

# Long Term Care is Back

... From the summer break, that is! Covid-19 apparently never went away, so we hope you are all enjoying what's left of summer, and looking forward to leaf-looker season, safely and happily! While the vaccines don't provide 100% protection from getting Covid, they appear to be working very well to make sure fully-vaccinated people can stay home to recover, and don't require hospitalization.

Which brings us to “home versus institutional care” in general, where we all agree that every one of us would prefer to remain at home under every circumstance. Covid has been good for long term care insurance, leave it to me to find something positive about a pandemic 😊 because the disease has been catastrophic for the nursing home industry. Nursing homes are the last resort (no, I don't mean a spa) for those who fail to plan and must rely on Medicaid, and for families who are unable to care for/cope with the tremendous burden of keeping a disabled loved one at home, without help. Money is the answer, and “other people's money” is an insurance policy.

## Carrier News

- **Genworth** is in the news for a couple of reasons – a class-action lawsuit has resulted in a settlement with policyholders, and many of you have had the opportunity to review the offer your clients have received – take the money and run, take some money and settle, or do nothing? Most are doing nothing, keeping the policy was and is the plan.

Genworth has also announced their intention to return to the long term care market in 2022. As what, unknown. The China Oceanwide deal took forever, was probably doomed to fail, but Chinese laws that those who sign must do so in person, with Covid saying “not so fast” to international travel, may have been just one of the reasons the parties agreed to suspend the sale, the last straw after jumping through so many hoops. Genworth had stopped sales of life and annuity products before deciding to stop selling LTCI policies through brokers, but they can't live off renewal premiums alone, no matter how high they think they can raise rates.

Genworth management sees an opportunity, the “age wave” approaches, 95 million of us are expected to reach age 65 by 2060, and they are interested in getting together with other highly rated insurers, to design new LTCI products with lower, more predictable risks, to appeal to the general public. We wish them well, and will let you know how it goes!

- **Mutual of Omaha**, right now the only carrier in NY available through Upstate for stand-alone LTC, is back to doing in-person assessments (face to face) which were either suspended by refusing to accept applications from clients who would need a face to face (age), or were conducted virtually, all thanks to Covid. This can always change, but at this point in the pandemic it seems unlikely that states, governments, businesses will go back to the methods of last year to try to contain the spread.

A word about the State of Washington. Unless you're licensed there, have clients who live there, not likely you've been following the long term care news coming out of Washington. It's called the Washington Cares Fund, it's a government program similar to Medicare and Social Security, in that all working people are required to pay a premium (payroll tax) beginning January 2022 for a limited long term care benefit. To be eligible, pay for 10 years -- basically -- although there are other combinations which can qualify a person for the benefit.

The kicker is that residents may opt out of the program if they have a long term care insurance policy in force on or before November 1, 2021. The benefit? \$36,500, don't spend it all in one place – or in one week/month.

So the question is, when faced with the law/requirement that employees purchase something they don't want, how do employees behave? Lots of them are applying for real long term care, that's how. The carriers are going crazy, all summer, it's gone from "oh, look what Washington did," to setting minimum benefits, minimum premiums, and even refusing the business because underwriting can't handle the influx, can't guarantee to issue policies before the deadline. That's all carriers, including John Hancock, Nationwide, etc., who are greatly restricting their products with a LTC rider, or just refusing to accept applications from Washington residents. Just a guess, the carriers know many of the policies will be dropped once the client gets past the "proof of other coverage" stage – NGL, one of our carriers with a single-pay LTC premium – that's all they'll sell in Washington.

The teachable moment? The public does know paying for long term care services at the end of a long life can be expensive, that it could happen to them or to their family. When forced to do something about it, they will. Usually that's called "elder law planning," but when faced with buying something they don't want, when faced with going into a skilled nursing facility where mis-managed government policies could kill them, they will consider a small stand-alone or linked-benefit insurance policy. The good news is that we can help you do that for them!

## **Other Government help for you**

- US Senator Pat Toomey (R-PA) has introduced legislation which would allow Americans to use existing retirement accounts to pay LTC premium, tax-free, similar to rules in place for purchasing life insurance.
- Bipartisan legislation has been introduced to kill the “3-day hospitalization” rule for receiving Medicare benefits when a patient goes from hospital to skilled nursing. The rule was waived during the pandemic, this proposed legislation would make it permanent.
- Rep. Tom Suozzi (D-NY) has also introduced a bill to create a public long term care insurance program. Washington 2.0.
- FDA approval of an Alzheimer’s drug has generated buzz – not sure if it works, resignations at the Agency who approved it, Medicare might not cover, Biogen stock soars, yikes.

## **Continuing Education/Associations**

Now that NY State has eliminated the need for a CE monitor when producers take course exams on-line, please don’t let this relaxed requirement keep you from networking and meeting others in your profession who attend local Association meetings.

- FPA of Greater Rochester is holding a breakfast meeting at Irondequoit CC on Wednesday, Sept. 8 – 8am to 10am – “Long Term Care in 2021,” will be presented by Cathy Benjamin. [admin@nyfpa.org](mailto:admin@nyfpa.org) to sign up.
- Lifespan is offering two new programs
  - Family Mediation when you disagree about care needs
  - Gerontology Certificate Program, an 80-hour non-credit course in partnership with the Finger Lakes Geriatric Education Center at the University of Rochester

Contact [www.lifespanrochester.org](http://www.lifespanrochester.org) for information on meeting dates/cost.

## **Media and Other News**

Covid put the elderly into specific risk, so the media has been full of articles on aging in place, staying home, on buying long term care coverage, all of which were Tweeted by me to anyone caring to follow

me on Twitter. Some may have been posted on Linked-In, so I'm not going to take the time and space to list them – if you have an interest in something specific, drop me an email and I'll send it to you

I did run across a recent article that does a nice job of explaining the Medicaid look-back period, easily understood by the average consumer, and locally the Fairport Baptist Home and Friendly Senior Living will be merging their organizations.

Life hopefully goes on, we're seeing more social venues opening, the State Fair is a big one, local theaters back in business, football with fans in the stands – all to be enjoyed! Go Bills, Go 'Cuse (maybe), happy Labor Day and now's the time to catch your snow-bird clients for last-minute planning before they head south for the winter.

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