

# WHAT is long term care?

Long term care is *ongoing* care for people who become unable to care for themselves and need help doing everyday things like dressing, eating, and bathing. The need for long term care can arise from an illness, injury, or a severe cognitive impairment, such as Alzheimer's disease. As its name implies, long term care is about needing care for a lengthy period of time, either in your home or in a facility that provides long term care services.

Six out of ten Americans who reach age 65 will need long term care services.<sup>1</sup> And the longer you live, the higher your odds. But, the fact is that you could need long term care at any age. That's because accidents and sudden illnesses can occur at any time, to anyone, regardless of how healthy you are today.

<sup>1</sup> Long-Term Care Insurance, Baby Boom or Bust?, Conning & Company, 1999, p. 13.

**Read on to see why long term care insurance can be an important part of your plan for financial security and future independence.**



## Act Smart

**Act Smart! Get a FREE Open Season Information Kit and an Application. Mail the Enclosed Open Season Information Request Form Today.**

**Or, call 1-800-LTC-FEDS (1-800-582-3337) (TDD 1-800-843-3557) or visit [www.LTCFEDS.com](http://www.LTCFEDS.com).**

**Please Note:** *You have to request an Open Season Information Kit and application even if you have previously requested other information on the Program. Also, the application for Open Season is different from Early Enrollment. Even if you still have an Early Enrollment application and want to apply, you will need to request an Open Season Information Kit for a new application.*

Be sure to read all of the information provided in your Open Season Information Kit so that you understand the terms of the coverage before you decide to apply.

### The Federal Long Term Care Insurance Program



Sponsored by the U.S. Office of Personnel Management and Offered by John Hancock and MetLife

The Federal Long Term Care Insurance Program is administered by Long Term Care Partners, LLC, and offered by: John Hancock Life Insurance Company, Boston, MA 02117 Metropolitan Life Insurance Company, New York, NY 10010

*John Hancock*

**MetLife**

FED00043(0602)

Group Policy Numbers: 900-001,900-002



**See why the Federal Long Term Care Insurance Program can be a smart choice for your future!**



## Act Smart

# WILL

## your finances be at risk?



Without long term care insurance, chances are good that you'll be responsible for paying a substantial amount of money out of your own pocket should you need long term care. Consider these facts:

- Most health care programs, including the FEHB Program, TRICARE, and TRICARE For Life, cover very few long term care expenses, if any! While Medicare covers some care in nursing homes and at home, it does so only for a limited time, subject to restrictions. The Department of Veterans Affairs provides limited long term care services with restrictions on who can receive them.
- Most long term care is provided at home or in a setting other than a nursing home.<sup>2</sup> The national average annual cost of home health care is well over \$20,000 (that's \$18/hour<sup>3</sup>, five hours per day, five days a week for a home health aide). It's also expected to climb to \$68,000 by 2030.<sup>4</sup>
- Long term care is also provided in nursing homes — where the average length of stay is 2.6 years.<sup>5</sup> The average stay today costs over \$130,000<sup>6</sup> — and it's expected to climb to \$495,560 by 2030.<sup>7</sup>

<sup>2</sup> The Gerontologist, February 2001.

<sup>3</sup> MetLife Market Survey of Nursing Home and Home Care Costs, April 2002.

<sup>4</sup> "Can Aging Baby Boomers Avoid the Nursing Home?", Stucki, B. and Mulvey, J. American Council of Life Insurers, March 2000, page 15.

<sup>5</sup> Long-Term Care Insurance, Baby Boom or Bust?, Conning & Company, 1999, page 15.

<sup>6</sup> "Can Aging Baby Boomers Avoid the Nursing Home?", Stucki, B. and Mulvey, J. American Council of Life Insurers, March 2000, page 15.

<sup>7</sup> Ibid

# WHY

## do many financial advisors recommend long term care insurance?

Whatever your age, long term care insurance can be one of the best and most economical ways to help pay for long term care, should you ever require it.

### ***If you are under age 45:***

Younger individuals should consider purchasing long term care insurance because premiums are the most affordable at younger ages. At age 40, the biweekly premium for a plan that covers home and facilities care and keeps pace with inflation is \$30.05.\* And unlike investments which can take years to grow, long term care insurance can provide support shortly after your coverage becomes effective. That could be very important to your financial health should a sudden illness or injury strike.

### ***If you are between the ages of 45 and 59:***

Securing long term care insurance today can help ensure that you won't need to rely on your children or other family members should you need long term care. And you can still take advantage of low premiums. At age 50, the biweekly premium for a plan that covers home and facilities care and keeps pace with inflation is \$43.06.\* Plus, if you are in good health now, you could avoid the risk of being turned down later if your health deteriorates.

### ***If you are age 60 and over:***

Because your odds of needing long term care are higher now, there is no better time to consider purchasing long term care insurance. Doing so can help protect the nest egg you worked so hard to build, should you need care. You'll have a greater ability to make your own decisions about long term care.

\* Comprehensive Plan with \$150 daily benefit amount, 3-year benefit period, 90-day waiting period and automatic compound inflation option.

# 4 GREAT REASONS

## to request information on the Federal Long Term Care Insurance Program

No matter what your age, it pays to consider the advantages of having long term care insurance. As a member of the Federal Family, you'll be pleased to know that there is now high quality long term care insurance available to the Federal Family during Open Season. It gives you a number of advantages you may not find in other plans:

### **1 The Program Is Sponsored by the U.S. Office of Personnel Management (OPM) and Backed by Two Leading Insurers!**

OPM has listened carefully to members of the Federal Family — and worked carefully with John Hancock and MetLife — to offer the kind of benefits and features that would be most valuable to you. John Hancock and MetLife have been offering long term care insurance for almost 15 years and have a strong history of rate stability.

### **2 You Can Save with Group Premiums!**

Thanks to the combined buying power of the Federal Family and negotiations by OPM, you can take advantage of group premiums that could save you money over other plans.

### **3 Care Provided by Family and Friends Is Covered!**

Known as "informal care," this feature can give you extra control in determining where you receive care and from whom. It can broaden your choice of caregivers. Care is covered from family, friends and other non-licensed caregivers who don't normally live with you at the time you become eligible for benefits. Care provided by family members is covered for up to 365 days in your lifetime.

### **4 You're Covered in the U.S. and Abroad!**

Because this Program was designed for members of the Federal Family, it addresses the needs of those who may require care in a country outside the U.S.