



## Planning for Long-Term Care

**Are You  
READY?**



CALIFORNIA PARTNERSHIP FOR  
**LONG-TERM CARE**

# Facing a Growing REALITY

**F**ire, auto and health insurance are some of the options you may consider to protect against unforeseen and costly emergencies and disasters. But have you thought about one of the largest and most common issues facing Californians — the need to protect yourself and your family from the consequences of a chronic health condition that demands expensive long-term care?

While long-term care is one of the most common and costly expenses Californians incur today, few of us have seriously planned for this far too common reality.

Because health insurance does not cover the long-term care needs associated with many chronic conditions, traumas and illnesses, many of us could find ourselves facing potentially devastating emotional and financial costs that stretch on for months and, in most cases, years.

The state of California has designed this brochure to help you plan for these needs so you can protect your investments, your lifestyle and your dignity should you or a loved one need long-term care.

***At least  
70 percent of  
people over  
age 65 will  
require some  
long-term care  
at some point  
in their lives.***

***Are you ready?***

U.S. Department of Health  
and Human Services

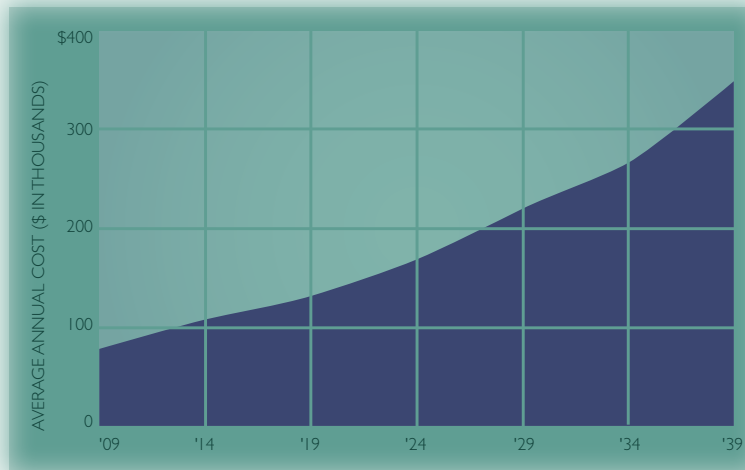


# Long-Term Care FACTS AND FIGURES

**M**odern medicine and improved health have given us the gift of unprecedented longevity. With that, however, we face the challenge of planning ahead to ensure we live those years with a level of quality, independence and dignity.

At some point, we may require assistance to perform those functions that today we take for granted. Almost two-thirds of the people who read this brochure will need such care in the future, and that care is expensive.

- **In California, nursing facility costs are expected to rise nearly 5 percent or more annually.<sup>1</sup>**
- **Women outlive men by about five years on average, so they are more likely to live at home alone when they are older. Women need care longer (3.7 years) than men (2.2 years).<sup>2</sup>**



Average Projected Cost of Nursing Facilities

- **53 percent of those needing long-term care assistance are working-age adults (18 – 64 years of age), while 47 percent are age 65 and older.<sup>3</sup>**
- **Very little, if any, long-term care is covered under health, disability or Medicare supplemental policies.**
- **Medi-Cal will pay for the costs of care, but only after most of your Medi-Cal non-exempt assets have been depleted.**

<sup>1</sup> California Partnership for Long-Term Care – 1980 – 2014 Average Annual Increase in cost of care experience

<sup>2</sup> U.S. Department of Health and Human Services, LongTermCare.gov, March 6, 2015

<sup>3</sup> Medi-Cal Policy Institute, "Understanding Medi-Cal: Long Term Care," 2001



# The CONVERSATION

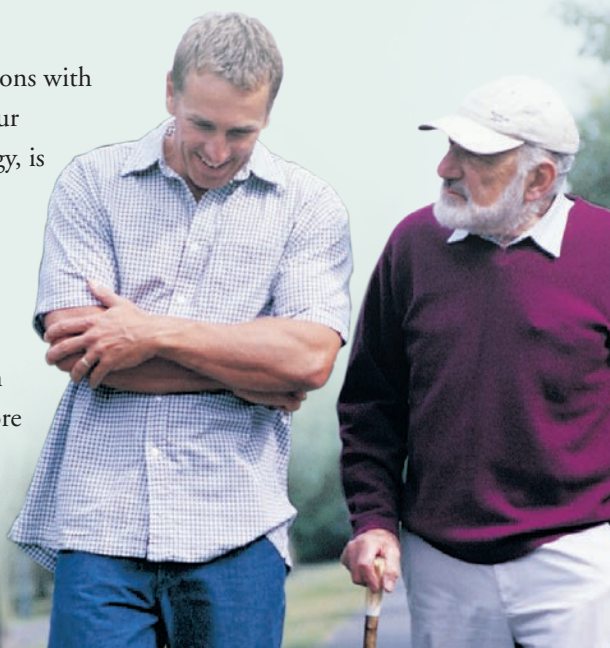
The first step in successful long-term care planning starts with a conversation. We all have expectations about our future and the role we'll play in each other's lives. By talking to your loved ones, you can begin tackling what can be a difficult subject. An honest conversation about your expectations for the future can help avoid the anger, disappointment, guilt and confusion caused by simple misunderstandings. For thousands of California families, this conversation has led to plans that have helped secure their future, dignity and expectations for a rich and vital retirement.

Planning for long-term care needs for you or family members is crucial before the need arises. Sit down with parents, children, siblings and close family friends. Don't be afraid to ask what are understandably sensitive questions; the answers will make the planning process smoother.

- Where and how do you want to spend your retirement years?
- What are your wishes regarding long-term care?
- What role do you hope your loved ones might play?
- What role do your loved ones expect to play?
- Can a family member handle the burden of care giving?
- If you needed long-term care, what kind of setting would you prefer?
- What financial resources or insurance coverage are in place or might be put in place?

Discussing your wishes and options with trusted professionals, such as your financial planner, doctor or clergy, is also recommended.

Don't wait! Long-term care insurance should be considered sooner rather than later since the cost is more affordable when you are younger and you are more likely to qualify when you are healthy.



# The Partnership SOLUTION

There are many different approaches to handling long-term care that accommodate the varying personalities, resources and values of every Californian. One solution, supported by the California Department of Health Care Services, is the California Partnership for Long-Term Care (Partnership). Established in 1994, the Partnership is a revolutionary program designed to help Californians successfully navigate long-term care issues.

The Partnership works with select private insurance carriers, who meet stringent standards set by the state, to develop unique insurance policies that protect you and your family from the devastating costs and hardships that are often associated with long-term care. All Partnership-approved policies contain vital features necessary for high quality long-term care insurance coverage, including:

- Built-in automatic inflation protection of 5 percent annually.

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- Care coordination and monitoring by licensed health professionals independent of the insurance company to develop a Plan of Care based upon your individual needs and resources.
- Once in a lifetime deductible so that if you stop using policy benefits and then must use them again, you will not have to pay a second deductible.
- Waiver of premium for all days your policy pays for care in a nursing or residential care facility.
- Flexibility on the use of home- and community-based benefits.
- Medi-Cal asset protection to ensure a portion of your assets are protected should you need to rely on Medi-Cal.

When selecting a Partnership policy, you have the choice of purchasing a policy that covers residential and nursing facility care only or a comprehensive policy that covers care in the home or community, in addition to a nursing or residential care facility. Home care-only policies are not available under the Partnership.



# The NEXT STEP

The California Partnership for Long-Term Care can provide you with information key to your long-term care planning. For additional information about long-term care planning, visit the Partnership's Web site at [www.RUReadyCA.org](http://www.RUReadyCA.org).

The following is a list of the private participating insurance companies and CalPERS that provide Partnership-certified long-term care policies:

**Bankers Life and  
Casualty**  
(888) 282-8252

**Genworth Financial**  
(888) 436-9678

**New York Life Insurance**  
(800) 224-4582

**CalPERS Long-Term Care  
Program\***  
(800) 982-1775

*\*All California public employees, retirees and their spouses, siblings (age 18 and older), parents and parents-in-law are eligible to apply. Call CalPERS for application period dates.*

The California Department of Aging's Health Insurance Counseling and Advocacy Program (HICAP) has trained, impartial volunteer counselors available to meet with you to discuss your long-term care needs and to answer any questions you may have. Consultants and appointments are free of charge. You may call HICAP at (800) 434-0222.



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**LONG-TERM CARE**

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