

Long Term Care News

January, 2019 Edition

New Year, new slate, new you! Time for resolutions, the first being not to make any... The days are getting longer, it's sun-sun-sun from here on in! January is a good month to recover from the holidays, to relax and enjoy football if that's your thing, get out on the slopes, shovel the driveway, enjoy a hot toddy in front of the fire, write a book or better yet read one, enough suggestions for you? The Super Bowl will be here before you know it, March Madness and filling out a pool sheet soon follow, the Lilac Festival, Jazz Fest, what fun! And then there's an upcoming Presidential race, and here we sit, mere spectators in the circus of life, grab an adult beverage (or if you prefer that weed pipe) and enjoy the show!

Carrier News

- **Genworth** in the news again, the deal with China Oceanwide is moving forward and assumed to be a good thing. Genworth also receiving approval from the NY State Insurance Department for another round of rate increases -- policies sold in NY between 1994 and 2003, we can provide copies of the letters being sent to policyholders but only when those are scheduled to go out 60 days prior to the policy anniversary date. Please let me know if you're interested in getting a listing of your policyholders.

This carrier is also the sole provider for the NY State Partnership policy, where the minimum daily benefit a consumer must purchase -- the only daily benefit by the way -- is now \$326.00. We can still submit applications dated Dec. 31 for last year's daily benefit, the carrier will go by the date of the application, but this window of opportunity shuts on Jan. 29.

- **John Hancock** has also been granted a rate increase by NY State -- and by the way, we just lost another insurance commissioner heading up that department, yikes -- these newbies are killing us! Again, we can obtain the rate increase letters but John Hancock is lacking in communication skills so calling the carrier and/or negotiating their user-non-friendly website is required. The impossible just takes a little longer, so please let us know if you need this information 😊
- **Mutual of Omaha** is offering an incentive trip for producers -- the Ritz Carlton in Montreal, Quebec, Canada June 11-15, 2020 -- two ways to qualify and not to hurt anyone's feelings, your best chance is to be one of those producers who show at least a 10% growth over last year's production. So go get 'em.

Mutual of Omaha does a nice job of producing flyers and guidelines for both consumers and producers, the latest effort being a publication titled "Understanding the Long Term Care Claims Process," specifically for producers. Very good information even if you don't have any Mutual of Omaha policies on the books, as many of you will be dealing with family dealing with claims in the coming years, and the process is similar for all carriers.

Covering rate increases in general, we have a good article written by Margie Barrie, a nationally-acclaimed long term care specialist, on how to discuss rate increases with your clients, what you can

say to explain the why's. Interestingly, only about 10% of policyholders actually take advantage of the non-forfeiture features to cancel coverage when rate increases occur, many do tweak benefits to reduce the financial impact, and a surprising number accept the increases going forward. If you'd like a copy of this article, please let me know.

2019 Updates

Both Medicare and Medicaid are reflecting increases/changes with the new year, the Medicare numbers for 2019 are available upon request. Medicaid 2019 is still a work in progress however, and as soon as those spousal impoverishment figures and the "transfer" allowances by area in NY are available, we will let you know.

The Centers for Medicare & Medicaid Services have announced a new set of rules for accountable care organizations, expanding 3-day stay waivers for nursing homes. What this means in plain English is that if your nursing home of choice is an ACO, meaning they subscribe to certain quality and cost control measures, they can be reimbursed by Medicare for skilled services provided to patients, even though the patient was not admitted to the hospital for 3 full days before moving to the skilled facility. Skilled care reimbursements are hugely profitable to nursing homes, they love to provide rehab and tell you how much all the time on TV, testimonials about how patients "love this joint" are broadcast round the clock -- begging the question of why the skilled facilities spend money that way -- but it's big business, and these waivers are welcomed by both facilities and patients. No more ugly financial surprises IF the facility is an ACO.

Long term care tax benefits for Federal filers who itemize and claim medical deductions, are also available, and keep in mind that NY State filers have the opportunity to get a tax credit, off the bottom line, of 20% of premium paid, no itemized deductions required, just a one-page form.

Association and CE Information

- Wednesday, Jan. 9 -- the "battle of the bands," as both the FPA of Rochester and the Society of FSP offer competing breakfast programs:
 - FPA -- 8:00 start time for a one-hour presentation by Stephen Wershing, CFP on "Striking it Niche" help to better serve the clients we all want, Locust Hill, admin@nyfpa.org to sign up
 - SFSP -- 7:45 for breakfast at Midvale CC, Marcus Kroll, Esq. presents "Should Senior Get Married" (good question, ha) for one CE credit -- society@rochestersfsp.org to register
- Wednesday, Feb. 13 -- SFSP and Rochester Young Professionals present "From Surviving to Thriving, a 5-Year Game Plan for Young Financial Services Professionals," 5:30 to 7:30 PM at Buta Pub on Gregory Street. A free event, contact society@rochestersfsp.org to sign up
- Save the Date! The FPA's popular Annual Symposium is scheduled for Wednesday, June 19, 2019 at Irondequoit Country Club. Details on this all-day event to follow.

And, as always, if you're getting your CE credits to renew your license, please keep the following in mind (15 credits required every two years):

1. New York State gives you just one notice, a post card about 6-months before your birthday -- this is the final notice. NY State will NOT advise you that your license is expired.

2. You can get credits as you go, the FPA and SFSP are both excellent resources for sponsoring educational programs, enjoy breakfast, meet and greet and network, get educated and walk out with a certificate
3. You can get credits on-line, no exams required, by sitting in front of your laptop or device for x-hours depending on the number of credits you need
4. You can also go into a number of websites certified by the State Insurance Department to study on-line and when ready, to take an on-line exam in the presence of a NY State Monitor
 1. Lucky you, I'm a NY State Insurance Monitor -- unlucky you, this is not my full-time job, I schedule only one session a day, plan ahead.

The Usual Media

No "fake news" here! Follow me on Twitter, link up with me on LinkedIn, to receive daily items of interest to me, hopefully of interest to you and helpful when meeting with clients -- several items of interest in the past month:

- The CDC says that the death rate increases "significantly" for those age 85+ -- can you believe the government spent real money studying this? Yikes!
- According to LIMRA, Life-LTC Hybrid Sales soared to \$4.1 billion in new premium in 2017, a 5% increase in the number of policies sold, to about 260,000 -- still a small number compared to the total number of stand-alone long term care policies on the books, but a great opportunity for clients with a need for life insurance to throw on the rider for long term care benefits. Please note, don't expect these policies to come any cheaper than a stand-alone long term care policy.
- Three articles in a series by Michelle Singletary in the Washington Post -- covering the "looming long term care crisis," what it's like to deal with the "high cost" of care, and the impact on unpaid caregivers from a financial and health standpoint

Wishing you all a healthy, happy and prosperous New Year!

Andrea Graham
Manager, LTC/Senior Markets
Upstate Special Risk Services, Inc.
400 West Metro Park
Rochester, NY 14623
(585) 273-8530 Ext. 3012
(800) 828-4415 Ext. 3012
Fax: (585) 273-8540
e-mail: agraham@e-upstate.net

Follow me on Twitter! @Andreagraham11 -- <https://twitter.com/andreagraham11> --