

# Long Term Care

# What is Long Term Care?

- **Assistance & Support for people who cannot look after their own personal needs**
- **Includes help with ADLs**
- **Includes help for those with cognitive impairment**

# Long Term Care Vs. Traditional Medicine

- **Designed to assist a person to maintain level of functioning vs. rehab or correcting medical problems**
- **LTC focused on caring rather than on curing**

# 3 Basic Types of LTC

- **Skilled Care (aka professional care)**  
– medical conditions requiring skilled medical personnel such as nurses or therapists. Provided in NH or private home.
- **Personal Care** – help with ADL's – bathing, dressing, eating, toileting, continence, transferring
- **Supervisory Care** – Cognitive impairment – protection or verbal reminders

# Who Needs LTC?

- May be needed at any age
- Primary Recipient? People who lose independence due to:
  - Aging
  - Chronic conditions
  - Disabilities

# Where is LTC Provided?

- At home
- In community – adult day care
- Facility –long term care facility (nursing home), assisted living facility, personal care home

# What are Odds of Needing LTC?

- **Over age 65...43% will require LTC at some point**
- AND***
- **Spend time in a facility (NH, assisted living, personal care home)for an average of 3-4 years**

Source: The Council on Aging of Ottawa, 2005

# LTC Needs and Impact on the Family

➤ **Emotional**

➤ **“Practical”**

➤ **Financial**



# LTC and EthnoCultural Implications

- **Cultural Expectations**
- **Intergenerations  
(diluted over time)**
- **Diet**
- **Language**

# Who Pays for Long Term Care?

- Some costs paid provincially
- Family provides care at no cost
- Senior or family uses savings and investments
- Long Term Care Insurance

Seniors will get at least some care –  
it is *CHOICE* that gets  
compromised.

# Provincial Role in LTC Payment

- Provincial Health Insurance Plans cover:
  - Physician
  - Hospital
  - Various diagnostic treatment services
  
- These services covered regardless of place of residence (private home or LTC facility)

*But...* Provincial Health Insurance Plans exclude long term care. (Supplemental Health Insurance also excludes long term care)

# Provincial Role in Long Term Care

- Long term care is provided separately from provincial health insurance
- Delivery varies widely
  - Province to province
  - AND*
  - Community to community

# Ontario as Example

- **Long term care delivered through 43 Community Care Access Centers (CCAC's)**
  - **Provincially funded, non-profit organizations**
  - **In 2001 budget frozen. Result:**
    - **Reductions in service hours and dramatic growth in waiting lists**

# How Expensive is a LTC Facility?

## Monthly Fees

- **Toronto: semi: \$1724.32, private: \$2028.49**
- **Vancouver: semi: \$2480.97, private: \$2671.92**
- **Winnipeg: semi: \$1965.00, private: \$1965.00 based on income**
- **Halifax: semi: \$2266.00, private: \$2266.00 based on income**

# Subsidization

- **Provincial governments set the fees for long term care facilities (N.H.) beds ... both public and private**
- **Varies province to province**
- **Subsidization – province gives direct subsidy to N.H.**
- **Consumer pays “Standard Rate” for NH bed (full rate – subsidization = Standard Rate)**
- **If financially unable to pay Standard Rate, it is reduced.**

# Subsidization – Income or Assets

- **Most provinces – qualify for subsidization based on income**
- **For those provinces where subsidization is based on assets, the principle residence is excluded**



# What is LTC Insurance?

- **Intended to pay for expenses incurred as a result of some form of disability**
- **Can be used for either care at home or care at a facility**
- **Will pay or all of long term care needs – depending on coverage selected**
- **Available in Canada for 15+ years**

# Why LTC Insurance?

- **LTCI plans allow the insured to**
  - **Reduce the risk of financial hardship**
  - **Afford peace of mind**
  - **Protect assets from rising costs of long term care**

# 3 Types of Policies

- **Reimbursement Policies**
- **Indemnity Policies**
- **Income Policies**

# Reimbursement Policies

- **Least expensive type of policy**
- **Reimburse some or all of out-of-pocket long term care expenses, up to your designated daily, weekly, or monthly limit**
- **(Only reimburses expenses up to chosen limit)**

# Indemnity Policies

- **Remunerate the eligible benefit recipient for the designated daily, weekly, or monthly amount....**

***Provided the qualified expenses have been incurred***

- **(money goes to benefit recipient at chosen level)**

# Income Policies

- **Most expensive**
- **Remunerate the designated daily, weekly, or monthly limit to qualifying claimants – *REGARDLESS* of whether services were received**

# When are you Eligible for Benefits?

- **Called “benefit triggers” by LTCI companies**
- **Some benefit triggers include:**
  - **Inability to perform certain # of ADLs is most common.**
  - **Check on # of ADLs required (2 of 6, 3 of 6, 2 of 5). The more deficits in ADLs required the harder to get benefits!**
  - **2 out of 6 is best.**
  - **Understand definition of ADL deficit...is “hands-on assistance” required?**

# Elimination or Waiting Period

- **The number of days you have to wait for benefits to start.**
- **Chosen when you buy a LTCI policy**
- **“Service Days” vs. “Calendar Days”.**



# Inflation Protection

- **Important to keep up with the rising cost of care...**
  - **Incremental Inflation Protection**
  - **Future Purchase Option**
  - **Cost of Living Adjustment (COLA)**

# Incremental Inflation Protection

- **Automatically increases benefits at different intervals – usually each year**
- **Policies may use simple or compound rates**
- **Benefit increases at each interval by a fixed percentage for the life of the policy or for a certain period, e.g., for 15 or 20 years**
- **DO THE MATH AND BE AWARE OF ACTUAL VALUE OF YOUR PLAN!!**

# Future Purchase Option

- **Allows you to increase your benefits periodically, e.g. every three years.**
- **You don't have to show proof of good health if your regularly use the option**
- **If you turn down the option to increase your benefits one year, you may not get the chance again...or may have to prove good health and pay additional costs**

# **Cost of Living Adjustment (COLA)**

- **This can be beneficial depending on when and how it is calculated.**
- **A COLA which is adjusted for inflation every year from the time the policy is purchased is worth more than one that only starts adjusting after the person goes on claim.**

# Health Status and LTCI

- **Impact of quality of health on buying a policy**
- **Impact of pre-existing conditions**

# Cost of LTCI Based On...

- **Age at time of application. Younger people pay longer but premiums considerably less expensive in the long run.**
- **Health Conditions**
- **Size of daily, weekly, or monthly benefit**
- **Length of maximum benefit period**
- **Whether both home care and facility care coverage is chosen**
- **Whether inflation protection is chosen**

# LTC Summary

- **As population ages, need for LTC will increase**
- **Different levels of care**
- **Provided in a variety of settings**
- **Often emotionally stressful**
- **Often financially shocking ... be aware of provincial costs of home care and LTC facilities**
- **Requires pre-planning**
- **Allows choice, independence, control...as to where and what types of care**