



Understanding Long-Term Care

You probably know someone who needed long-term care. You may have experienced the emotional difficulties caused by placing a friend or loved one into an assisted living facility or nursing home. Or maybe you have witnessed the struggles of a friend or colleague who had to deal with the difficult emotional and financial issues that come with a long-term care experience. Whether the need arises because of age, disability, or because of an unexpected illness or accident, long-term care can affect any age group, any social strata, and any geographic location.

What is long-term care?

Long-term care is best described as the assistance provided to people with chronic illness or disability whose physical or mental conditions limit their ability to carry out everyday independent tasks (also known as Activities of Daily Living). However, many different responsibilities and tasks fall under the umbrella of long-term care. These tasks may include eating, bathing, dressing, toileting, transferring, and continence. Long-term care, unlike skilled medical care, can help an individual maintain a level of functional independence, but isn't necessarily attempting to cure a specific illness.

Who needs long-term care?

Most of us strive to live active, healthy lives well into our later years, and indeed as a society, Americans are living longer than ever before. This extended longevity is one of the things that drives the growing need for long-term care – the longer we live, the better the odds that we may need long-term care services. In fact, nearly 50% of all Americans may need long-term care at some point during their lifetime.¹ Today, about one in five Americans over the age of 65, and almost half of those age 85, need assistance with everyday activities.² As the 76 million members of the baby boomer generation age into the 21st century, we will see a considerable increase in the overall elderly population. Some estimates show that the number of older Americans needing long-term care could reach 12 million by the year 2020.³

Who pays for it?

Long-term care can be expensive. An unexpected need for long-term care can have a significant impact on a family's assets and lifestyle. Close to one-third of all nursing home costs are paid out-of-pocket by individuals and their families.⁴ 40% of long-term home health care expenses are paid, out-of-pocket, by the

¹ Health Insurance Association of America. A Guide to Long-Term Care Insurance. 2002. Page 5.

² American Council of Life Insurers. Long-Term Care Insurance Protection for Your Future. 2001. Page 2.

³ Health Insurance Association of America. A Guide to Long-Term Care Insurance. 2002. Page 5.

⁴ Health Insurance Association of America. A Guide to Long-Term Care Insurance. 2002. Page 6.

patient and their families. Contrary to popular belief, Medicare pays only a small amount for long-term care, mostly in the form of short-term nursing home care and some skilled home care.⁵ Medicaid will pay for the cost of long-term care, but you must qualify by meeting strict income and asset eligibility requirements.

Long-term care insurance could be a solution.

Long-term care insurance can be a very smart way to address the challenges we face as an aging society. Long-term care insurance can help pay for nursing home and assisted living facility care as well as a variety of home and community-based care services, including physical, speech and occupational therapists, home health aides and visiting nurses, adult day care, and hospice care.

Long-term care insurance is already helping thousands of Americans pay for their long-term care needs. These benefits are allowing people to stay closer to family and stay within the comforts of home. Seventy percent of people receiving benefits primarily use home health aides and homemaker services that enable them to continue to live at home.⁶

Long-term care insurance may not be for everybody, so if you are considering a policy, read the product brochure carefully. If you have questions, ask them, so that you will be able to make an educated decision.

New York Life Insurance Company's individual tax qualified Long-Term Care Insurance policies are issued on policy form series ILTC-5000, FLTC-5000, INH-5000 and FNH-5000. The actual policy form numbers vary by state and are identified with the two-letter state identifier and an edition number. Examples: for Idaho ILTC-5000 (ID) (1001) and INH-5000 (ID) (1001) and for Pennsylvania ILTC5000 (PA) (1001), FLTC-5000 MLP (PA) (0503), INH-5000 (PA) (1001) and FNH-5000 MLP (PA) (0503). INH-5000 or FNH-5000 series are not available in OR, RI, or VT. The policies contain some benefit eligibility restrictions, other limitations and exclusions, as well as terms under which the policies can be continued in force or discontinued, that are common in the industry. Policy benefits are subject to daily as well as lifetime maximum benefits. Benefit eligibility is contingent on certification that you are a chronically ill individual and a written plan of care. The provider must be an eligible provider for the qualified long-term care and services being provided. The policy may not cover all expenses for long-term care needs. It is advisable to review the outline of coverage and the issued policy for specific details. For costs and complete details of the coverage, call or write your insurance agent or the company.

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⁵ Health Insurance Association of America. A Guide to Long-Term Care Insurance. 2002. Page 6.

⁶ American Council of Life Insurers. Passing the Trust to Long-Term Care Insurance. 2003. Page 19.