

Activities of Daily Living

Activities of Daily Living (ADLs) are activities you perform everyday; there are six to be considered in Tax-Qualified policies.

- **Bathing:** Your ability to wash yourself by sponge bath or in either a tub or shower, including the task of getting in and out of the tub or shower.
- **Contenance:** Your ability to maintain control of your bowel and bladder function or when unable to maintain control of bowel or bladder, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
- **Dressing:** Your ability to put on and take off all items of clothing and any necessary braces, fasteners or artificial limbs.
- **Eating:** Your ability to feed yourself by getting food into your body from a receptacle (such as a plate or cup or table) or by a feeding tube or intravenously.
- **Toileting:** Your ability to get to and from the toilet, to get on and off the toilet and to perform associated hygiene.
- **Transferring:** Your ability to change positions such as moving from bed to standing, chair to standing, bed to chair and the reverse of these activities.

Note: Some policies include Mobility, or the ability to walk either with or without assisted devices, in the definition of the Transferring ADL. This expanded definition makes it easier for an insured to qualify for benefits.

Please also note that some states also require Mobility to be included in the definition of the Transferring ADL.

Adult Day Care

Adult Day Care is a program of care services provided on a less than 24-hour-a-day basis in an Adult Day Care Center. Adult Day Care supports frail, impaired or otherwise disabled adults who can benefit from care in a group setting, outside the home.

Alternate Plan of Care

An Alternate Plan of Care is health care or personal care services that are not specifically covered by the policy but which you, your Physician and your Care Coordinator and the

insurance company agree would be appropriate to meet your long-term care needs.

The name of the Alternate Plan of Care can vary from company to company and could be referred to by names such as Emerging Trends and Substitute Services Benefit. Be sure to check your particular policy for actual language.

Assisted Living Facility

An Assisted Living Facility is engaged primarily in providing on-going care and related services and which meets all of the following criteria:

- Is appropriately licensed or certified to provide these services, if licensing or certification is required by the state in which it operates.
 - Provides 24-hour-a-day care and services sufficient to support needs for Chronically Ill Individuals.
 - Provides three meals a day and accommodates special dietary needs.
 - Has methods and procedures to assist residents in the self-administration of prescribed medications.
 - Has contracted to provide the services of a physician or Registered Professional Nurse in case of emergency.
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Bed Reservation

Bed Reservation allows the insured to be reimbursed for the reservation of a room and bed in a nursing or assisted living facility if he or she has to leave the facility for any reason.

Note that some insurance carriers limit the bed reservation benefit to Nursing Homes only.

Benefit Triggers

Benefit Triggers are the conditions which would qualify the insured to receive LTCI benefits. The Tax Qualified Benefit Triggers are:

- The insured is expected to be unable to perform, without Substantial Human Assistance, at least two Activities of Daily Living for a period of at least 90 days, or
 - The insured has a Severe Cognitive Impairment that requires substantial supervision to protect the insured from threats to health and safety.
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Care Coordinator

A Care Coordinator is a Registered Professional Nurse or Licensed Social Worker who is trained and experienced in providing care coordination services, such as:

- Development, coordination and implementation of the Plan of Care.
 - Monitoring of services provided under the Plan of Care.
 - Reassessment of the insured and Plan of Care as needed.
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Caregiver Training

Caregiver Training means training you or a person designated to assist you in the proper use and care of a therapeutic device or caregiving procedure.

Chronically Ill Individual

A Chronically Ill Individual means an insured who has been certified that he or she is expected to be unable to perform, without substantial human assistance, at least 2 ADLs for a period of at least 90 days from inception of the illness or injury; or having a severe cognitive impairment; or having a severe cognitive impairment that requires substantial supervision to protect the insured or others from threats to health and safety.

Cognitive Impairment or Severe Cognitive Impairment

A Cognitive Impairment is a deficiency in one's memory (whether short-term or long-term), orientation as to person, place and time, deductive or abstract reasoning, or judgment as it relates to safety awareness. Cognitive Impairment is established by clinical evidence and standardized tests that reliably measure the loss. Also referred to as "Severe Cognitive Impairment".

Elimination Period

The Elimination Period (EP) works like the deductible on any other liability insurance. However, instead of using dollars, most long-term care insurance policies use days. The EP is the number of days the insured is responsible for paying before the policy begins to pay benefits. Typical choices are 0, 10, 15, 30, 60, 90, 100, and 180 days (but selections vary by state and company).

Thus if you had a 60-day elimination period and the cost of care was \$100 per day, you would have to pay \$6000 out of pocket before the policy would begin to pay.

The insured must select an EP with which he or she is financially comfortable, keeping in mind that the cost of care will most likely continue to rise with inflation.

Emergency Response System (also Medical Alert System)

Emergency Response System means a communication system installed in your home, which is used to call for assistance in the event of a medical emergency.

Exclusions & Limitations

Exclusions & Limitations are conditions or circumstances under which a Long-Term Care Insurance policy will not pay benefits. In the Shopper's Guide to Long-Term Care, the NAIC (National Association of Insurance Commissioners) has identified the most frequently occurring Exclusions & Limitations. They are as follows:

- mental or nervous disorders or diseases, other than Alzheimer's disease or other dementia;
- alcohol or drug addiction;
- illness or injury caused by an act of war;
- treatment the government has provided in a government facility or already paid for; and
- attempted suicide or intentionally self-inflicted injuries.

Insurance carriers are not obligated to utilize this list of Exclusions & Limitations in whole or in part. In fact, many insurance carriers' actual Exclusions & Limitations will vary considerably from this list either by adding additional exclusions or limitations, or opting not to use those identified by the NAIC.

Some additional Exclusions & Limitations include:

- war, or acts of war;
- outside the United States or Canada;
- those for which benefits are payable under federal or state workers' compensation; employer's liability or occupational disease law;
- those not included in the insured's Plan of Care;
- those provided by a family member;
- those resulting from voluntary participation in a felony, attempted felony or illegal occupation;
- those resulting from participation in riot or other insurrection;
- those resulting from being intoxicated or under the influence of a non-prescription narcotic (under the influence as opposed to alcoholism or drug addiction);
- provided in facilities that are operated primarily for the treatment of Mental or Nervous Disorders; and/or
- those resulting from aviation-related incidents (except as a fare-paying passenger)

Home & Community Based Care

Home- and Community-Based Care generally includes the following (however, these can vary by company):

- Adult Day Care
- Home Care Services
- Home Health Care Services
- Hospice Services
- Respite Care

Home Care Services

Home Care Services are rendered by skilled or unskilled persons who usually work under the supervision of a Home Care Agency. These services are generally provided in the insured's home and can include the following:

- Personal care services (assistance with ADLs)
- Self-administered medications
- Reporting changes in the insured's conditions
- Homemaker Services (domestic or cleaning services, laundry services, reasonable grocery shopping and errands, meal preparation and clean-up, and transportation to and from medical appointments)
- Home Health Aide services

Home Health Care Services

Home Health Care Services consist of nursing care or other professional or skilled care services rendered in the residence, including but not limited to Skilled Nursing Care, physical therapy, occupational therapy, speech therapy, audiology services, and medical social services by a social worker.

Home Modification

Home Modifications are modifications that help the insured live safely and independently in his or her own home. Typical Home Modifications include: widening doorways; raising or lowering cabinets and light switches; installing a ramp into the home; installing grab bars in the bathroom; installing special accessibility shower stalls, etc.

Covered Home Modifications generally do not include home repair, remodeling, or installation of a hot tub or swimming pool, or the reversal of any Home Modification performed under the policy.

Homemaker Services

Homemaker Services assist the insured with activities necessary for the insured to remain in his or her residence. These services may be provided by a skilled or unskilled person. Examples include preparing meals, doing laundry, or house cleaning.

Independent Caregivers

Independent Caregivers are properly licensed and accredited caregivers who are not associated or contracted through a Home Health Care Agency.

Informal Caregivers

Informal Caregivers are typically members of the insured's family - a spouse, child or parent - who provide care for the insured without being compensated for their services, regardless of the family member's training or professional background.

Instrumental Activities of Daily Living

Instrumental Activities of Daily Living (IADLs) are daily activities such as using the telephone, balancing the checkbook, managing medications, light housekeeping, laundry, etc.

International or Worldwide Coverage

International or Worldwide Coverage is a feature available in some long-term care insurance policies that provides for the payment of benefits when the insured is benefit eligible and is residing outside the United States and, for some companies, Canada.

The amount of the benefits available under the International or Worldwide Coverage benefit is typically less than those that would be available should the insured be receiving care in the United States. Many companies place limitations on the International Coverage Benefit Period while other companies place limitations on the daily benefit payable.

Licensed Health Care Practitioner

A Licensed Health Care Practitioner is a physician, Registered Professional Nurse, Licensed Social Worker, or other individual who is qualified to assess the insured's condition.

Licensed Social Worker

A Licensed Social Worker is a health care professional from an agency who is licensed by the state in which he or she practices and who is practicing within the scope of that license when providing an assessment indicating whether the insured is Chronically III.

Mental & Nervous Disorders

Mental & Nervous Disorders are anxiety, personality, psychotic or other mental or emotional disorders typically of an organic (naturally occurring) or inorganic nature. Most policies will expressly cover Alzheimer's or other demonstrable organic diseases like senile dementia.

Coverage varies from policy to policy and from carrier to carrier, so it is imperative that you consult each policy to determine which mental and nervous conditions are covered.

Nursing Facility

A Nursing Facility is a health facility or distinct part of a hospital or other institution that operates under a license issued by the appropriate licensing agency, to provide 24-hour-a-day nursing care and related services.

Plan of Care

A Plan of Care is a written individualized plan of services developed by a Licensed Health Care Professional.

Respite Care

Respite Care is the supervision and care of persons with deficiencies in ADLs or who are severely cognitively impaired. It is provided when a family member or other caregiver who normally provides long-term care services on a regular basis takes a short-term leave or rest from their caregiving responsibilities.

Standby Assistance

In regards to Activities of Daily Living, an insured is considered to not be able to perform an ADL if he or she insured needs the Standby Assistance or supervisory help of another individual. Essentially, policies with this provision state that should the insured require someone to supervise the insured's performance of an ADL in order to preserve the safety

and health of the insured, then the insured is considered as failing that ADL.

This feature may make it easier for an insured to access benefits.

Therapeutic Device (also Durable Medical Equipment)

Therapeutic Devices include equipment that is designed to be used in the home to treat a medical condition or assist the insured in performing ADLs. Examples include hospital-style beds, crutches, wheelchairs, infusion pumps, and respirators.

Therapeutic Devices do not include sporting or athletic equipment, equipment implanted in the body (temporarily or permanently), or items commonly found in the household.

Waiver of Premium

Waiver of Premium eliminates premiums on a month to month basis while receiving certain types of care.