefit each year without a health screen. Each time the benefit is increased there will be a corresponding increase in premium.
- Inflation Protection is the most expensive option at time of purchase and will automatically increase the original monthly benefit amount each year with no increase in premium. The insured can choose a 3% or 5% simple or compound rate adjustment.

What about cost?

There is a 25% discount for married couples that apply and are both approved.

If only one member of the couple is approved, the discount is 10%.

Premiums are based on the time of application and will therefore be less for younger applicants.

Recent research revealed the average CalPERS member found premiums to be less than expected.

Sample Premium

- Age 55
- Marital discount: 25%
- \$200 daily benefit with 3 Yr. duration (Total benefit \$219,000)
- Inflation Protection: Benefit Increase Option (BIO)
- Monthly premium: \$88

What else should I know?

- Premiums are based on age at the time of purchase.
- Coverage is medically underwritten, so it is best to purchase when younger and healthier.
- Coverage remains in force through a job change, move or retirement (as long as premiums are paid)
- Can be used anywhere in the United States
- Employees can apply through the mail or online at www.CalPERSLongTermCare.com.