Long Term Care Insurance
A Voluntary Program Offered to IEBP Members

presented by

Mario Sestito, CLTC
National Director
ACGIA Partners
Prosper, TX
Program Details

- TML Multi-State IEBP created RFP for a voluntary long term care program in 2015
- ACSIA Partners was chosen for implementation and enrollment based on educational focus and experience with similar organizations
- LifeSecure was selected as the carrier based on pricing, plan design and underwriting concessions
Program Partners

- The nation’s largest long term care agency
- Strong commitment to educational approach
- National footprint with broad coverage in TX
- Significant experience with large worksite implementations

- Wholly-owned by Blue Cross/Blue Shield of Michigan
- Easy-to-use coverage plan design
- Competitive rates
- Reduced health screening for employees and working spouses
What Is Long Term Care?

The need for assistance with activities of daily living (ADLs) caused by:

1. Physical impairment – illness, injury, or aging
   OR

2. The need for supervision due to a severe cognitive impairment such as Alzheimer’s Disease

ADLs include bathing, dressing, toileting, transferring, continence, and eating.
Why Might We Need Care?

Young or old, long term care insurance picks up where health insurance leaves off

<table>
<thead>
<tr>
<th>Injuries</th>
<th>Health Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Auto/motorcycle accidents</td>
<td>– Stroke and heart attack</td>
</tr>
<tr>
<td>– Skiing</td>
<td>– Cancer</td>
</tr>
<tr>
<td>– Horseback riding</td>
<td>– Diabetes</td>
</tr>
<tr>
<td>– Diving</td>
<td>– Arthritis and osteoporosis</td>
</tr>
<tr>
<td>– Extreme sports</td>
<td>– Alzheimer’s, Parkinson’s</td>
</tr>
<tr>
<td>– Work accidents</td>
<td>– Aging</td>
</tr>
<tr>
<td>– And more</td>
<td></td>
</tr>
</tbody>
</table>
Care Settings and Costs

**At Home**
- Austin - $22
- Dallas - $19
- Houston - $20
- San Antonio - $20

*hourly rates

**Assisted Living Facilities**
- Austin - $49,968
- Dallas - $47,377
- Houston - $44,104
- San Antonio - $47,754

*median annual rate

**Nursing Home**
- Austin - $84,315
- Dallas - $78,475 median annual rate
- Houston - $83,220
- San Antonio - $73,000

*median annual rate
A Growing Challenge

**Baby Boomers over 65 in the US**
- 40 million in 2010
- 55 million in 2020
- 70 million in 2030 — roughly 20% of the US population
- Life expectancy for those surviving until 65 is 85

**Traditionalists over 85 in the US**
- 10 million in 2030
- 80 and older will double between 2010 and 2050
- 38% of people 85 and older have Alzheimer’s

---

1US Census Bureau, Decennial Census, Population Estimates and Projections; AARP Public Policy Institute
22015 Alzheimer’s Disease ‘Facts and Figures’
Informal Caregivers

Percentage of informal caregivers reporting negative aspects of caregiving

- Financial: 6.6% Some Impact, 11.4% Substantial Impact
- Emotional: 13.5% Some Impact, 23.7% Substantial Impact
- Physical: 6.3% Some Impact, 11.8% Substantial Impact
- Too Much to Handle: 18.8% Some Impact, 27.1% Substantial Impact
- No Time for Self: 15.1% Some Impact, 26.4% Substantial Impact

SOURCE: National Study on Caregiving, 2011
Assessing employee attitudes

Have you been asked to provide long-term care services for a friend or family member at any point during your career?

- Yes, 55%
- No, 45%

Do you feel that providing long-term care services to friends or family members could impact your responsibilities at work?

- Yes, 82%
- No, 18%

The responses indicate how employees are impacted as informal caregivers.
Limited Solutions

A short-term solution with potential adverse consequences on the caregiver and family

Family Members and Friends

Health Insurance/Medicare

Cover only short-term, medically necessary care. Medicare supplement plans also do not provide coverage.

Assets & Income

Medicaid

Must deplete assets and care is primarily nursing home based with limited options.

Employees would prefer not to use 401(k) assets to pay for care.
Long Term Care Voluntary Program

**Long Term Care Insurance**
- Individual plans
- Simplified underwriting
- Comprehensive coverage
- Tax-free benefits
- Competitive rates
- Extended family eligibility

**Care Support Network**
- Free access to planning resources
- Wellness benefits
- Cost of care calculators
- Military resources
- Health assessments

**Care Advocacy Program**
- Half hour general needs assessment by a care specialist
- Interactive assessments including home safety, cognitive, functional, depression, anxiety and more
- If requested, home visit by an RN

**www.CareSupportNetwork.com**
Advantages of purchasing long term care insurance as an employer voluntary benefit:

- Education and enrollment assistance
- Simplified underwriting
- Pre-tax eligibility from an HSA account
- Qualification under state partnership plans
- Multi-life rates
- Gender-neutral pricing
Eligibility

Simplified underwriting
- IEBP eligible employees, actively-at-work for at least 20 hours per week
- Spouses/domestic partners working for any employer at least 20 hours per week with ability to verify income
- Simplified underwriting applicants must be between 18 and 65 years of age

Full Underwriting
- Employees and spouses between the ages of 66 and 79
- Siblings, parents, grandparents, parents-in-law and grandparents-in-law from ages 18-79
- Any employee/spouse for benefits above simplified limits
Voluntary Long Term Care Insurance

Underwriting

<table>
<thead>
<tr>
<th>Simplified</th>
<th>Full</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Insurability profile</td>
<td>✓ Complete application</td>
</tr>
<tr>
<td>✓ Height/weight</td>
<td>✓ Height/weight</td>
</tr>
<tr>
<td>✓ Pharmacy screen</td>
<td>✓ Pharmacy screen</td>
</tr>
<tr>
<td>✓ MIB</td>
<td>✓ MIB</td>
</tr>
<tr>
<td></td>
<td>✓ Medical record review</td>
</tr>
<tr>
<td></td>
<td>✓ Telephone interview</td>
</tr>
<tr>
<td></td>
<td>✓ Possible face-to-face interview</td>
</tr>
</tbody>
</table>
Communications

- Launch Letter sent to employee homes announcing the new voluntary benefit
  - Co-branded with ACSIA
  - Introduces ACSIA and insurance carrier
  - Explains the benefit of the program
  - Provides next steps in the educational process
- Co-branded website with general information about long term care as well as specific information on this offering
- Campaign of 3 email blasts:
  - 1<sup>st</sup> email is the launch email with live links to register for the educational webinar
  - 2<sup>nd</sup> email is a reminder that simplified underwriting is still available and there is still time to attend a webinar
  - 3<sup>rd</sup> email is a last chance to learn about this program before the simplified underwriting deadline ends
Voluntary Long Term Care Insurance

Communications

• Educational Webinars
  – Hosted by ACSIA Partners
  – No obligation, 30 minute presentation
  – Education-based, not product focused
  – Access to free planning resources for employees and their extended family, not connected with any purchase
  – Survey following the webinar offering an individual consultation with an LTC specialist for those interested
Individual Consultations

• Appointments are in-person or via screen sharing
  – Requested by employee or family member
• Agent conducts fact finder and needs analysis
• Suitability qualifications
  – Health
  – Financial
• Explain how coverage works
  – Plan design based on individual needs and budget
• Review timeline of approval process
• Submit all forms to carrier
• Monitor approval process
  – Communicate with employee or family members
Voluntary Long Term Care Insurance

Timeline

• 12/15/16 - Signed letter of intent to commit to one of the two 90 day enrollments:

• 10 days prior to the start of the enrollment – Launch letter mailing drops

• On the first day of the enrollment – Email blast is sent to all employees by IEBP

• 5 days after enrollment begins – Educational webinars hosted by ACSIA Partners begin