

*Transitions*TM

A Unique Chronic Care Financing Solution



Care made easy!

Transitions™

Designed for today's recovery care needs.



We've all seen it happen...

An unexpected accident or sudden illness turns the world on its end. Life as you know it has changed. You need time to recover, or time to adjust to your new reality.



What Happens Next?

When you experience an unexpected illness, it's usually not the hospital stay or medical treatment that causes a financial crisis. You have insurance for that. But what happens next? The hospital sends you on your way and you find that although you get to go home, you still need help getting through the day. Perhaps you can't yet get around on your own, or maybe you need help getting dressed or bathed. Maybe you are in the process of recuperating, or maybe you need some time to make critical financial decisions or arrangements if long term care becomes necessary.



Who is going to help you through this transition period, and how are you going to pay for it? The answer may not be Medicare, Medicaid, or your major medical insurance. It's up to you to pay for those services.

So ask yourself the question... can you afford to pay for someone to help you through this recovery period? Wouldn't it be nice if you had low-cost insurance designed specifically to help you through this type of situation?

Well, with Transitions, you can rest easy.

Transitions provides a bridge to help you handle the urgent needs of today and prepare for the uncertainty of tomorrow.

Transitions Can Help

Transitions can provide inexpensive, but effective coverage solutions for transitional events such as:

- Recovery from a traumatic medical event requiring a short period of care at home, nursing home, assisted living facility, or adult day care
- Onset of a chronic condition requiring short or long term care
- When family needs some time to make decisions about how to handle a long term care event
- Payment for care needed during the deductible/elimination period of a traditional long term care insurance policy

Cost of Care

Whatever your situation, there are plenty of care options available to you. You could choose to stay at home and hire an aide to help you, utilize an adult day care center, or opt to receive care in an assisted living facility or nursing home setting. But regardless of what you choose, there is always an expense involved, and it's important you are aware of the cost so you can be prepared to handle these expenses.

National Average Cost of Care Per Month¹

- \$5,940 for a semi-private room in a nursing home
- \$6,570 for a private room in a nursing home
- \$3,131 for care in an assisted living facility (*one-bedroom unit*)
- \$5,040 for a home health aide; \$4,110 for homemaker services²
- \$2,010 for care in an adult day health care center

¹ National Clearinghouse for Long-Term Care Information, U.S. Department of Health & Human Services, www.longtermcare.gov, May 2010. Monthly calculation based on average daily rate times 30 days.

² Calculation includes 8 hours of care per day for 30 days, based on national average hourly rate.

³ Example assumes a 365 Day Benefit, 20 day EP, \$210 Daily Benefit, No Inflation, Issued at age 43.

**I'm young and healthy!
Why would I want to
purchase a Transitions policy?**

Jane is a healthy 43 year old who has saved \$10,000 to use as a down payment on her dream home. Jane loves hiking and is always looking for more challenging trails to conquer. One day, while hiking a new trail, she loses her footing and falls several yards down a gorge. Her entire left side is severely injured, but with physical therapy, her doctors expect her to fully recover within six months. Jane is quickly discharged from the hospital and is now at home and needs help dressing, bathing, getting around the house, and getting to and from physical therapy while her husband is at work. Jane opts to hire a home health aide 10 hours a day, 5 days a week, at an expense of approximately \$21 an hour, or \$1,050 a week. This quickly adds up to over \$25,000 during her six month recovery period. Fast forward to Jane's recovery, she now has no savings to put toward her dream home and owes more than \$15,000 in recovery costs. For around \$55 a month, a Transitions policy would have covered the majority of her recovery expenses.³



Benefits & Features*



Issue Ages:

Ages 18 to 85

Elimination Period:

The number of calendar days you must wait before your policy begins paying benefits. Choose from 20, 30 or 60 days.

Daily Benefit Amount:

The maximum amount the policy will pay for all covered benefits you receive on any one day. Choose an amount between \$50 and \$300 (in \$10 increments).

Benefit Period:

365 days

Lifetime Benefit Amount:

The total amount of benefits payable under the policy. This "pool of money" is equal to the Daily Benefit Amount multiplied by the Benefit Period and remains available to you until you exhaust your policy. This means that if you don't use your full benefit amount each day you receive services, you may be able to receive benefits even longer than your selected benefit period!

Benefits Paid for Care:

In any licensed nursing facility, assisted living facility, home care, adult day care or hospice program.

Optional Riders:

Simple Benefit Increase — Increases your original daily benefit and lifetime benefit (pool of money) by 5% annually.

Compound Inflation No Maximum — Increases your current daily benefit and lifetime benefit (pool of money) by 5% annually.

Non-Forfeiture Shortened Benefit Period — Provides continued coverage equal to premiums paid if your policy lapses after being in-force for three years.

Bed Reservation:

The policy will pay to reserve your bed in a qualified facility for up to 21 days.

Respite Care:

The policy will pay for respite care services received while your regular caregiver in the home takes time away from providing care.

Waiver of Premiums:

Premiums will be waived for this policy the first day of policy-paid benefits.

Discount:

A 10% discount is applicable if you are married or have a domestic partner.

* May vary by state.

Unique Pool of Money Approach!

Transitions™

Transitions offers benefits that are easy to understand and features that add value! Our unique pool of money approach means that you know exactly how much money is in your Transitions “account” for when care is needed.

Restoration of Lifetime Benefit:

If you have received benefits under the policy, we may restore the policy's lifetime benefit to its original amount once during the life of the policy.⁴

MyCare Program:

MyCare is an optional program that can provide a customized plan of care addressing access to care, quality of care and affordable price. MyCare provides expert advice from the vendor of your choice that helps you develop your care plan the way you want it to be. Such advice can include the best way to maximize your limited benefit pool by offering information on available community resources, providing a range of prices for several local providers and negotiating discounts when possible. The cost for this benefit is paid out of the Lifetime Benefit Amount and is limited to six times the Daily Benefit Amount. You must be benefit eligible to access this benefit, however, the elimination period does not apply.

Benefit Eligibility:

Transitions benefits are paid once MedAmerica verifies that a licensed health care practitioner has certified that you require substantial assistance with at least two activities of daily living (bathing, dressing, toileting, transferring, continence, eating), or have a severe cognitive impairment requiring substantial supervision, and you have satisfied the elimination period chosen at time of application.

I already own a long term care insurance policy. Why would I want to buy Transitions?

Michael is a 73 year old suffering from chronic back pain, and his doctor is recommending disc replacement surgery. During his recovery, Michael would need help getting up from chairs and bed, dressing and bathing. He plans to hire a home health aide to provide assistance for six hours every day at a cost of \$126 daily. He has a long term care insurance (LTCi) policy that will begin paying benefits after he meets his 90 day elimination period, but in the interim, Michael expects to incur more than \$11,000 in care expenses. A Transitions policy could help cover most of the cost incurred while Michael waits for those LTCi benefits to kick in.



⁴ If the policy remains continually in force and you are not currently, nor have you been certified as requiring substantial assistance with at least two activities of daily living or having a severe cognitive impairment in the past 180 days. See policy for complete details.

I wish I bought an LTCi policy years ago. Now I can't afford the premiums.

Mary is a 68 year old widow whose children live out of state. She had always been able to depend on her family for help, so when she was approached about long term care insurance years ago, she decided not to apply. Now, Mary finds herself unprepared for an accident or illness that could leave her needing some help getting through the day, even for a limited period of time. She doesn't want to burden her family, doesn't have an LTCi policy in place to help her with the expense of hiring someone, and purchasing a traditional LTCi policy today is simply not in her budget. Transitions may be the answer for Mary. For a very affordable premium, Mary can purchase an appropriate amount of coverage with a Transitions plan. Transitions could cover her care expenses, giving her time to adjust to her situation and reach out to her support network during recovery without being a burden to her family.

Why Transitions?

Transitions May Be the Solution

Transitions is a cost-effective solution to help protect your finances at any age. If you are relatively young and healthy and think, "Why on earth would I need this coverage?," ask yourself what you would do if, for example, your hobby led to an accident like Jane's, and you needed some help while you recuperated.

Perhaps your story is more like Mary's and you find yourself lamenting the fact that you didn't buy long term care insurance coverage at a younger age because now the premiums for a traditional LTCi policy are too much for your budget. Well, Transitions is cost-effective coverage that could pay for at least some of your long term care expenses should the need arise.

Or, maybe you are like Michael. You already have a long term care insurance policy in place, but you purchased a 90 day elimination period to keep your premiums down and would rather not have to worry about covering the cost of your care for the entire 90 days. A Transitions policy can help you pay for care you receive while you're waiting for those long term care insurance benefits to begin.

Transitions is designed to fill many needs, but most importantly, it is designed to help you maintain choice and control over the care you receive so that you can remain as independent as possible and avoid burdening your loved ones with your care needs. No matter what your situation, consider Transitions. It may be the right answer for you.



Why MedAmerica?



Throughout life, situations arise that are not covered through traditional health insurance. The expenses incurred for chronic care needs are generally excluded from major medical policies. Since 1987, MedAmerica has focused exclusively on providing financial solutions for chronic care situations. MedAmerica is a subsidiary of a \$5 billion not-for-profit health insurer that finances and delivers health care to more than 2 million people. With a singular focus on helping people financially plan for a chronic care need, MedAmerica brings a depth of expertise to provide solutions for chronic care financing by creating simple to understand and easy to use products, maintaining fiscal responsibility, and delivering on its promises.



MedAmerica has in-force insurance contracts in every state and the District of Columbia and is the insurer of choice for several state employers, Fortune 500 companies and employers of all sizes. MedAmerica also administers and/or reinsures 1,200 different policy forms for 50 separate insurers. Having paid over \$354 million⁵ in claims to date, MedAmerica continues to deliver on the promise to help our policyholders obtain and pay for the quality care services they want and need.



At MedAmerica, we are in the business of helping people remain independent as long as possible so they can avoid burdening their loved ones.

⁵This amount represents both direct and administered business.

