



*In-home care for seniors*

## Long Term Care Insurance 101

### **What services does my policy cover?**

Many people think that long term care insurance only covers stays in a skilled nursing setting. However, many policies provide coverage for in home non-medical care, adult day care, assisted living or hospice facilities. Long term care insurance will cover services provided in each location if the insured needs assistance with the activities of daily living such as bathing, continence care, eating, dressing, toileting, and transferring. Typically, the insured would need to require assistance with two of the activities of daily living to become eligible to receive benefits.

### **How much will my policy cover?**

Long Term Care policies are usually structured to pay benefits in the form of a Daily Benefit Amount (DBA). The DBA is the maximum amount per day the insurance company will pay to cover services provided in a home, assisted living, adult day care or skilled nursing facility. In addition to daily benefit maximums, most policies are structured to include lifetime maximums placing a cap on benefits paid or years of service. Every policy should be carefully evaluated for all limits. Some policies contain inflation riders to help protect against the rising costs of care. It is important for the insured to investigate inflation riders on a policy as the daily benefit amount that is written in the policy might be lower than the actual amount the insurance company will cover because of the inflation riders.

### **What is an elimination period?**

Although every policy is different, most include a period of time that the insured must pay out of pocket for services in the home or other long term care setting. Typically, this time period ranges from 30-100 days. The time period that an insured is required to pay without reimbursement is called the elimination period. It is best to think about the elimination period as the deductible required before benefits begin. The elimination period can be measured in calendar days or service days. It is extremely important keep good records of service dates during an elimination period.

### **How do I make a claim?**

Every insurance company has their own claims process, but most claims begin by making a call to the claims department number listed in a policy. The insurance company representative will gather information and send paperwork to the insured that will need to be completed by the insured, a physician and the company or facility providing services. On some occasions, the insurance company will send their own representative to evaluate the claim. After the claim has been made, the insurance company will require ongoing communication and information for coverage to continue.

The world of long term care insurance can be confusing and at times overwhelming. The Home Option accepts long term care insurance as a source of payment so we interact with the insurance companies daily and can usually help prospective clients get the answers they need regarding their policies and how to make a claim.

Tyler Sutliff  
President  
512-291-7096  
[tyler@thehomeoption.com](mailto:tyler@thehomeoption.com)