

Announcing City of Dallas's New Benefit: Long-Term Care Insurance

BENEFITS

Now Is the Time to Fill a Critical "Gap" In Your Personal Financial Plan

The City of Dallas is pleased to announce an important new Long-Term Care (LTC) insurance plan. This new program will replace the previous LTC program with CitiStreet. Employees may cancel their previous coverage and elect coverage under the new program with payroll deducted premiums.

This comprehensive program, which offers many important advantages to you and your family, is available to all eligible employees and family members during an initial enrollment period coming soon.

What is Long-Term Care?

Long-term care is the assistance an individual needs when he or she can no longer perform basic day-to-day functions like bathing, eating and dressing, or needs supervision due to a cognitive impairment. As our life expectancy increases, so increases the likelihood that we – or family members such as our parents – will need such care. In addition, an accident or illness can cause any of us to need such care at *any* age.

Why Long-Term Care insurance?

For most of us, the need for long-term care can be financially devastating (the average home care cost in Dallas is \$16 per hour and the average nursing home cost is \$136/day, totaling \$49,640 annually¹) — potentially wiping out everything we've worked for, including our savings and pension money.

Fact: LTC insurance is a critically important financial planning and asset protection tool for each of us. It fills the custodial-care gap by paying for home health care, adult day care, assisted living and nursing-facility costs.

This program features:

- Group rates
- Payroll deduction
- A rate that is locked in at the age you enroll – so the younger you are when you purchase it, the less your coverage will cost
- Eligibility for your parents and other family members (even if you don't enroll)
- Guaranteed coverage with NO medical questions for active employees during the enrollment period

You can fill the critical "gap" by making Long-Term Care insurance part of your financial plan by signing up during the special open enrollment period.

¹The MetLife Market Survey of Nursing Home & Home Care Costs, 9/04; MetLife Mature Market Institute

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**Look for more information about this valuable
voluntary benefit coming soon!**

Debunking the Myths about Long-Term Care

Myth #1: “Long-Term Care (LTC) insurance isn’t for me. It’s only for old people.”

Reality: Four out of every ten people who require long-term care are under age 65. (Henry J. Kaiser Foundation, 11/99) An accident or illness can instantly create the need for weeks or months of continual medical or personal care services.

Myth #2: “I don’t need LTC insurance. I have health insurance. That’s enough.”

Reality: LTC insurance helps pay for a wide range of personal care, health care and social services for people who can no longer care for themselves. This type of care is **not** covered under health insurance benefits, which are intended to cover acute or treatable care. LTC insurance benefits provide assistance with normal activities of daily living, such as eating, dressing or bathing if you are disabled or have a chronic illness. It will also provide assistance if you have a serious cognitive disorder such as Alzheimer’s disease.

Myth #3: “I’m not going into a nursing home and long-term care means nursing home care.”

Reality: With LTC insurance you choose where **you** want care: at home, in an adult day care, assisted living facility, in a nursing home or hospice.

Myth #4: “The government will take care of my long-term care needs.”

Reality: Medicaid will take care of you after you have spent down your assets to the poverty level. And care under Medicaid means nursing home care only, and you may not be placed in the nursing home of your choice. In fact, the federal government, recognizing the need, is offering LTC insurance to all federal employees, more than 20 million people.

Myth #5: “LTC insurance has nothing to do with financial planning or retirement planning.”

Reality: Comprehensive financial plans include long-term care because LTC insurance helps protect your assets, providing a pool of money that will help pay for your long-term care. And nearly all (98%) people who buy LTC insurance consider it essential to their retirement planning. (“Making the Retirement Connection”, American Council of Life Insurance, March 2001)

According to financial planners, one of the biggest mistakes investors are making with their nest eggs is failing to consider long-term care needs. Financial planners recommend LTC insurance. (*The Wall Street Journal*, “Cracks in the Nest Egg,” 10/22/01)

Myth #6: “We don’t need LTC insurance because we have each other.”

Reality: According to a major research study, 20-25 million Americans now provide care to chronically ill family members or friends (“The Mature Market in the U.S., LIMRA International, 2001). This care, when prolonged, can produce a great strain on the caregiver – physically, emotionally, and financially. And, if a spouse dies, the survivor is often forced to pay for care and spend down hard-earned assets. By living longer, women are often left without family or friends to care for them, so they must rely on significantly more paid help when they themselves need care. (National Alliance for Caregiving and Brandeis University, 1997; *New England Journal of Medicine*, 11/99)

Myth #7: “I eat right, exercise, live healthy and have a great family health history. I’m not going to get sick or need long-term care.”

Reality: Illness, injury, or disease can strike at any time regardless of your health or lifestyle prompting the need for long-term care.