
Glossary of Long Term Care Terms

Acute Care - Care provided by a doctor or other medical professional designed to treat or cure an illness, injury or condition.

ADL (Activities of Daily Living) - These activities include things like bathing, dressing, eating, toileting, transferring (moving in or out of a bed or chair), and continence. They are used by insurance companies to determine eligibility for long-term care benefits.

Adult Day Care Center - A facility that provides long-term care to adults during the day.

Assisted Living Facility - An appropriately licensed facility that provides 24-hour a day care sufficient to assist clients who need long term care. This facility provides three meals a day, has arrangements for emergency medical care as required, and has methods and procedures to administer prescribed drugs. It uses aides trained or certified to provide a broad menu of services ranging from personal care to health maintenance. It is a facility with many of the resources of a nursing home in a more residential atmosphere.

Cash Benefit Rider - The Cash Benefit Rider allows insureds to use benefit payments in any manner they see fit, including the payment of informal caregivers. (Informal care is care that is provided without charge, and is typically provided by family, friends or neighbors.) This payment method pays the total Home and Community-Based Care Daily Maximum Benefit times the number of days in the month regardless of whether services we provided.

Cognitive Impairment - Certain conditions, such as Alzheimer's disease, require the same kind of long-term care as you would need if you had a physical disability, and would trigger your eligibility for benefits in the same way as the inability to perform Activities of Daily Living.

Custodial Care - Services aimed at maintaining a person's health and/or preventing deterioration in the person's functional status, provided on an extended basis to a person who is chronically ill.

Daily Benefit - The money an insurance policy pays out in response to a claim. (see also Monthly Benefit and Maximum Daily Benefit)

Dual Waiver - Can be applied only when a policy covers both husband and wife. This rider provides for a waiver of premium for both of the insured in the event that either spouse needs to receive benefits.

Duration of Benefits - The length of time your insurance will pay your maximum daily benefits. For example, a four- year benefit is the amount of money your insurance would pay out in benefits at your maximum daily benefit. In fact, a four-year benefit can last considerably longer than four years, if the cost of care is less than the maximum Benefit amount. (see also Lifetime (Unlimited) Benefit)

Eligibility for Benefits - The conditions you need to satisfy to receive long-term care benefits under your policy.

Elimination Period - The number of days in which no payment of benefits will be made for eligible charges incurred. The longer the waiting period, the lower the premium.

Health Insurance Portability and Accountability Act (HIPAA) - The 1996 Federal legislation that makes long term care insurance premiums tax deductible if your non-reimbursable medical expenses, including part or all of your long term care premiums, exceed 7.5% of your gross income. You may be able to deduct the cost of these premiums if you itemize your deductions on your Federal Income Tax return. The deductibility of such premiums is subject to limitations based on your age. The same law also lets you exclude long-term care insurance benefits from your taxable income. Not all long-term care insurance coverage qualifies for the benefit.

Home Health Care - A wide variety of services that bring long-term care to the home and can also include

skilled or unskilled nursing, physical therapy, and assistance with ADL's. This care can also include non-medical services, such as housekeeping, shopping, laundry, money management, meal preparation, or help with ADL's.

Inflation Protection - This feature increases the amount of your benefit by a fixed percentage automatically every year, to adjust for inflation.

Informal Care - Care you receive at home from friends, neighbors or relatives who are not health-care professionals. Some plans allow a benefit that provides some compensation to cover this care.

Lifetime (Unlimited) Benefit - A feature that continues for your lifetime, no matter how long you require care. (see also Duration of Benefits)

Long-Term Care - As opposed to acute- care, long term care is chronic - provided to people who need help with the activities of everyday life. This care can be delivered in a nursing home or other facility or at home.

Maximum Daily Benefit - The greatest amount your policy will pay for a day's care. (see also Daily Benefit and Monthly Benefit)

Medicare - Congress established Medicare in 1965 as Title XVIII of the Social Security Act. It is a Federal health insurance program wholly funded by the Federal government with no state participation. Its coverage is divided into Part A and Part B. The former basically covers acute care in hospitals and limited post-hospital care in a skilled nursing facility and at home. Part B is a voluntary supplement medical insurance for a variety of outpatient hospital services.

Medicaid - Medicaid (Title XIX of the Social Security Act) is a medical assistance program financed jointly by the state and Federal governments. Medicaid is a means-tested program. Unlike Medicare, which is available regardless of financial need to most person's age 65 or older and to certain disabled individuals, Medicaid is available only to individuals with limited income and assets.

Modal Factors – Your mode of payment. Could either be Annually, Semi-Annually, Quarterly, or Monthly Bank Draft.

Monthly Benefit - Some insurance plans offer their home care benefit as a monthly rather than a daily benefit. The monthly benefit offers you the flexibility of spending the money when you need it - for example if you had someone come in three times a week instead of every day, you could still have the full amount available. (see also Daily Benefit and Maximum Daily Benefit)

Non-forfeiture Benefit - After you've paid for coverage for a certain length of time, some companies guarantee you a benefit, even if you discontinue the coverage, or stop paying the premium.

Nursing Home - A licensed facility that provides 24 hour-a-day nursing care sufficient to assist clients who need long-term care. The facility provides three meals a day, has arrangements for emergency medical care as required, and has methods and procedures to administer prescribed drugs. It uses aides supervised by a nurse, who are trained or certified to provide a broad menu of services ranging from personal care to health maintenance.

Periodic Inflation Protection - Under this option your initial premium pays for the coverage you choose. From time to time, you will be offered an opportunity to increase your coverage. As long as you take this extra coverage periodically, you will be entitled to receive it without taking a medical exam. The premium will be increased based on your attained age.

Rate Class – Could be Preferred, Standard, Select, Class 1 or Class 2 depending on the company and product.

Restoration of Benefits – Some plans allow the full benefit amount to be restored if an insured goes on claim and then goes off claim for the number of days specified in the contract.

Shared Care – Some plans allow for additional Daily Benefit to be purchased at certain times and can be used by either spouse.

Spousal Discount or Marital Discount – A percentage discount given to married couples or for just being married or for couples who share financial responsibility for a household but are not legally married. Each plan is different review the outline of coverage.

Survivorship Benefit – Some policies will not require a surviving spouse to pay premiums after the death of one spouse if the death occurs after the policy has been held for a specific period of time, usually 10 year but could be less.

Waiver of Premium – After you receive care in your home, a nursing home or and alternate care facility for "x" number of days, as specified in your contract, under a plan of care, your premium payments are waived.