UNITED OF OMAHA LIFE INSURANCE COMPANY
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Everybody's Talking About Long-Term Care

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What's all this talk about long-term care?

You've probably read articles about long-term care in the newspaper or seen stories on the six o'clock news. Maybe you've received a letter from the governor of your state encouraging you to begin planning for your long-term care needs. No matter how you heard about it, long-term care is an important financial issue for Americans – especially if you are approaching retirement age. The government has taken steps to help people plan for their long-term care needs by passing legislation that allows states to establish qualified long-term care insurance partnership programs.

Why is planning for my long-te

Many people mistakenly believe government programs, like Medicare and Medicaid, will provide all the long-term care services they need. Unfortunately, this may not be the case. Failing to plan how you'll pay for long-term care services may place you at serious financial risk.

Medicare

Medicare generally does not pay for long-term care services. Instead, it's designed to help get you back on your feet following an illness or injury.

- Medicare pays only for "skilled care" you receive in a nursing home, but only if it's medically necessary and only for a limited period of time
- Medicare does not pay for "custodial care" services many people receive in their homes – services like assistance with dressing, bathing and using the bathroom. Medicare also does not pay for care received in an assisted living facility

Medicaid

Medicaid provides long-term care assistance to individuals who have exhausted their personal resources.

- Medicaid pays for both "skilled care" and "custodial care" received in a nursing home, but only after you spend down your assets to meet eligibility guidelines in your state
- In some states, Medicaid may pay for some services received at home or in an assisted living facility

The responsibility for planning is yours

It's simply not realistic to expect the government to pay for the long-term care needs of every American. That's why many states already have launched campaigns encouraging people to plan ahead. And part of that planning may include purchasing a long-term care insurance policy through a state-sponsored long-term care partnership program.

What is a long-term care partnership program?

It's a partnership between your state government and private insurance companies. Insurance companies voluntarily agree to participate by offering long-term care insurance policies that meet specified criteria. The state agrees to provide Medicaid asset protection to people who purchase partnership-qualified policies.

How does Medicaid asset protection work?

When you purchase an individual long-term care insurance policy that meets your state's guidelines, you will be allowed to protect a portion of the assets you might otherwise have to "spend down" in order to meet Medicaid eligibility requirements. This allows you to protect one dollar of personal assets for each dollar your long-term care insurance policy pays in benefits. For example, if you purchase a long-term care insurance policy that pays $100,000 in benefits, and you utilize a $100,000 benefit amount, you will be allowed to protect

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$100,000 in personal assets. This is above and beyond the assets you are allowed to keep in order to qualify for Medicaid.

When you need long-term care services, your long-term care insurance policy will pay for your care. In the event that you receive long-term care benefits through your state's Medicaid program, your partnership qualified long-term care policy will enable you to protect some or all of your assets.

What's the benefit of purchasing a partnership-qualified long-term care insurance policy?

Purchasing a partnership-qualified long-term care insurance policy can help you to assume responsibility for your long-term care needs and control what happens to you in the future. If you eventually apply for Medicaid, it allows you to protect a portion of your assets from Medicaid "spend down" so they can be passed on to your heirs. And even if you don't plan to apply for Medicaid benefits, it may help provide peace of mind knowing you have that safety net.

How do I know I'm getting a partnership-qualified policy?

Insurance companies are required to certify that their long-term care insurance policies are partnership-qualified in order to participate in a state's partnership program. That's why it's so important to ask if your insurance company provides partnership-qualified coverage in your state.

United of Omaha Life Insurance Company offers policies that meet your state's guidelines for a partnership-qualified policy. Your insurance agent* can advise you about certain policy features that must be included to make your long-term care policy eligible for partnership status.

What happens if I move to another state?

The federal partnership program allows for reciprocity between states. That means if you move to a state that also has enacted a long-term care partnership program, you still may be eligible to receive Medicaid asset protection. You'll need to check with your new state of residence to be sure.

How do I select the right insurance company?

When selecting an insurance company, financial strength and stability are important. United of Omaha Life Insurance Company was founded in 1926 and is proud to be an affiliate of Mutual of Omaha Insurance Company.

How can I learn more?

Your insurance agent can help you analyze your needs and determine whether a long-term care insurance policy is right for you.*

What You Need to Know About Medicaid

Eligibility Requirements – In order to be eligible for Medicaid long-term care services, you must meet income levels as well as "spend down" your assets to a minimum level (typically around $2,000 for an individual). Countable assets include savings accounts and investments, but exclude personal possessions, one car, a limited amount of life insurance and certain other items. If your spouse remains at home, he or she may be able to keep a portion of the assets you own as a couple in order to prevent impoverishment.

Transferring Assets – Even if you plan to "spend down" your assets by transferring them to family members in order to meet eligibility requirements, you need to know the government has tightened its restrictions on this practice. The "look-back" period has been extended from three years to five years. This means any transfer of assets within five years of date you apply for Medicaid will trigger a penalty period (or period of ineligibility). The intent is to prevent people from transferring assets one day and qualifying for public benefits the next.

Home Equity Limits – Previously, you could qualify for Medicaid even if you had substantial home equity. Now, most states will not cover long-term care services if your home equity exceeds $500,000 (the states have the option to increase this to $750,000). In all states, the home may be kept with no equity limit if your spouse or a dependent relative lives there while you receive Medicaid-provided long-term care services.

Estate Recovery – Following your death, the state will attempt to recover from your estate whatever benefits it paid for your long-term care services under the Medicaid program. For this reason, Medicaid should be considered to be a loan – not an entitlement.

Long-Term Care Insurance underwritten by:

UNITED OF OMAHA LIFE INSURANCE COMPANY

A MUTUAL *of* OMAHA COMPANY
Mutual of Omaha Plaza
Omaha, NE 68175-0001
1-800-775-6000
mutualofomaha.com

This is a solicitation of insurance. Policy forms: LTC09U, LTC09U-AG, LTC09U-5ML, LTC09U-10ML (or state equivalent). In ID: LTC09U-ID, LTC09U-AG-ID, LTC09U-5ML-ID, LTC09U-10ML-ID. In NC: LTC09U-NC, LTC09U-AG-NC, LTC09U-5ML-NC, LTC09U-10ML-NC. In OK: LTC09U-OK, LTC09U-AG-OK, LTC09U-5ML-OK, LTC09U-10ML-OK. In OR: LTC09U-OR, LTC09U-AG-OR, LTC09U-5ML-OR, LTC09U-10ML-OR. In PA: LTC09U-PA, LTC09U-AG-PA, LTC09U-5ML-PA, LTC09U-10ML-PA. In WA: LTC09U-WA, LTC09U-AG-WA, LTC09U-5ML-WA, LTC09U-10ML-WA. For costs and further details of the coverage, including exclusions, any reductions or limitations and terms under which the policy may be continued in force, see your agent* or write to the company. You may be contacted by telephone by an insurance agent.* United of Omaha is responsible for its own financial and contractual obligations.

*WA Residents: All instances of the term “agent” should be replaced with “producer.”