

Long Term Care News

December, 2019 Edition

Good morning and welcome to the winter holiday season! Only 23 more shopping days to Christmas, which might explain Black Friday deals kicking off well before the Thanksgiving meal was even purchased, let alone served. If you're looking to celebrate something other than the Bills looking good on a trip to Dallas, you can toast the anniversary of the repeal of Prohibition on December 5 – cheers!

Company News

- **John Hancock** is offering the LIFT Wellness Program, administered by LifePlans LLC, to all long term care policyholders. At no cost, policyholders may be assessed in an in-home visit by a registered nurse, may receive recommendations for behavior changes related to nutrition, exercise, and/or home modifications with a focus on fall prevention. Together with the policyholder's personal physician, the assessment will be followed up by regular health-coaching calls over the course of the year.

Hancock has also requesting another round of premium rate increases on certain policies, hoping for 30% approval. These increases will also be accompanied by benefit adjustment options including reduced inflation landing spots and a shared cost option, something new which includes a co-insurance element. Film at 11, as the saying goes, it will be a while before these hit New York policyholders – we hope!

- **Mutual of Omaha** is a carrier that continues to pump out great materials for use by producers, to help explain the benefits and reasons why clients need to plan to pay for future health expenses that fall into the category of “long term care.” The latest goodie is a consumer video, ideal in a small-group setting in your office and followed up with snacks and adult beverages to get the conversation rolling! If you're interested in a copy just let me know!
- **National Guardian Life** is a carrier available to producers outside of New York, we like for their lifetime benefits and 10-pay premium options and look forward to them venturing into NY some happy day – in the meantime, for producers who can offer this coverage for clients, there's a sales promotion, \$100 and \$200 gift cards on business submitted between December 1st and the end of January. NGL is also launching a BrightBenefits unit to offer dental and vision coverage.

End of Year Stuff

- For anyone interested in reaching out to your favorite Mass Mutual producer to help your clients get NY State Partnership total asset protection, the \$330 daily benefit increases to \$341.55 effective January 1. Compound inflation is a wonderful thing indeed.
- AEP, another wonderful thing, ends on December 7 – the TV stations can return to 24/7 political ads ☺ with Medicare recipients being left alone for another 10 months. The question in 2020 will be how the airways can find time for both come October!
- Medicare Part B premiums all increase on January 1, and keep in mind that the co-insurance in a skilled nursing facility, for days 21-100 increases to \$176.00 per day. How many have been in the business so long we can remember when that was the average cost for a day in a skilled facility, not just the co-pay? The “rising cost of physician-administered drugs” is blamed for a

monthly premium increase to \$144.60 for many beneficiaries, wiping out whatever cost of living increase these folks may have enjoyed in their monthly Social Security check.

- However, the 2020 “includible” premium levels for those filers who can still itemize Federal deductions have increased, along with the per diem for policyholders who are lucky enough to have cash benefits. Chart available upon request. And of course, NY State tax filers still get the bottom-line tax credit = 20% of total long term care premium paid.

Other Legislative Stuff

- A bill currently being discussed in Congress – yes, they have other things on their minds – would allow retirement savers to tap assets held in 401(k) plans and IRA’s tax-free to buy stand-alone long term care insurance. As presently proposed, \$2,000 of retirement assets can be withdrawn annually and not be subject to income tax or early-withdrawal penalties – the \$2,000 cap would be indexed for inflation.
- The brain trust in Washington State decided they should have a mandatory long term care program for all residents. However, the state’s voters rejected the idea of paying a tax on wages to fund the program. Doesn’t matter, they’re going ahead with it anyway so let the fun begin.
- The House Ways and Means Committee and the Senate’s Finance Committee both conducted week-long hearings covering the topic of long term care and how to pay for it, recommendations available upon request!

Meetings, Greetings, Continuing Education

- December 3 – ROC the day! Support your favorite causes!
- December 4 – the combined FPA/FSP December meeting will be held at Irondequoit CC, from 8-10 am – breakfast is served at 7:45 am. Also open to CFA Society members, the program consists of two presentations, “Macroeconomic Outlook” followed by “Late Stage Credit Positioning for Risk & Opportunity” – no CE credits provided.
- Get your CE credits online, test with a NY State Monitor (me), or sit for a webinar, no monitor required. If you need information on how to accomplish this, just ask. In the meantime, joining one of the local associations who hold monthly meetings offering CE credits is a good way to meet other producers, not to mention enjoying a nice hot meal!

Media, Articles, Ideas

- Several articles covering aging in place, including two in the Rochester Business Journal, confirm insurance claims data that says only about 25% of claims occur in skilled nursing. No one wants to go there unless they have to! Home care is ranked first, followed by care in assisted living. Not surprisingly, when market forces work, the independent care monthly fees (private pay of course) saw the biggest increase in costs according to Genworth’s most recent survey. Having the money to pay for care is the key for every plan!
- Also articles covering how caring for a sick spouse can impact the health of the caregiver, how more millennials are stepping up to care for aging parents. OK Boomer, whatever ...

If you want copies of any or all of these articles, just ask!

Time flies when you’re having fun, we won’t even get into the science as to why, so enjoy the holiday season with family and friends, you’ll be filing taxes and filling out basketball pool charts before you know it!



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