

Long-term Care Partnership Plans and the Need for More Education

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The aging of the baby boom generation has led to an intensive discussion of the increased demand for long-term care services. Long-term care includes all the assistance you could need if you ever have a chronic illness, disability, or cognitive impairment that leaves you unable to care for yourself for an extended period of time. This care can be very expensive, even if this care is provided at home. In addition, the current economic downturn has forced many families to prioritize spending. Meeting immediate cash flow needs is a more pressing issue than saving for the future or paying a long-term care insurance premium for many families.

The Long-Term Care Partnership Program is a public-private partnership between states and private insurance companies designed to reduce Medicaid expenditures by delaying or eliminating the need for some people to rely on Medicaid to pay for long-term care services. As of January 2010, all but 9 states have long-term care partnership policies available to the public or are in the process of setting up programs. The purpose of this poster is to summarize the long-term care partnership programs offered by states, and to highlight areas where more consumer education is needed.

A clearinghouse for information on state partnership plans can be found at the HHS Centers for Medicare and Medicaid Services, Disabled and Elderly Programs Group website, <http://www.dehpg.net/ltpartnership>. Currently, 37 states offer long-term care partnership policies for sale. All but three states (CA, NY, and WI) offer state-to-state reciprocity. Of those states reporting data, requirements regarding inflation protection vary widely, and 67% of these states either require or allow exchanges. All reporting partnership states require agents to receive partnership insurance training, but six states only require this training of agents who intend to sell. All states require completion of specific training education and continual education courses.

Much better consumer information can be accessed through the HHS National Clearinghouse for Long-Term Care Information at <http://www.longtermcare.gov> including information regarding the Own Your Own Future campaign, a joint federal-state initiative. As of January 2010, 25 states have participated in this campaign. State efforts vary and include press releases, brochures, videos, and development of websites and other resources. Consumers can request by mail or download an Own Your Own Future long-term care planning kit specifically for their state or a federal version if their state is not participating in this aspect of the program.

A literature review was conducted to determine what areas consumer educators should focus on when preparing long-term care planning curriculum. This review found that evidence regarding the significance of previous family experiences in long-term care planning is inconclusive. Perceptions of family roles, personal health, and affordability greatly influence purchase decisions, yet are so unique to each person that identifying specific predictors proves challenging. In addition, many people tend to overestimate their future health status, while others tend to not consider it at all. Many consumers feel inadequately informed about insurance decisions, quickly becoming overwhelmed and frustrated with the process. Others view insurance agents as a "smooth talkers" motivated to sell to the consumer rather than help with an informed decision. These negative stereotypes along with low consumer confidence can illustrate the influence product education can have in mediating other purchasing indicators.

The review also found that the focus on Medicaid as a solution despite the program's imperfections is a major deterrent of long-term care insurance purchases, leading to the small size of the private insurance market. Much of the population would still be unwilling to pay for long-term care policies in the presence of Medicaid. Since Medicaid is funded by tax payers, many consumers view that they deserve Medicaid.

Education is a critical factor in the decision to purchase long-term care insurance. Understanding all aspects of long-term care insurance is difficult, but finding a plan that fits an individual's situation does not have to be. The review found that the more educated a consumer was about long-term care insurance, the younger the purchase age of the consumer, and thus the lower the premiums. A comprehensive retirement plan should include planning for long-term care. Consumers need to be educated regarding long-term care financing alternatives. States are quickly becoming aware of aging consumer needs and have started organizing ways to help.

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