



Unlocking Hidden Benefits in Long-Term Care Insurance Policies

AN EXPERT GUIDE

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Summary

Long-term care insurance is a critical component in managing the healthcare needs and financial security of aging populations. However, many policyholders are not fully aware of all the benefits their policies provide, potentially missing out on valuable coverage that could ease financial burdens and enhance their care. This white paper explores commonly overlooked benefits within long-term care insurance policies, outlines the importance of understanding these benefits, and provides recommendations for consumers and policymakers to ensure that these benefits are fully utilized.

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Expert Support

With over seven years of experience, our in-house long-term care insurance expert can handle all the filing necessary for our clients to receive their maximum benefit. We will take over the administrative aspects of each claim, allowing families to focus on their loved ones.

Introduction

As the population ages, the demand for long-term care services increases. Long-term care insurance is designed to cover services that regular health insurance, Medicare, or Medicaid may not, such as assistance with daily living activities. Yet, complexities in policy language and coverage terms often lead to underutilization of available benefits. Identifying and leveraging these hidden benefits can significantly affect the quality of life and financial stability of insured individuals.

“The specifics of long-term care insurance policy benefits vary widely between carrier, product line, and policy age (different generations of policies have different designs). Traditional standalone policies (often considered legacy products) may have daily or monthly benefits and vary in terms of inflation rider, length of benefits, and solve for long term care insurance.

*Today’s new planning offers hybrid plans that include an either/or scenario: life insurance if the benefit is not used but **HIGHLY** leveraged money for long term care insurance.*

(Continued)

These hybrid policies, depending on the carrier, may also be more flexible in how they pay benefits and at time of execution: some require no receipts, other require receipts and licensed certified care. There is no standard design or off-the-shelf policies. Everything is customized.

The best way to make the most of a policy or secure a new one is to work with industry specialists who can compare, contrast and be transparent.”

—Natalie Karp

Founding partner at Karp Loshak LTC Insurance

Commonly Overlooked Benefits

1. INFLATION PROTECTION RIDERS

- **Definition:** Automatically adjusts the benefits of the policy to keep pace with inflation, ensuring that the purchasing power of the benefits does not erode over time. The average inflation rate is about 3-5% annually and is applied to the daily benefit.
- **Impact:** Protects against the rising cost of long-term care services, maintaining the policy's effectiveness throughout its term.

2. CASE MANAGEMENT REIMBURSEMENT

- **Definition:** Covers the costs associated with hiring a case manager to coordinate and manage long-term care services and treatments.
- **Impact:** Facilitates optimal care and resource utilization, potentially improving outcomes by ensuring the provision of appropriate services.

3. MEDICAL DURABLE EQUIPMENT REIMBURSEMENT

- **Definition:** Provides coverage for the cost of durable medical equipment such as wheelchairs, oxygen tanks, hospital beds, and mobility aids.
- **Impact:** Enhances the insured's quality of life by supporting mobility and daily activities, reducing the additional out-of-pocket expenses.

4. HOME ALTERATION REIMBURSEMENT

- **Definition:** Reimburses for modifications made to the home, such as ramps, widened doorways, or special bathroom fittings, to accommodate health-related needs.
- **Impact:** Enables individuals to remain in their homes comfortably and safely, promoting independence and reducing the need for facility-based care.

5. WAIVER OF PREMIUM

- **Definition:** Suspension of premium payments once care services are utilized.
- **Impact:** Eases financial strain, making resources available for other needs.

6. BED RESERVATION BENEFITS

- **Definition:** Payment to hold a bed in a facility when the insured is temporarily absent (e.g., hospital stays).
- **Impact:** Ensures that the insured can return to a familiar environment, which is crucial for recovery and well-being.

7. SHARED CARE POLICIES

- **Definition:** Allows spouses to share their benefit pool, providing additional flexibility and coverage.
- **Impact:** Maximizes the use of benefits, potentially extending the duration of coverage available to couples.

8. CAREGIVER TRAINING

- **Definition:** Coverage for training for family members or friends who provide care.
- **Impact:** Improves quality of care provided by familiar caregivers, enhancing patient comfort and safety.

9. HOMEMAKER BENEFITS

- **Definition:** Coverage for housekeeping services within the home.
- **Impact:** Enhances patient comfort and safety by providing a clean and organized space at home.

Conclusion

Unlocking the full potential of long-term care insurance policies through better understanding and utilization of hidden benefits can significantly alleviate the financial and personal burdens faced by the elderly and their caregivers. It requires concerted efforts from policyholders, insurers, and policymakers to ensure that these benefits are not merely written, but fully realized. At LifeWorx, our team of LTC experts can help you and your family navigate your LTC insurance claims. Reach out to our team and we can review your policy and answer any questions you may have.

Additional Resources

LifeWorx has put together an additional long-term care guide and other resources that anyone can access to learn everything from the essentials to expert policy management tips.

- [Long-Term Care Guide](#)
- [FAQs](#)
- [Resources](#)