

BENEFITS BULLETIN

June 13, 2011

BULLETIN NO: 11-06
SUBJECT: Final Reminder – Long Term Care Open Season ends June 24, 2011
TO: All USGS Employees
FROM: Kathy Shearman, Benefits Officer

FLTCIP Open Season Ends June 24, 2011

Take an important step toward helping protect yourself from the high costs of long term care. For a limited time, actively at work Federal employees and their spouses/same-sex domestic partners who are not currently enrolled in the FLTCIP, can apply for coverage with abbreviated underwriting — answering just seven health questions!

After FLTCIP Open Season, you can still apply for coverage but you generally need to undergo full underwriting. So take advantage of this opportunity and apply today! *A special note to individuals preparing to retire: this may be your last chance to apply with abbreviated underwriting.* Abbreviated underwriting is not available to annuitants.

Take the next step and apply now!

- Use the new [Online Consultant Tool](#) to learn about long term care and to help you design a plan, with the Federal Long Term Care Insurance Program, that suits your needs.
- [Apply](#) now online!

Build Long Term Care Planning into Your Financial Plan

We all know that planning for our financial future is important. We work hard to ensure that we have enough income and assets to support our lifestyles and, often, those of our loved ones. We insure against events that could derail our planning, including risks to our health, home, and family's financial future. There is one risk, however, that often goes unconsidered, and it can jeopardize even the most carefully considered plans: the unpleasant but real possibility that some day we may need long term care.

Long term care is ongoing help with the most basic activities of daily living such as eating, bathing, dressing, or getting in and out of bed or a chair. Disability, chronic illness, or cognitive impairment (such as Alzheimer's disease) can all affect our ability to perform these activities. Unfortunately, health insurance plans, including Medicare, do not typically cover this type of ongoing care, creating a large gap in many people's financial planning.

Today, there are numerous care options, from having a home health aide assist you within your home, to community care such as adult day care, to care provided within an assisted living facility or nursing home. These options allow us to create a plan of care that meets our specific preferences and needs. However, care can be expensive, and if we do not have a plan for paying for it, then our options may be limited. For example:

- The average cost of a home health aide has risen to \$19 per hour. Five hours of care five days a week costs roughly \$1,900 a month, or \$22,800 a year.
- The national average for assisted living is \$2,962 a month, or \$35,544 annually.
- The national average for a semiprivate room in a nursing home is approximately \$5,566 a month, or \$66,795 annually.

Nearly 40% of adults report that they intend to rely on their family and friends if they need long term care. While having friends and family provide care can ease the financial burden for the care recipient, this type of care still has its costs. Without support or assistance, these caregivers can suffer from depression, lost wages, physical injury, and disrupted personal relationships. Many are pulled in two directions, caring for both their children and their parents, which can be an incredible challenge.

So how can we protect against this risk? First, we must investigate ways to pay for long term care if the need arises. Self-funding may be an option for the very wealthy, as they may be able to pay out of pocket without undue hardship. At the other end of the spectrum, those who meet their state's poverty criteria can rely on Medicaid, a state and federal program for the impoverished. But it is the vast majority of Americans whose incomes fall somewhere in the middle who may be at the greatest risk.

You may consider establishing a separate savings account exclusively for future long term care costs, but first ask yourself if you can set aside enough given all of your current financial demands. Just three years of care at home with a health aide, in an assisted living facility, or in a nursing home can range from \$68,000 to well over \$200,000.³ Additionally, long term care costs are on the rise, so savings based on today's costs may not be sufficient in the future. Also bear in mind that long term care can be needed at any time due to unexpected illness or injury, so savings you are counting on for the future will not be there if you need them earlier.

Considering the high cost of care, it is no wonder that many people are looking to long term care insurance as a solution. Including long term care insurance in your financial planning today allows you to face the future with confidence, knowing that you have taken steps to protect yourself should you ever need care. The right time to buy is long before you need it, as preexisting conditions can disqualify you from being eligible for coverage. And, the younger you are when you apply, the lower your premiums will be if you are approved for coverage.

About the Federal Long Term Care Insurance Program

Established by an act of Congress in 2000 and overseen by the U.S. Office of Personnel Management, the Federal Long Term Care Insurance Program (FLTCIP) is designed to meet the specific needs of the Federal family.* The FLTCIP provides industry-leading benefits and offers flexible options that allow enrollees to tailor coverage to meet their needs.

To learn more about the FLTCIP's features and benefits, visit www.LTCFEDS.com, or call us at 1-800-LTC-FEDS (1-800-582-3337) **TTY** 1-800-843-3557. A certified long term care insurance consultant will speak with you about your particular situation, your coverage options, and the application process, and of course will answer any questions you may have.

*Certain medical conditions, or combinations of conditions, will prevent some people from being approved for coverage. You need to apply to find out if you are eligible for this coverage.

Questions?

Contact your [Human Resources Benefits Specialist](#) if you have any questions regarding the information in this Bulletin. All Benefits Bulletins are posted on the USGS Employee Benefits Intranet webpage at <http://internal.usgs.gov/ops/hro/benefits>.