

# Have You Taken Advantage Of All Your Military Benefits?



Long Term Care Insurance  
Is an Important Component  
of Your Retirement Plan,  
No Matter What Your Age

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For many years, financial experts have stressed the need for individual retirement savings to supplement your pension and Social Security income. If you're following that advice and building your nest egg, now is the time to consider protecting your retirement assets from a threat you may not have considered — the high costs of long term care (LTC).

LTC is ongoing care for people who need lengthy or lifelong assistance with daily living due to illness, injury, aging, or cognitive impairment such as Alzheimer's disease. That care, whether it's offered at home, in a nursing home, at an adult day care program, or at an assisted living facility, can prove to be an immense financial and emotional strain for you, your family members and your loved ones.

Many people think that only the elderly need to worry about long-term care, so preparations for that possibility are put off. That's a big mistake, says Paul Forte, Chief Executive Officer of Long Term Care Partners, administrator of the Federal Long Term Care Insurance Program. "Some 40 percent of all people who need long term care insurance are under the age of 65," he notes.

"Long term care is something that anyone can experience. It is something that very few people are able to afford out of pocket. If you don't have any protection for it, it can decimate your family's financial security," says Forte. "And it was for this reason that the Congress of the United States passed the legislation which created this program. They recognized this was so and they wanted to help members of the federal family to protect themselves against the risk of impoverishing themselves from long term care expenses. Everyone, even younger people, ought to give thought to this."

## *The Stakes Are High*

- After the age of 65, Americans have more than a 70 percent chance of needing long-term care.<sup>1</sup>
- Today, the average annual cost of a nursing home is \$64,240.<sup>2</sup>
- For home-based care, the annual cost has reached \$24,700<sup>2</sup> (for five hours of care a day, five days a week).

## *You're Not "Already Covered"*

- LTC is not covered by traditional medical insurance plans (including Medicare, the FEHB Program, TRICARE, and TRICARE for Life) or by disability income insurance.
- The Department of Veterans Affairs provides only limited LTC services with strict qualification restrictions.
- The result is that millions of chronically ill Americans foot their own LTC bill until they are impoverished enough to qualify for Medicaid. And that can mean having little control over the quality and type of care one receives.

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# The best time to consider buying long term

## What Are the Options?

It's important to have a plan in place to pay for long term care. The very affluent, of course, can self-fund without worry, and the very poor can rely on Medicaid. For those in-between, and that's the vast majority of Americans, the associated costs can quickly deplete a lifetime of savings. For these individuals, saving enough to cover extended care is almost impossible. In most cases, the practical choice is buying long term care insurance.

Long term care insurance helps pay for home care, assisted living, or nursing home costs. Because long term care insurance is medically underwritten, people must plan ahead and apply for coverage while they are in relatively good health. Once approved for coverage, they can have the peace of mind that comes with knowing they don't have to spend their entire savings, or overburden family members.

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The Federal Long Term Care option is not your only choice. Many military associations also offer long term care programs, so you should shop and compare before buying, to see what best fits your needs and budget. Here are a few:

Army & Air Force Mutual Aid Association  
(AAFMMA, [www.aafmaa.com](http://www.aafmaa.com))

Navy Mutual Aid Association  
(NMAA, [www.nmaa.org](http://www.nmaa.org))

Military Officers Association of America  
(MOAA, [www.moaa.org](http://www.moaa.org))

USAA  
(USAA, [www.usaa.com](http://www.usaa.com))

Armed Forces Benefit Association  
(AFBA, [www.afba.com](http://www.afba.com))

USBA  
(USBA, [www.usba.com](http://www.usba.com))

## For Military Families

“We know that many members of the federal workforce, particularly members of the military, are looking after their own families and their elderly parents who may be far away,” said Mary Lou McGuinness, Director of Care Coordination and Claims. “They juggle the demands of two households and have to be concerned with their children’s needs, their work, their home and the needs of their parent or older relative. The physical and emotional toll can be overwhelming.”

Spouses, adult children, parents, and parents-in-law of active federal employees are all eligible to apply for coverage under the FLTCIP. In addition, if you or a qualified relative are enrolled in the Federal Long Term Care Insurance Program, you can take advantage of a number of services and benefits available to enrollees that are designed to help families coordinate care. This is assistance is provided by registered nurses who can help assess a person’s situation and make recommendations.

“One of the often-overlooked benefits of the Federal Long Term Care Insurance Program is care coordination for enrollees’

# care insurance is long before you need it.

qualified relatives, even if the relatives aren't insured under the Program," said McGuinness. "If an elderly relative is beginning to have difficulty with everyday activities, enrollees should get in touch with our care coordinators, who are registered nurses available to assist with the many issues surrounding long term care. Even though the program cannot pay for assistance for individuals who are not insured, our care coordinators can help the family put in place services that can stabilize the situation and assist them in making long term care decisions."

## Taking Action

The best time to consider purchasing long term care insurance is long before you require it.

The younger you are when you purchase coverage, the less expensive your monthly or annual premiums will be. Waiting not only means a larger cash outlay; it means you'll be a greater risk of having pre-existing health problems that may prevent you from qualifying.

To learn more about the Federal Long Term Care Insurance Program, which is sponsored by the U.S. Office of Personnel Management, contact Long Term Care Partners toll-free at 800-LTC-FEDS (800-582-3337), TTY: 800-843-3557 to request an

information kit and application, or to speak to a certified long-term care insurance consultant. If you are online, visit: [www.LTCFEDS.com](http://www.LTCFEDS.com). The website has an interactive calculator to customize a premium quote based upon one's age and choice of benefits.

FLTCIP policies are simple to understand and offer benefits tailored to their targeted

audience. Policies are sold directly through highly-trained, non-commissioned staff that understand how long term care insurance works and how to recommend the right coverage. There are no high-pressure sales tactics—simply sound advice.



### Footnotes:

1. Americans Fail to Act on LTC Protection," American Society on Aging" May 23, 2003.
2. MetLife Market Survey of Nursing Home and Home Health Care Costs, September, 2005.