

Did you know...

Of seniors needing help with one or more activities of daily living, only 7% have private long-term care insurance?

About the data:

The facts about the presence of private long-term care insurance and Medicaid coverage come from the 2008 Health and Retirement Study, a longitudinal survey conducted every other year on individuals age 50 and above. The survey asks people about their household income as well as their health, cognitive status, and ability to do certain activities. In this analysis, respondents were restricted to those who were identified as needing help with one or more Activities of Daily Living (ADLs) or suffered from a cognitive impairment.

Analytics powered by Avalere Health LLC

¹ Douglas, Jennifer. "LTCi Sales: Who? Where? What?" Presentation at the 10th Annual Intercompany Long Term Care Insurance Conference. March 15, 2010, Baton Rouge, LA.

² Ibid.

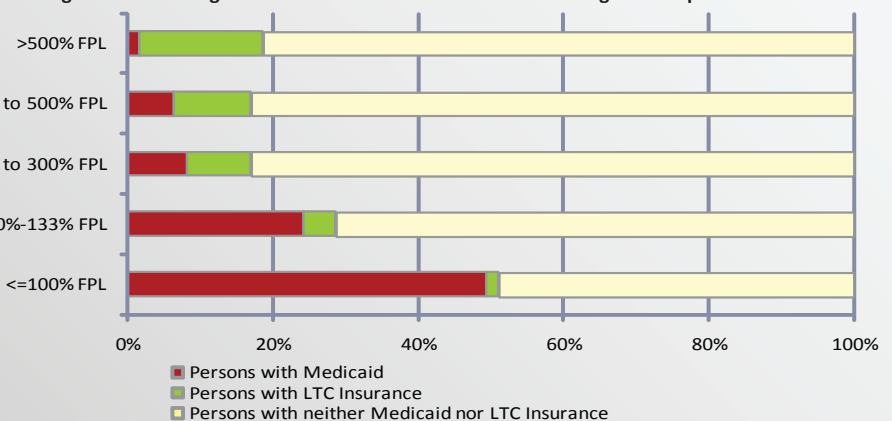
³ n = 6,711,388. Analysis restricted to seniors who need assistance with one or more activities of daily living or who have cognitive impairment.

⁴ Rules determining eligibility for Medicaid or for medically needy programs varies by state. This can result in states extending coverage to individuals above the categorically needy thresholds.

- As they age, many seniors will need some sort of assistance with various activities of daily living (ADLs) such as bathing, dressing or walking.
- Long-term care (LTC) insurance can help pay for this assistance. Depending on the policy, it can cover care received in facilities like an assisted living facility or nursing home, or support services in one's home such as a home health nurse or a live-in caregiver.
- The price of LTC insurance varies depending on the type of policy, generosity of benefits, and age and health of the enrollee.
 - In 2008, the average annual LTC policy premium for an individual age 65-69 years old was \$2,627.¹
- Many individuals only consider purchasing coverage as they near retirement and begin thinking about their LTC needs. However the longer one waits to purchase insurance, the more expensive that policy becomes.
 - Almost 90 percent of those buying individual policies in 2008 were over 50.²
- LTC insurance costs may deter lower- and middle-income people from purchase.

Seniors Needing Assistance are More Likely to Have Long-Term Care Insurance as their Household Income Increases³

Presence of Medicaid⁴ or Long-Term Care (LTC) Insurance, by Federal Poverty Level (FPL) among Seniors Needing Assistance with 1 or More ADLs or with Cognitive Impairment



A Clear Policy Connection

Policy makers must consider ways to increase access to long-term care (LTC) insurance coverage, particularly as baby boomers age. LTC insurance can improve individuals' access to home and community-based services and can help protect their assets from the high cost of long-term care.

The CLASS program is a new, voluntary, national LTC insurance program included in the Affordable Care Act, that could play an important role in helping people purchase coverage.

For CLASS or private LTC insurance options to be successful, policy makers will need to focus on increasing consumer awareness future LTC needs and identify ways to keep premiums affordable for lower- and middle-income individuals.