Long Term Care

Toll Free: (800) 927 - HELP
L.A. Area & Out of State: (213) 897-8921
T.D.D. 1-800-482-4TDD
www.insurance.ca.gov

This Brochure will answer some of your questions about Long Term Care Insurance. It explains why people need Long Term Care, how Long Term Care insurance can help you pay Long Term Care, how Long Term Care insurance is structured, what benefits it contains, whether you should buy Long Term Care insurance, and how to select the right Long Term Care policy for you. Many of these questions can be answered by the Health Insurance Counseling Advocacy Program (HICAP), which offers individualized information and counseling on Long Term Care issues for consumers.

What is Long Term Care?

Long Term Care is the assistance you need when you are not able to do some of the basic "activities of daily living" like bathing, dressing or moving from a bed to a chair. There are many reasons why you might need assistance with the activities of daily living: an injury like a broken hip, an illness, a stroke or simply advanced age and frailty. Some people need Long Term Care because of mental deterioration, called "cognitive impairment" that may be caused by Alzheimer's Disease or other organic brain disorders.

Long Term Care is often called "custodial care" or "personal care." It is frequently provided informally by family members and friends. Even "formal" Long Term Care (the care you must pay for) is most often provided by unskilled workers such as homemakers, companions, nurses aides or personal care givers, although these unskilled workers may be supervised by skilled medical personnel such as registered nurses.

You can receive Long Term Care in a nursing home, in a Residential Care Facility for the Elderly (RCFE), in your own home, or in a community facility (such as an Adult Day Care Center).

Long Term Care is not necessarily "long term." You might need Long Term Care for a few months, for example, while recovering at home from a broken hip. About half of all nursing home stays last 6 months or less.

Will I Need Long Term Care?

Your personal risk of needing Long Term Care depends on whether you are male or female, how long you live, your health history and the availability of a spouse or family members to provide informal care.

Longevity: The Longer you live, the more likely it is that you will need Long Term care. Those who live to be 95 years old or older are much more likely to have spent five or more years in a nursing home than those who die by the age of 74. Much less is known about the use of Home care services. Researchers cannot predict the risk of home and community care with the same certainty as care in a facility.

Your Gender: Women are at a much higher risk of needing to pay for formal Long Term Care for several reasons. Women tend to marry older men, have longer life spans and often out live their spouses. When they need Long Term care in their older years, they are more likely to live alone.

Married or Single: If you have a spouse and adult children, then you are more likely to receive informal care at home. If family members are unable to provide care, and you cannot stay at home alone, then a nursing home is often the only available option. Moreover, if you are single with no adult children or family members to provide care, then your options are very limited.

Health factors: If you know that certain health conditions run in your family, you may be a greater risk than another person of the same age and gender. Unfortunately, it may be this known health condition that will make you ineligible to buy Long Term care insurance.

How Much Does Long Term Care Cost?

Currently, in California, the cost of most nursing home care ranges between $90 and $120 per day. Costs are lowest in rural areas and higher in suburban and urban areas. A short 30-day stay could cost $3,000; a 3 month stay, $9,000. It is estimated that nursing home costs inflate at about 10% per year, so you may roughly estimate the costs will double in 10 years.

The cost of home care is more difficult to calculate. Intermittent services paid at an hourly rate are less expensive than nursing home care; but around-the-clock home care is more expensive. In California in 1999, unskilled workers such as homemakers or personal care aides may charge $10 to $12 per hour, up to $155 per day for live-in personal care and up to $200 per day for 24 hour care. Skilled services, like those of a registered nurse hired through a Home Health Agency, may cost $120 per home visit or more.

Who Usually Pays For Long Term Care?

Medicare may pay for skilled (not custodial) care in a nursing home for a short period of time - no longer than 100 days. Medicare may pay for some custodial care at home but only if you also need skilled care and you are recuperating from an acute injury or illness. For more details, see Your Medicare hand book available from your Social Security office or by calling The Social Security Administration, toll-free at 800-772-1213.

The Medicare benefits are not neccessarily Long Term Care benefits.

Medi-Cal(called Medicaid outside California) pays for necessary health care that is not covered by Medicare, but only if you meet federal poverty guidelines. In 1999, single people over 65 qualify for Medi-Cal if they have $2,000 or less in non-housing assets. A married person may keep up to $80,760 in non-housing assets when his/her spouse enters a nursing home on Medi-Cal. These guidelines change periodically. You can get the most current information from your local HICAP, Legal Services Program, or an Elder Law attorney.

Personal Resources: Most people pay nursing home expenses from their own income and resources. When Long Term care is received at home, much of that care is provided informally by family members and friends. Even when custodial home care is provided by family or friends, the necessary skilled care, equipment, transportation and other costs, which are not paid by Medicare, are often paid from the patient's personal income or savings.

Long Term Care Insurance is designed to pay a portion of Long Term Care costs. It is available from private insurers in California and it may be cost-effective for you if you have sufficient available income to pay the premiums.

What is Long Term Care Insurance?

Long Term Care Insurance is insurance that covers any of the following:

1. **Care in a facility** that is not an acute-care hospital. Facilities include Nursing Homes, Residential Care Facilities for the Elderly (RCFE's), Convalescent Facilities, Extended Care Facilities, Custodial Care Facilities, Skilled Nursing Facilities or Personal Care Homes.

2. **Home Care** such as Home Health Care, Personal Care, Homemaker Services, Hospice Services or Respite Care.

3. **Community-Based Care** such as Adult Day Care or Hospice Facility care.

In California, only 3 types of Long Term Care insurance policies may be sold:

1. **Nursing Facility Only** policies cover skilled, intermediate, or custodial care in a nursing home or similar facility. Some of these policies also pay for care in a Residential Care Facility for the Elderly or a Hospice Facility.

2. **Home Care Only** policies are required to include: Home Health Care, Adult Day Care, Personal care, Homemaker Services, Hospice Services and Respite Care. These policies will not pay for care in a nursing home or RCFE.

3. **Comprehensive Long Term Care** policies include both Nursing Facility coverage and Home Care coverage. These policies must include at least 7 benefits: a nursing home benefit and the 6 home care benefits: Home Health Care, Adult Day Care, Personal Care, Homemaker Services, Hospice Service and Respite Care and RCFE's. RCFE coverage must be offered by the insurance company in at least one of its policies.

The California Partnership for Long Term Care is a program of the State of California, administered by the Department of Health Services. People who purchase certain Long Term Care insurance policies specially approved by the Partnership may be able to protect (or shelter) a certain amount of their assets if they later qualify for Medi-Cal.

To learn more about these policies, call for consumer information at 800-434-0222

If you already have a Long Term Care policy, and that insurer is participating in the Partnership, then you must be given an option to convert your current coverage to a Partnership protection policy.

Call your insurer or your agent for more information.

What Is A Tax Qualified Long-Term Care Policy?

Congress passed legislation effective in 1997 giving a tax break advantage to people who purchase long term care insurance that meets certain federal standards.

This legislation is called the Health Insurance Portability and Accountability Act or HIPAA. Policies that qualify for the new tax break use a standard of eligibility for benefits that is stricter than the standards established in California. Policies that are labeled as "Federally Tax Qualified" use the federal standards for paying benefits. Some or all of the premiums for these policies may be deductible as a medical expense (depending on your age and adjusted gross income), and benefit payments are excluded from income

Note: Premiums paid for a tax qualified policy qualify as a medical expense. People who itemize medical expenses on their federal tax return and have total medical expenses greater than 7.5 percent of their adjusted gross income may be able to deduct some portion of a premium for one of these policies. Contact your tax advisor for more information.

Policies that use the standards established by California are more generous than the federal standard, so the premiums cannot be deducted. It is not clear under federal law whether the benefit payments are taxable as income. However, no long term care benefits have been previously taxed as income.

The Federal government has not made any decision on the tax treatment of policies that use the California standards. Until a decision is made, companies selling the tax qualified policies are required to also offer people the chance to buy a policy that meets the California standards. Some companies see both types of policies, while other companies only sell the California policies. Some employers only offer tax qualified policies because they are not required by state law to offer both.

Note: All long term care policies that were sold before January 1, 1997 automatically qualify for the new tax breaks. These policies do not have to be replaced with a new tax qualified policy to benefit from these new tax advantage. Consult your tax advisor for more information.

Individual vs. Group Insurance

An Individual Long Term Care Insurance Policy is a contract between you and the insurer. It's provision have the maximum number of consumer protections required under California law, but it is sometimes more expensive than group insurance. These policies cannot be canceled by the insurer unless the premium is not paid on time. These policies must be approved by the California Department of Insurance (CDI).

Group Long Term Care insurance is a contract between an insurer and a group, such as an employer on behalf of its employees, or a trade or professional association on behalf of its members. If you are covered under a group plan, you receive a "certificate" rather than a "policy" of insurance. Also, many of the policy terms have already been negotiated by the group, and the group (called the "master-policyholder") has the option to terminate the policy at any time. Often, but not always, group insurance is less expensive than individual insurance.

Note: If you are considering buying group insurance, investigate the sponsoring group. Be sure the group is negotiating in your interest. Some group policies do not have to be approved by the California Department of Insurance, only a informational filing is made. The master policy may be cancelled by the carrier or the sponsoring group.

What Services Do Insurance Policies Cover?

Facility Coverage: In California, most skilled, intermediate and custodial care is received in nursing homes which are licensed as "Skilled Nursing Facilities."

In addition, some policies will cover stays in licensed Residential Care Facilities for the Elderly (RCFE's). RCFE's are not nursing homes, but are homes where you can choose to live and receive personal care or supervision. Some RCFE's are like large retirement homes, while others are like small group homes. Also, some policies will also pay for room and board in any "assisted living facility" or hospice facility.

Home Care Coverage: Policies issued after January 1, 1993 must contain several mandated benefits and consumer protections. Every policy called "Home Care Only" or "Comprehensive Long Term Care" must provide at least 6 mandated Home Care benefits, which should make it easier and less expensive to receive care at home and may prevent or delay entry into a nursing home. Some policies are more generous, but most policies define the 6 benefits as follows:

Home Health Care is skilled nursing care or other professional services in your residence.

Adult Day Care is medical or social care in a daytime program in a licensed facility which provides personal care, supervision, protection, or assistance in the following: eating, bathing, dressing, moving about and taking medications.

Personal Care is assistance in your residence with any of the Activities of Daily Living (Eating, Bathing, Dressing, Ambulating, Transferring, Toileting and Continence) as well as the Instrumental Activities of Daily Living: using the telephone, managing medications, moving about outside, shopping for essentials, preparing meals, laundry and light housekeeping.

Under California Law, these services may be provided by a skilled or unskilled person as long as they are required in a Plan of Care developed by your doctor or a team of health care workers under medical direction.

Homemaker Services are services which assist you with chores or activities that are necessary for you to be able to remain in your residence.

Hospice Services are services in your residence designed to provide physical, emotional, social and spiritual support for you, your care giver and your family when a terminal illness has been diagnosed.

Under California law, these services (like personal care) may be provided by a skilled or unskilled person so long as they are required in a Plan of Care developed by your doctor or a team of health care workers under medical direction.

Respite Care is short-term care provided in a nursing facility, in your home or in a community- based program, which is designed to relieve your primary care giver in your home.

When Will Long Term Care Insurance Begin Paying Benefits?

All Long Term Care Policies require that your physical or mental conditions meet certain standards before benefits will be paid. These standards are often called **Benefit Trigger.** Many policies also require that additional **Conditions** be met before you will receive payment. These "conditions" are events that must occur (or documents you must submit) after you meet the "benefit triggers" and before benefits will be paid.

The 3 most common Benefit Triggers for Long Term Care Insurance are:

1. **Impairment in certain Activities of Daily Living (ADL's).**

"The Activities of Daily Living" (ADL's), most often used in insurance policies to measure your physical ability are the following: Eating, Bathing, Dressing, Ambulating, Transferring, Toileting and Continence. Most policies will pay benefits if your doctor certificates that you have "impairment" in either 2 out of 7, or 3 out of 7 of these ADL's. Tax qualified policies pay benefits only when you have been certified by an MD to be in need of Long Term Care for 90 days or more. You must need assistance with 2 out of 6 specific ADL's (not 7) or have severe cognitive impairment.

"Impairment" means that you need human assistance or continual supervision to perform a Activity of Daily Living.

When you choose a policy, be aware that impairment in Bathing is usually the first sign of disability; therefor, policies that include Bathing in the list of ADL's will often begin paying benefits earlier in your diability than policies that do not.

Similary, look for policies that trigger benefits on the lowest number of ADL's. A policy that triggers benefits on impairment in 2 out of 7 ADL's will begin paying benefits earlier in your disability than a policy that waits until you are impaired in 3 out of 7 ADL's.

Since 1993, all coverage for Home Care sold in California is required to include Bathing in the list of ADL's and trigger benefits.

2. **Impairment in Cognitive Ability (or cognitive impairment).**

"Impairment in Cognitive Ability" means that you need supervision or assistance to protect yourself or others because of mental deterioration caused by Alzheimer disease or any other organic mental disease. A doctor diagnoses cognitive impairment based on clinical evidence or by the use of standardized tests.

3. Medical Necessity

"Medical Necessity" usually means your doctor has certified that your medical condition will deteriorate if you do not receive nursing home care or home care recommended. Under California law, an insurer may not require you to prove "medical necessity" in order to trigger Home Care benefits.

Conditions to the Payment of Benefits

All policies will require you to meet certain "conditions" after the "benefits triggers" have been met and before benefits will be paid. Some of these "conditions" are

Elimination Periods and Periods of Care: The Elimination Period (sometimes called a "Waiting Period" or "Deductible Period") is the period of time after you first enter a nursing home or use home services, and are eligible to receive benefits, for which the insurer pays no benefits. You will be responsible for paying the expenses for these days. Usually, you will choose the length of the Elimination Period when you buy the policy. The most common options are 0 days, 30 days, 60 days, 90 days or 100 days. The premium cost will be higher if you choose the shorter Elimination Periods. If you pay a higher premium and select a 0-day Elimination Period, the policy will begin paying on the first day you receive care. Some policies have a one-time Elimination Period that must be satisfied only once during the life of the policy.

Example: If you buy a Nursing Facility policy and choose an Elimination Period of 60 days, you will be responsible for the cost of your first 60 days in a nursing home. If the nursing home costs $100 per day, you will pay $6,000 before the policy will begin to pay. If you leave the nursing home before the 60 days expires, the policy will pay nothing for that Period of Care.

Period of Care:In most policies, you will have to pay your own expenses during the Elimination Period in each Period of Care. A Period of Care usually begins on the first day you are eligible for benefits, and ends after a treatment-free interval during which you do not use benefits.

Example: If your policy uses a 180-day treatment-free interval to measure the end of the Period of Care, and you leave the nursing home on June 1 and require no further care for 180 days, the Period of Care will expire in 180 days on November 30. If you return to the nursing home before November 30, you will be in the same Period of Care and there will be no new Elimination Period. If you return to the nursing home again after November 30, you will again be responsible for your own expenses during a new Elimination Period.

Selecting the Elimination Period: Estimate the number of days you could afford to pay for Long Term Care without liquidating any assets. That is the maximum number of days you should select as an Elimination Period. Although choosing a short Elimination Period will increase your premium, the amount you will pay for your own Long Term Care during an Elimination Period is likely to be much more expensive. Remember that short nursing home stays are more common than long stays and many people will enter nursing homes more than once in a lifetime.

Plan of Care: This is a plan written by your doctor or a medical team (such as the health care teams at Home Health Agencies) that establishes and describes your need for care, the level of care necessary, and the frequency of any home care required. The Plan of Care is a familiar document to your doctor, hospital discharge planners, Home Health Agencies and other health care providers who know about Long Term Care services. Some policies require a Plan of Care for the Personal Care benefit and Homemaker Services benefit, others require a Plan of Care for every benefit. Many policies require that the Plan of care be updated periodically.

Care Management: Some policies require that you contact the insurer's Care Manager before receiving care. The Care Manager may assess your condition, consult with your doctor, establish a Plan of Care and follow your progress, and/or recommend care providers.

Some Conditions Are No Longer Permitted in Long Term Care Policies: No policy may be currently sold in California that conditions payment on:

1. a prior hospital stay
2. a requirement that skilled care be received before benefits will be paid for custodial care
3. a requirement that home care benefits will be paid only if you would otherwise need care in a nursing home.

How much Do Insurance Policies Pay for Long Term Care? (The Daily Maximum and the Benefit Period)

The Daily Maximum

Most policies pay the actual cost of each day of nursing home confinement or of home care, or percentage of the actual cost, up to (but no more than) a Daily Maximum amount. Insurers offer daily Maximums (sometimes called Daily Benefits or Daily Amounts) between $50-per day and $200-per-day. You will choose the Daily Maximum amount when you buy the policy. The premium cost will be higher if you choose the higher Daily Maximums.

Selecting the Daily Maximum

Because you will be responsible for all expenses not paid by your insurance policy, try to estimate the daily cost of Long Term Care in your community and subtract the amount you can afford to pay for each day of your care. The answer should be the amount you choose as a Daily Maximum.

To help you keep up with inflation in Long Term Care costs, every insurer is required to offer an Inflation Protection option. This offer must be made to each applicant for an individual policy or to each group that is a master policyholder. Inflation Protection usually means that the Daily Maximum will increase by a small amount (most often 5%) each year you own the policy. Although Inflation Protection will increase your premium cost, without it you may not be able to afford your co-payment at the time you need the Long Term Care services.

Example: An average charge for a nursing home in California is $100 per day. If you buy a policy with a Daily Maximum of $100 per day- and you also purchase Inflation Protection that adds 5% simple interest each year - after 10 years, nursing home costs will likely rise to $200 per day and your policy will pay $150 per day. If you enter a nursing home that costs $200 per day, your co-payment will be $50 per day. If you bought the same policy without Inflation Protection, your co-payment would be $100 per day.

(Remember that after retirement, income tends to decrease over time. If you are not able to afford the daily co-payment, you will not be able to take advantage of your policy's nursing home benefits.)

The Benefit Period

Most policies limit the number of years for which benefits will be paid. This maximum is called a Benefit Period, Maximum Benefit Period or Lifetime Maximum. Some insurers offer Lifetime or Unlimited benefits with no limitation; some short-term policies over 3-month or 6-month Benefit Periods. But most policies will pay benefits between 1 year and 10 years. You will choose the Benefit Period when you buy the policy. The premium cost will be higher if you choose the longer Benefit Periods.

Selecting the Benefit Period

No one can predict how many days or years of Long Term Care he or she will need, so most people would like to buy a policy with Lifetime Maximum coverage. Since the premium for Lifetime coverage is not affordable for many people, here is one method of selecting a Benefit Period so you can afford the premium. Choose the period that is roughly proportional to the amount of care you could pay for using your current no-housing assets.

Example: One year in a nursing home costs about $40,000. If your non-housing assets are only $30,000, you should not select a Benefit Period greater than 1 year. Remember that short nursing home stays are more common than long stays.

What Other Policy Features Are Available?

Inflation Protection

If you purchase individual Long Term Care insurance, your insurer must offer you the option to purchase an Inflation Protection feature, usually sold as a rider to your policy. In some cases, you must choose this option at the time you purchase the policy. In others, you may purchase the Inflation Protection at stated intervals during the life of the policy.

If you purchase group Long Term Care insurance, then the offer of Inflation Protection has already been made to the group master policyholder.

Inflation Protection typically increases the Daily Maximum Amount by 5% every year. If you choose an option that pays 5% Simple Interest, your original Daily Maximum will increase by 5% each year. If you choose an option that pays 5% Compounded Interest, your previous year's Daily Maximum will increase by 5%.

Example: If you choose a $100 Daily Maximum with Inflation Protection of 5% Simple Interest, the Daily Maximum will be $150 after 10 years. If you choose Inflation Protection of 5% Compounded Interest, the Daily Maximum will be $162.89 after 10 years. Remember that it is likely that nursing home costs will double in 10 years if inflation continues at the current rate and that your income is likely to decrease after retirement.

Waiver of Premium

Many policies will allow you to stop paying premiums while the policy is paying benefits (usually after a waiting period). Most Waivers of Premium apply only when you are using the Nursing Facility benefit, but some policies will also waive premiums while you are using the Home Care benefits.

Nonforfeiture

Insurers must allow you to buy a nonforfeiture rider at the time you purchase the policy. A nonforfeiture benefit will protect part of your benefits in the event you drop your coverage. If you have paid premiums for ten years when you stop paying premiums benefits will be reduced to a shorter period of time.

Forgetfulness Feature

Because the risk of cognitive impairment is greater as we age, some policies will allow you to reinstate your policy if your policy lapses because you did not pay your premium and you can show that you missed payments because of mental impairment. Some insurers ask for the name of another person whom you authorize to be notified when you miss a premium payment.

Restoration of Benefits

Many policies will "restore" your Benefit Period if you have used a portion of the benefits and then recover and remain "care-free" for a stated period (usually 6 months). If you need benefits a second time, benefits for the full Benefit Period will be available to you.

Substitute Benefits or Services

If you meet the Benefit triggers in your policy and would like the policy to pay for a Long Term Care benefit or service that is not listed in your policy, then request the benefit from your insurer. The insurer has absolute discretion to grant or deny your request, but the insurer may choose to pay the expense if it is cost-effective or if the service you request will save money. Some policies specifically authorize this contract change or substitute benefit, but you may always submit such a request, even when your policy does not contain a specific provision.

What Consumer Protections Apply to Long Term Care Insurance Sold In California?

Renewability: Every individual Long Term Care policy must be either guaranteed renewable or non-cancellable.

Guaranteed Renewable means that the insurer may not cancel your coverage unless you do not pay premiums on time. Your coverage may not be cancelled because of your age or your health, but the insurer does have the right to increase premiums.

Non-cancellable means that the insurer cannot cancel your coverage or increase your premiums, so long as you continue to pay your premiums on time. If you purchase a Long Term Care certificate through a group, you have the right to either continuation or conversion if your coverage terminates.

Continuation means you maintain the same coverage if you continue to pay the premium on time.

Conversion means you will be issued an individual policy containing identical or equivalent coverage regardless of your health or your age. The premium will be calculated on your age at the time the group certificate was issued.

30-Day Free Look

Everyone who applies for Long Term Care insurance (except purchasers through employer groups or trade associations) has the right to review the policy or certificate for 30 days. If you decide not to buy the insurance, for any reason, you may return the policy to the insurer or the agent without explanation, and all the money you paid will be refunded to you. (Note: Always keep a record of the date you receive the policy and the date you return it.)

Outline of Coverage

An Outline of Coverage summarizing the terms of any policy of certificate, must be delivered to you at the time of policy or certificate, must be delivered to you at the time of an insurance agent's first presentation. If you are purchasing insurance through the mail, then the Outline of Coverage must be delivered to you at the time you receive the application or enrollment form.

You do no need to fill out an application in order to get the Outline of Coverage. Do not deal with an agent or insurer who refuses to give you the Outline. Compare the Outlines of Coverages for all policies you are considering. Compare the Outlines in private, with a trusted family member or friend, or with a HICAP counselor.

Duty of Honesty, Good Faith and Fair Dealing

Every Long Term Care insurer and insurance agent owes every applicant and policyholder a Duty of Honesty, Good Faith and Fair Dealing. Among other things, this Duty means that advertisements and other marketing materials may not be misleading; applicants must be given fair and accurate comparisons of policies; no excessive insurance or inappropriate replacement policies may be sold; high pressure tactics are expressly forbidden; and insurance agents must receive special training in order to sell Long Term Care insurance.

Counseling Information From HICAP

When an insurance agent attempts to sell you a Long Term Care product, he or she must provide to you in writing, the name, address and telephone number of your local HICAP office where you may receive, free of charge, information and counseling about Long Term Care insurance.

Can I Afford Long Term Care Insurance?

Most people should not spend more than 7% of their annual income on annual premium for a Long Term Care insurance policy. First, estimate your discretionary income by subtracting your fixed expenses from your annual income. Decide how much of your discretionary income you want to spend on Long Term Care insurance premiums. Next, calculate 7% of your annual income. Whichever figure is less is the maximum amount you should pay in premiums.

Remember that after retirement, income tends to decrease. Income sources often do not keep pace with inflation; as you age you are more likely to have unexpected and uncovered medical expenses, such as prescription drugs. The loss of a spouse can also result in reduced income. Select a premium you can comfortably afford. Consider that your premium is likely to increase during the ten or twenty years you own the policy.

Should I Replace My Existing Policy With A Newer One?

The advantage of replacing an older policy is that new policy is that newer policies offer more desirable benefits and features. Home Care benefits, Inflation Protection, and no requirements for a prior hospital stay are some of the excellent benefits and features being offered in current Long Term Care products.

The disadvantage of replacing an older policy is that many insurers will charge higher premiums or deny coverage to applicants who have pre-existing conditions. Some agents may encourage you to replace an older policy- even if you cannot afford it - because the agent will receive a substantial commission.

If you are considering replacing an older policy, first ask your current insurer if you may update your coverage without submitting a new application. Request that your premium be calculated based on your age when you purchased the original policy. (If your request is granted, your premium cost may rise because of new benefits you will receive, but it will be lower than the cost to a first time buyer). Comparison shop for price. Whenever you are considering replacing a policy, consult a HICAP counselor.

Before Buying, What Questions Should I Ask?

- What are my choices for: Daily Maximum, Benefit Period, Elimination Period and Inflation Protection?

- May I choose the Home Care Daily Maximum as well as the Nursing Facility Daily Maximum? If not, is the Home Care Daily Maximum lower than the Nursing facility Daily Maximum?

- May I upgrade (purchase greater benefits) this policy at any time? If I am upgrading, will I need to submit a new medical questionnaire? *You may be denied coverage if a medical questionnaire is required for updated coverage and you have a preexisting condition.*

- If my income decreases, may I downgrade (decrease the benefits and the premium) this policy at any time? *If both benefits are triggered on impairment in "2 out of 7 Activities of Daily Living," you will have maximum flexibility in the choice of care.*

- Are Bathing and Dressing included in the list of Activities of Daily Living? *If Yes, the policy will pay benefits at an earlier stage of disability.*

- Does this policy pay the Nursing Facility Benefit if I am in a Residential Care Facility for the Elderly or any other facility that is not a Skilled Nursing Facility?

- What Nursing facilities and Home Care providers are near my home? *A policy that pays for Home Health Agency services is of little value to you if there are no Home Health Agencies near your home.*

- May I hire anyone I choose to provide Personal Care and Homemaker Services under this policy? If not, what are the qualifications that care providers must meet?

- If the policy requires an Elimination Period, is it a one-time condition or a recurring condition of benefits?

Questions for a Group Long Term Care Policy

- Is this a legitimate group? Does the group represent my interest? Is the main activity of this group something other than selling insurance? What are the special features or cost savings of this insurance that makes this a better choice than an individual policy?

When the agent has finished his or her presentation and has answered all of your questions to your satisfaction, do not forget to ask for the Outline of Coverage for the policy and the name, address, and phone number for your local HICAP office.

HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM

California Department of Aging (Administrative Office) 916-323-7315
1600 K Street
Sacramento, CA 95814

County	Agency	Telephone
Alameda	Legal Assistance for Seniors, Inc. 614 Grand Avenue, Suite 400; Oakland, CA 94610	(510) 839-0393 (800)393-0363
Alpine, Amador Calaveras, Mariposa Tuolumne	Human Resources Council P. O Box 919.; San Andreas, CA 95249	(209) 754-0381 (800) 400-8828
Butte, Colusa, Glenn, Plumas Tehama	California State University, Chico First & Ivy St., Bldg. D.; Chico CA 95929-0792	(800) 822-0109 (530) 898-5923
Contra Costa	Contra Costa County Office on Aging, West Co Central Co East Co 2530 Arnold Drive; Martinez, Suite 300 , CA 94553-4068	(510) 374-3943 (510)313-1720 (925)706-4853
Del Norte,	AREA 1 AGENCY ON AGING 1765 Northcrest Drive, Eureka, CA 95501	(707)464-1114
Humboldt	AREA 1 AGENCY ON AGING 1765 Northcrest Drive, Eureka, CA 95501	(707) 464-1114
Fresno, Madera	Fresno-Madera Area Agency on Aging 5424 North Palm Street, Suite 108 Fresno, CA 93711	(559) 447-4870
Imperial	Hicap (Chamber of Commerce Building) 1681 West Main Street, Suite 200 El Centro, CA. 92443	(760) 339-9977
Inyo, Mono	Inyo-Mono Area Agency on Aging 119 MacIver street, Suites B & C Bishop, CA 93515	(760) 873-6364 (877) 462-2298

County	Agency	Telephone
Kern	Kern County Office On Aging Hicap 2717 " O" Street (Mail Add: 1415 Truxton Ave.) Bakersfield, CA 93301-5215	(805) 861-2218
Kings/Tulare	Kings-Tulare Area Agency on Aging 1920 West Princeton, Suite A Visalia, CA 93277	(559) 730-2551 (800) 321-2462
Lake, Marin, Mendocino, Napa, Solano, Sonoma	North Bay Health Resources Center 55 Maria Drive, Suite 837 Petaluma, CA 94952	(707) 762-4591 (800) 303-4477
Lassen, Modoc, Shasta, Siskiyou, Trinity	Senior Legal Center 1647 Hartnell Avenue, Suite # 6 Redding, CA 96002	(530) 223-0999
Los Angeles	Center For Health Care Rights 520 S. Lafayette Prk Pl., Ste 214; LA,CA 90057	(213) 383-4519 (800) 824-0780
Merced	Merced County Area Agency 851 W. 23rd St.; Merced, CA 95340	(209) 385-7550 (800) 510-2020
Monterey	Alliance on Aging 2200 Garden Road Monterey, CA 93940-5329	(831) 655-1334 (831)758-2811
Nevada, Yolo, El Dorado, Placer Sacramento, Yuba, San Joaquin, Sierra, Sutter	Legal Center for the Elderly and Disabled 2862 Arden Way, Suite 200 Sacramento, CA 95825	(800) 626-2200 (916) 973-3148
Orange	Orange County Council On Aging Hicap Town Center Plaza 1971 E. 4 th Street Santa Ana, CA. 92705	(714) 560-0424
Riverside, San Bernardino	INLAND AGENCY HICAP 5235 River Crest Drive, Suite P Riverside, CA 92507	(909) 697-6560 (800) 273-4227
San Benito, Santa Cruz	Seniors Network Services, Inc. 1777 A-Capitola Road; Santa Cruz, CA 95062	(831) 637-0630 (408) 462-5510

County	Agency	Telephone
San Diego	PRO*TECH HICAP 8775 Aero Drive, Ste 238 San Diego, CA 92123	(619) 565-8772
San Francisco	Legal Assistance to the Elderly 1453 Mission St., Suite 500 San Francisco, CA 94103	(415) 861-4444
San Luis Obispo, Santa Barbara	Central Coast Commission for Sr. Citizens 208 W. Main St., Ste B;Santa Maria, CA 93454	(805) 928-5663 (800)548-5497
San Mateo	Self Help for the Elderly 50 East 5th Ave.; San Mateo, CA 94401	(650) 348-6927 1-800-200-0268
Santa Clara	Council on Aging of Santa Clara 2115 The Alameda; San Jose, CA 95126	(408) 296-8290
Stanislaus	Salvation Army Modesto Corps P.O. Box 1663; Modesto, CA 95353-1663	(209) 577-4068
Kings/Tulare	Kings-Tulare Area Agency on Aging 1920 W. Princeton, Ste A-B; Visalia, CA 93277	(800) 321-2462 (559) 730-2551
Ventura	HICAP/AREA AGENCY ON AGING 77 North California Street VENTURA, CA 93001	(805)-641-4420 1- 800-510-2020

800 PHONE NUMBER CHANGE NOTE :

HICAP will maintain 800-434-0222 (Access to information about health and long-term care options) until June 30, 1999. After that date , the California Department of Aging (CDA) will provide Accessinformation at 800-510-2020. (New phone number will activate AFTER January 01, 1999).This change reflects only 800 phone number access. UPDATE 04-19-99 FOR HICAP LIST.

TALK to US

Do you have a question, comment or concern? There are several ways to talk to us:

1. **Call** our consumer Hotline at **(800) 927-HELP**
   Callers within the Los Angeles area please dial **(213)- 897-8921**
   Telecommunication Device for the Deaf dial **(800) 482-4TDD**

2. **Write**: **California Department of Insurance**
   300 South Spring St., South Tower
   Los Angeles, CA 90013

3. **E-mail** us through our website at
   www. Insurance.ca.gov

4**. or visit us in person on the 9th Floor at the address above**.
Monday through Friday 8:00 AM to 5:00 PM P.S.T.