



Planning for

# *Long-Term Care*

Helping you make  
sense of it all

**MetLife®**

Metropolitan Life Insurance Company

New York, NY 10166

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An Approved Participant In



**The MetLife  
Multi-Life  
Long-Term Care Insurance (“LTCL”)  
Discount Program**

*Endorsed by the  
California Partnership for Long-Term Care  
(“CPLTC”)*



# MetLife LTCI offered through your employer

- **Valuable new benefit available to:**
  - Employees
  - Retirees (if applicable)
  - Current spouses and domestic partners of employees and retirees
  - Parents, parents-in-law, grandparents, step-parents of employees and retirees, and children 18 or older
- **Multi-Life premium discount**
- **Choice of policies**

# What is long-term care?

- It is the care you need if you cannot perform at least 2 of 6 of your Activities of Daily Living; or
- If you need substantial supervision for a severe cognitive impairment such as Alzheimer's disease

# Activities of Daily Living (“ADLs”)

- ADLs include:
  - Dressing
  - Bathing
  - Transferring  
(e.g., moving from a bed to a chair)
  - Toileting
  - Eating
  - Continence

# Where are long-term care services commonly provided?

- In the home
- In community settings such as Adult Day Health Care Centers
- In Hospice Home-Care Programs
- In various facilities including: Residential Care Facilities, Nursing Facilities and Hospice Facilities

**There are several myths  
about long-term care**

**Myth #1: “It won’t happen to me.”**





# What can cause someone to need help with Activities of Daily Living?

- An accident
- A chronic or disabling illness  
(cancer, Parkinson's disease, stroke, etc.)
- Cognitive impairment
- Normal aging

# Have you known a friend or family member who needed care?

## What was it like?

- Were they prepared for the emotional and financial cost associated with needing long-term care services?
- How did it impact their family?
- How did paying for long-term care services out of their pocket impact their retirement savings?
- Were they able to stay at home?  
If so, who coordinated their care?

# Why is it important to plan for long-term care?

- Nearly 40% of the people receiving long-term care services are between the ages of 18 and 64<sup>1</sup>
- There are an estimated 22.9 million households providing care to an adult<sup>2</sup>

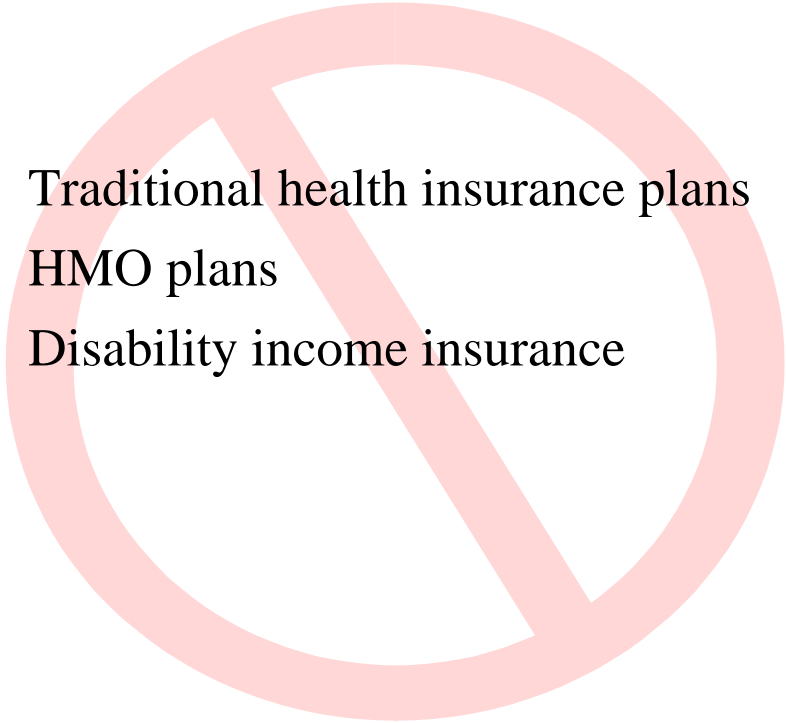
<sup>1</sup>. Georgetown University Long-Term Care Financing Project “*Who Needs Long-Term Care?*” May 2003.

<sup>2</sup>. “*Caregiving in the U.S.*,” National Alliance for Caregiving & AARP; April 2004.

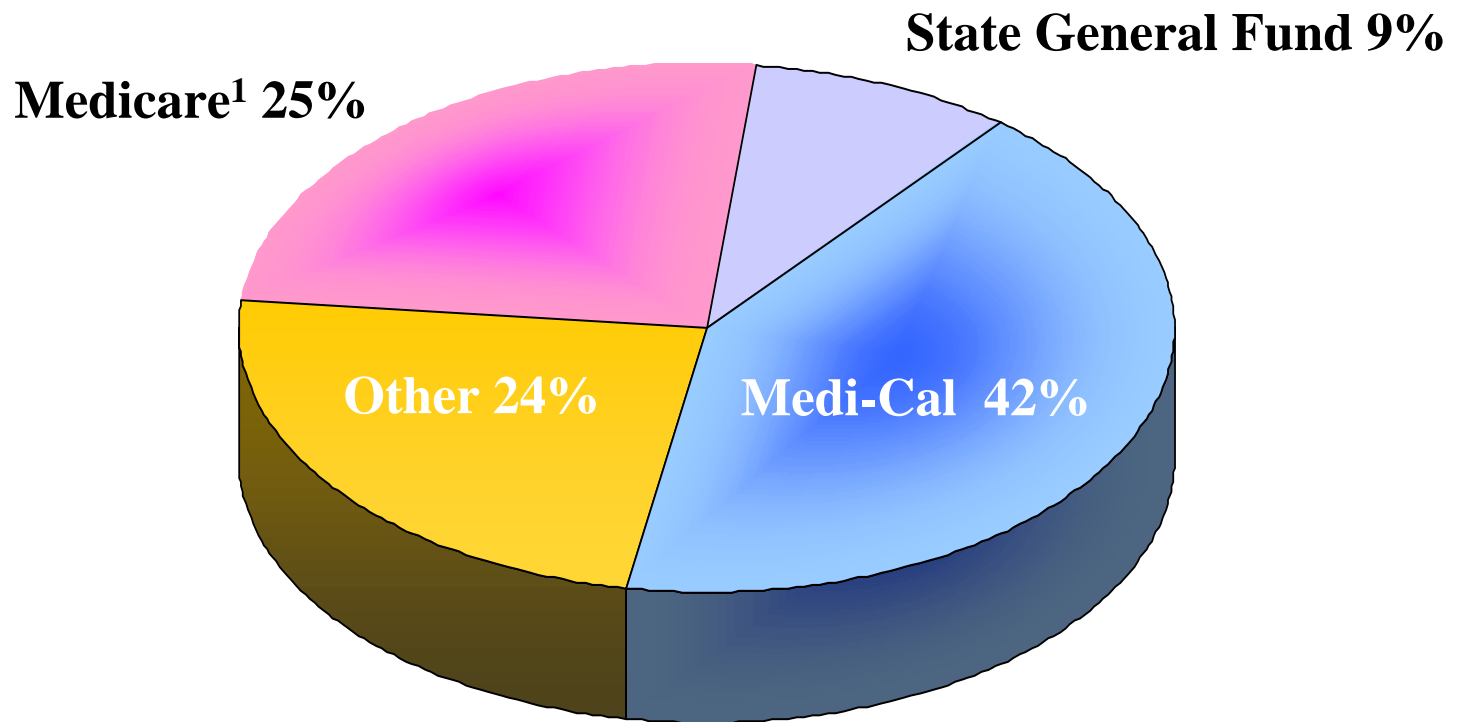
**Myth #2: “I’m  
already covered.”**



# Long-Term Personal or Custodial Care is NOT routinely covered by other insurance

- 
- Traditional health insurance plans
  - HMO plans
  - Disability income insurance

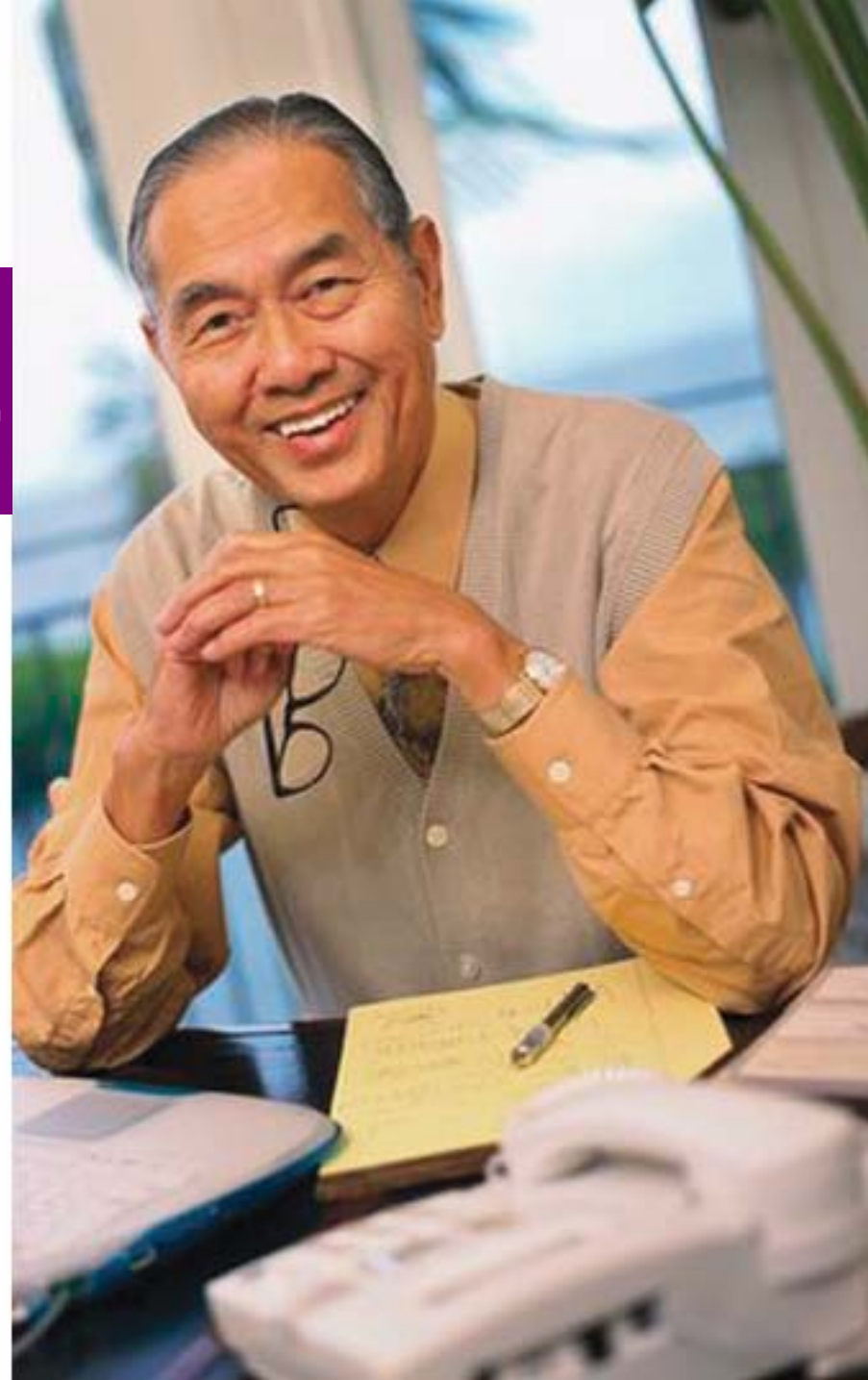
# Who pays for long-term care services in California?



Source: California Health and Human Service Agency, 2005.

- Provided for skilled home care and short-term care following a hospital stay.

**Myth #3: “My family  
will take care of me.”**



# Sociological changes have impacted caregiving

- Families no longer in same community
- Women working outside the home
- Divorce
- Delayed childbirth



# Today's working caregivers<sup>1</sup>

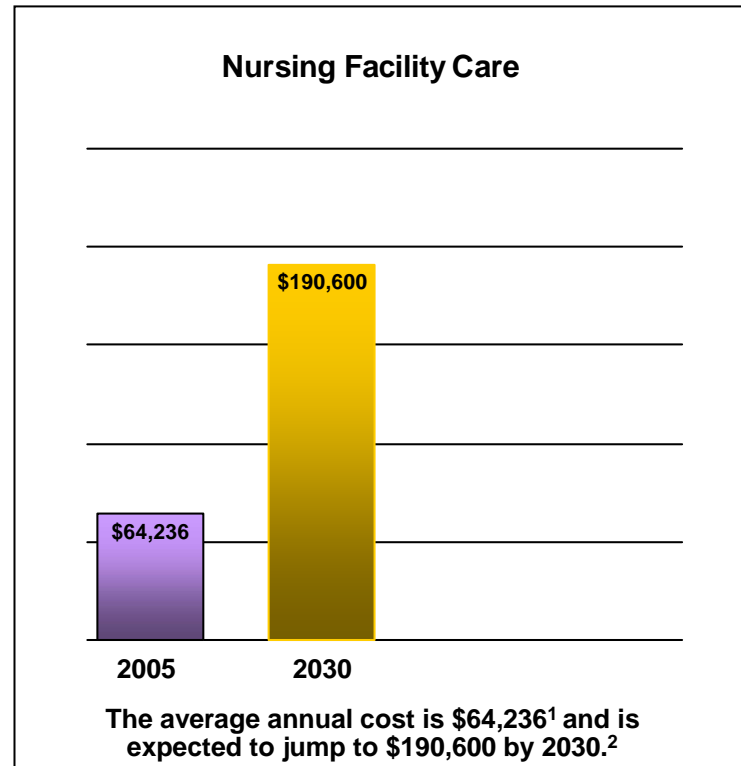
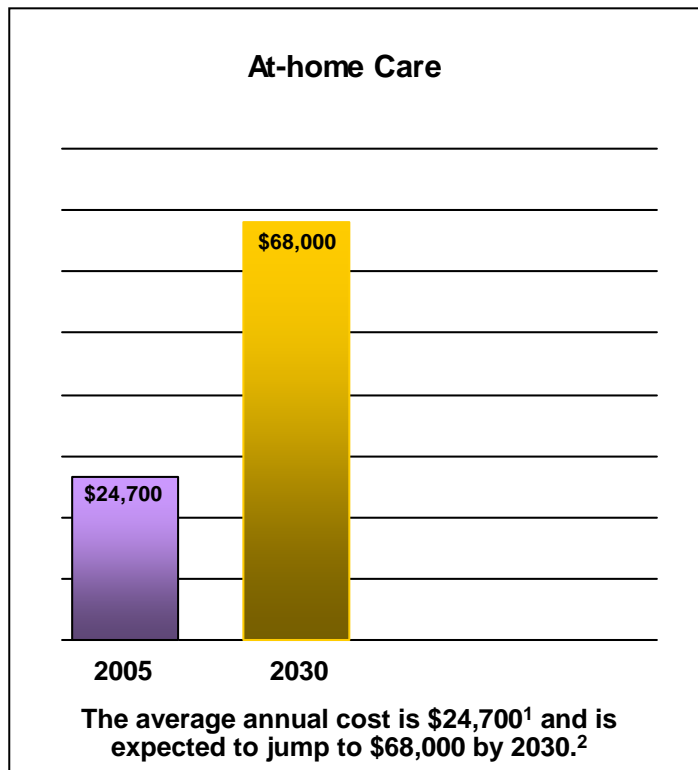
- **More than one fifth (22%) of the “Sandwich Generation” (those age 45 to 55 with aging parents and children under 21) furnish aid to their parents, other elderly family members, or both**
  - **17% personally provide help, which may include money as well as other forms of assistance, and another 5% provide financial support alone.**
- **From 1996 to 2001:**
  - **43% of older Baby Boomers took time off from their own jobs to care for someone.**
  - **17% of older Baby Boomers reduced the amount of time they worked.**

<sup>1</sup>. AARP: “In the Middle; A Report on Multicultural Boomers Coping with Family and Aging Issues,” July 2001.

**Myth #4: “I can’t afford  
Long-Term Care  
Insurance.”**



# Can you afford not having Long-Term Care Insurance



<sup>1</sup> MetLife Mature Market Institute "The MetLife Market Survey of Nursing Home and Home Care Costs" September 2005. (Home health care costs based on home health aide per hour: \$18.00 (Los Angeles) or \$20.00 (San Diego) or \$21.00 (San Francisco), x 5 hours/day x 5 days/week.

<sup>2</sup> "Can Aging Baby Boomers Avoid the Nursing Home?" Stucki, B. and Mulvey, J., American Council of Life Insurers, March 2000, page 15.

# Compare the cost of Long-Term Care Insurance with the cost of care

**Cost of LTC Insurance**      **vs.**      **Average Monthly Cost of LTC Services**

Age	Monthly Premium <sup>1</sup>
45	\$ 113.65
65	\$ 222.54

Type of Care	2005 <sup>2</sup>	2030 <sup>3</sup>
Home Care	\$2,058	\$ 5,667
Nursing Facility	\$ 5,353	\$ 15,883

<sup>1</sup>. CPLTC Ideal Plan, \$130 DBA, 3 year Benefit Period, 50% Home and Community-Based Care, 70% Residential Care Facility, 90 Day Elimination Period, 5% Automatic Compound Inflation, 5% Multi-Life Discount.

<sup>2</sup>. MetLife Mature Market Institute “*The MetLife Market Survey of Nursing Home and Home Care Costs*” September 2005. Home health care costs based on home health aide per hour: \$18.00 (Los Angeles) or \$20.00 (San Diego) or \$21.00 (San Francisco), x 5 hours/day x 5 days/week. Home care hours and days can vary based on specific circumstances. Nursing home costs based on a semi-private room / 7 days a week.

<sup>3</sup>. “*Can Aging Baby Boomers Avoid the Nursing Home?*” Stucki, B. and Mulvey, J., American Council of Life Insurers, March 2000, page 15.

# Annual cost of long-term care services in California

	Home Health Care <sup>1</sup>	Nursing Facility <sup>1</sup> Semi-Private Room	Residential Care Facility <sup>2</sup>
San Francisco	\$ 27,300	\$83,585	\$ 44,400
Los Angeles	\$ 23,400	\$56,210	\$ 29,340
San Diego	\$ 26,000	\$61,320	\$ 28,188

<sup>1</sup>. [MetLife Mature Market Institute “*The MetLife Market Survey of Nursing Home and Home Care Costs*” September 2005. Home health care costs based on home health aide per hour: \$18.00 (Los Angeles) or \$20.00 (San Diego) or \$21.00 (San Francisco), x 5 hours/day x 5 days/week]. Home care hours and days can vary based on specific circumstances. Nursing home costs based on a semi-private room/7 days a week.

<sup>2</sup>. MetLife Mature Market Institute “*The MetLife Market Survey of Assisted Living Costs*” October 2005.

# How can Long-Term Care Insurance help?

It can help you to:

- Preserve and protect hard-earned retirement assets
- Give you the flexibility to choose where and how you receive care
- Assure high-quality care at a reasonable price
- Provide financial and emotional support for you and your family members

# Why you should seriously consider this new benefit

- The potential need for long-term care is real and can happen at any time
- Most people are unprepared for the financial strain associated with long-term care services
- Relying on family members is neither practical nor desired
- Most people want to retain their independence

## Why else should you consider this new benefit?

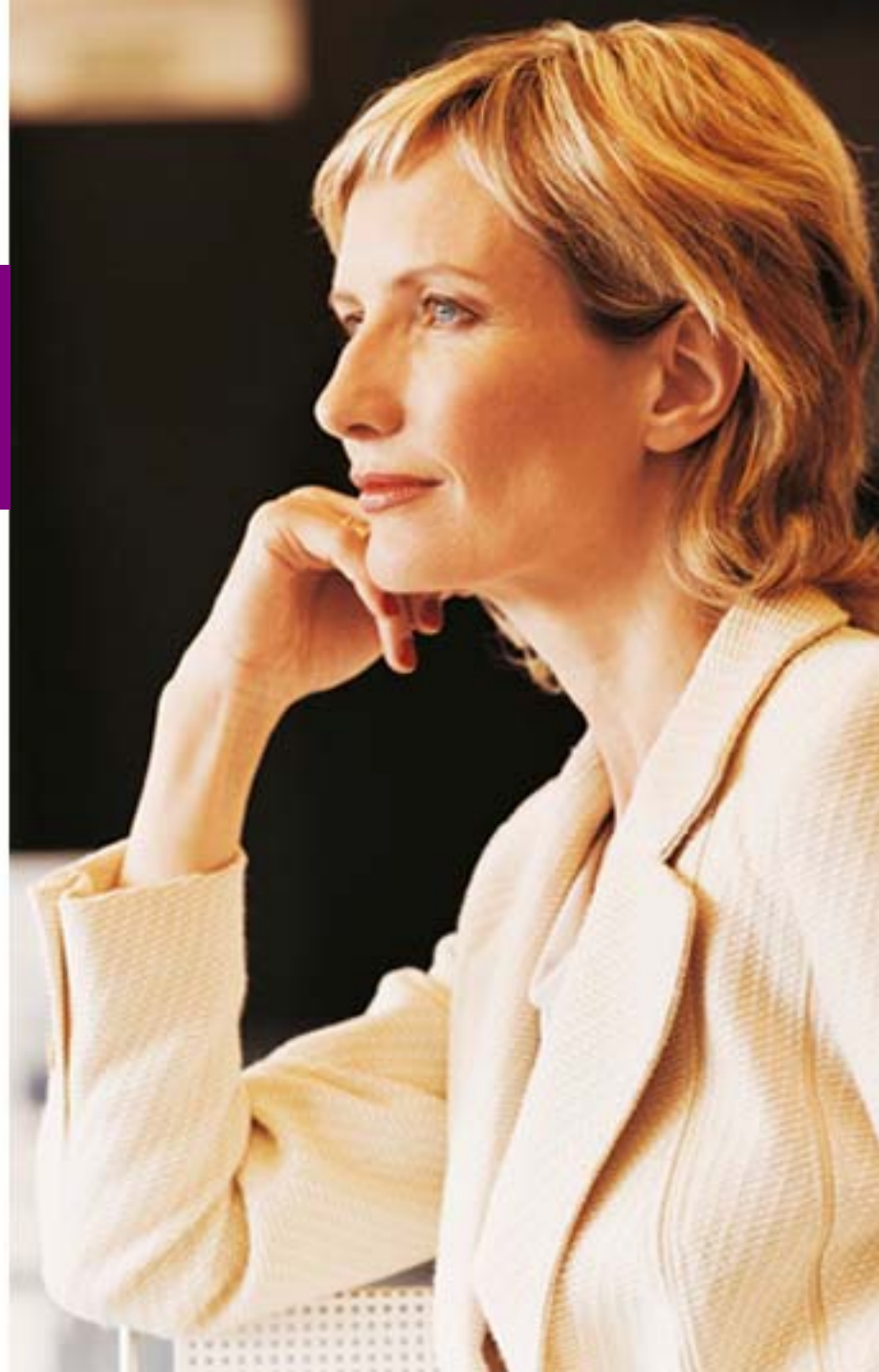
- A premium discount
- An easier application process
- This plan provides a level of asset protection through the California Partnership for Long-Term Care Insurance program



# California Partnership for Long-Term Care Insurance policy example

- Joe Smith, a single person, purchases a CPLTC LTCI policy in 2005. In 2010 Joe requires long-term care services.
- The total policy benefit available is \$300,000. In 3 years he exhausts the \$300,000. (Assume Nursing Facility yearly cost of \$100,000 in the year 2010.)
- Joe applies for Medi-Cal since he still needs care. Based on current year 2005 Medi-Cal rules Joe must spend down his assets to \$2,000.
- Joe has assets valued at \$350,000
- The CPLTC Policy protects \$300,000 of the assets. Medi-Cal rules allow him to keep \$2,000. Medi-Cal will only require that he spend down \$48,000 of the \$350,000 he has in assets.  $\$350,000 - \$300,000 - \$2,000 = \$48,000$ .

# Decisions to Make



# Five questions to ask yourself

- 1 **Where would you like to receive care?**
  - At home or in a Residential Care Facility or Nursing Facility?
- 2 **How much coverage is right for you?**
  - What is the cost of care in your area?
  - What maximum Nursing Facility Daily Benefit Amount (“DBA”)?
  - What percentage of your DBA for Residential Care Facility?
  - What percentage of your DBA for Home and Community Based Care?

## Five questions to ask yourself *continued*

### 3 How long would you like your benefits to last?

- Number of days you receive your maximum DBA
- The Benefit Period you select is used to calculate your “Total Lifetime Benefit” - the total amount of benefit dollars under your policy.

#### Example:

**\$150 DBA x 1,825 days (5 years) = \$273,750 Total Lifetime Benefit**

### 4 How long can you wait before benefits are paid?

- The Elimination Period is the length of time you are responsible for paying the cost of your care services.

## Five questions to ask yourself *continued*

### **5** Would you like to add Riders?

- **Policy Feature Riders**
- **Flex-Pay Premium Payment Riders**

# Discounts available

- 30% Spousal Discount (**spouse or domestic partner**)  
both apply and are approved
- 15% Marital Discount (**spouse or domestic partner**)  
both do not have to apply or if one spouse/partner is declined
- 15% Residential (**two people living in the same household**)
- A 10% good health Preferred Discount may be available\*
- **Minimum 5% Multi-Life Discount**

\*Does not apply to Multi-life Simplified Underwriting.

Note: Not all discounts maybe available in conjunction with one another.

# Why should I apply NOW?

- Your premium is based on your current age and may never be lower than it is today
- You may require additional underwriting if you wait
- Your health may change and you may not be able to qualify for coverage

# MetLife Long-Term Care Insurance

Coverage is offered by the following Metropolitan Life Insurance Company policies:

LTC2-IDEAL-CAP and LTC2-FAC-CAP.

California Partnership Long-Term Care Insurance is issued and distributed by Metropolitan Life Insurance Company (“MetLife”), New York, NY 10166. This policy is guaranteed renewable and cannot be cancelled due to an increase in your age or a change in your health. Premium rates can only be raised as the result of a rate increase made on a class-wide basis in California and approved by the Department of Insurance. Like most long-term care insurance policies, MetLife’s policies contain certain exclusions, limitations, elimination periods, reductions of benefits and terms for keeping them in force. Ask your MetLife/CPLTC Authorized Agent about complete costs and details.



# Policy Exclusions & Limitations

- Treatment of alcoholism or drug addiction, unless the addiction was due to drug(s) taken on the advice of a physician
- Any care received while in a hospital, except in a unit specifically designated as a Nursing Facility or Hospice Facility
- Any injury or sickness that results from:
  - Any war, or act of war (whether declared or undeclared)
  - Participation in a felony, riot or insurrection
- Any intentionally self-inflicted injury
- Services performed by a member of the insured's immediate family, unless the family member is a regular employee of an organization that provides the services; the organization receives payment for the services; and the family member receives no compensation other than the normal compensation for employees in his/her job category.

# Policy Exclusions & Limitations *continued*

- Any care or services received outside the US and its territories.
- Any service or item to the extent the expense for it is reimbursable under Medicare, or would be reimbursable but for the application of a deductible, coinsurance, or co-payment amount.
- Treatment received in a government facility (unless otherwise required by law); services for which benefits are available under a government program (except Medi-Cal or Medicaid); or services for which no charge is normally made in the absence of insurance.

## Coordination with Other Benefits

The benefits of this policy are not designed to duplicate other benefits. If you have any health insurance plan or non-Partnership long-term care plans, and you are entitled to benefits for services covered under those plans that would also be Covered Services under this policy, you are required to use those benefits first, prior to using benefits under this policy. Examples of health insurance plans include, but are not limited to, basic hospital, health maintenance organization (HMO), medical/surgical or major medical plans. Services or items which are reimbursable under Medicare but for the application of a deductible, coinsurance or co-payment amount are excluded under this policy.

If any other policy or plan is required to pay benefits prior to this policy, benefits payable under this policy will be reduced by any benefits payable by those other policies or plans.

Questions?

