

Illinois State University

Genworth Long Term Care Insurance | FAQs

List of Frequently Asked Questions

About Long Term Care Services	2	When will this program start to pay benefits?	6
What is Long Term Care?	2	What is an “elimination or waiting period” and how does it work for this program?	6
Will I need Long Term Care?.....	2	What happens to my coverage if I leave ISU or when I retire?7	
What would I need to pay for Long Term Care services if I don't have Long Term Care Insurance?.....	2	What happens to my coverage if I move to a difference state?7	
About Long Term Care Insurance	4	What are the payment options?	7
What is Long Term Care Insurance?.....	4	If my family members apply, do I pay for their coverage?.....	7
Why should I consider Long Term Care Insurance?	4	Can I pay for my Long Term Care Insurance premiums from my Health Savings Account (HSA)?	7
Should I wait until I'm older to buy Long Term Care Insurance?	4	Can I deduct my premiums from my taxes?	7
What is medical underwriting?.....	4	Where can I find more information about tax qualification and long term care insurance?	8
What is the difference between Long Term Disability and Long Term Care Insurance?.....	4	What happens if I miss a premium payment or can't pay the full amount?	8
Doesn't our health / medical insurance cover Long Term Care?	5	Can I cancel my coverage at any time?	8
Doesn't Medicare cover Long Term Care?.....	5	Can I increase my coverage?	8
About ISU's Program.....	6	Can premiums go up in the future?	8
What coverage choices do I have under this plan and how do I learn more about the program?.....	6	Applying for the ISU Program	9
How much does Long Term Care Insurance cost?	6	Who is eligible to <i>apply</i> * for Long Term Care Insurance coverage?	9
Do my premiums increase as I age?	6	Do I need to apply in order for my eligible family members to apply?.....	9
When is the coverage effective?	6	If age 75 is the oldest age for a family member to apply, does the program end at age 75?.....	9
Do I continue to pay when I'm receiving benefits?	6	Why should I consider applying now?	9
How do I receive benefits?	6	What are the medical underwriting requirements for the ISU program?	10

About Long Term Care Services

What is Long Term Care?

Long term care is the kind of help you require for taking care of your personal needs, such as bathing, dressing, eating, continence, toileting and transferring. These needs are commonly referred to as “Activities of Daily Living” or ADLs. You might need this kind of help because of a chronic medical or physical condition. Frequently, people with Alzheimer’s disease or other health conditions may need ongoing supervision as well because of cognitive impairment. Long term care covers a broad range of needs and services. Services to meet those needs include care at home or in a community program like adult daycare, as well as assisted living facilities (residential care facilities in CA) or nursing home care.

Will I need Long Term Care?

Anyone at any age may need long term care. An accident or a sudden, serious illness can create a need for care, as can the slow progression of chronic diseases such as multiple sclerosis, rheumatoid arthritis, Alzheimer’s disease or Parkinson’s disease. When we age, we may need help due to frailty, especially since we are living longer, leading healthier lifestyles and have better medical technology. It is not surprising that about 70% of Americans will need some type of long term services and support after age 65 to help them with everyday activities. (Source: U.S. Department of Health and Human Services, (<https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html>), 10/10/17. Accessed 1/3/20).

What would I need to pay for Long Term Care services if I don’t have Long Term Care Insurance?

Costs for long term care services will vary by where you live, the level of care you need and where you are receiving services – such as at home, in the community or in a facility. You can reference Genworth’s annual survey of care costs throughout the country at the ISU Long Term Care Insurance website. This information will help show you what it costs in the area in which you live or expect to retire. Below is a screenshot example of the costs for California followed by the national medical costs.

You may be interested to learn that based on Genworth claims data (through 12.31.2018), 73% of claimants receiving benefits started with care at home and of those, 60% never transitioned.

Calculate the Cost of Care in your area

ENTER CITY, STATE OR ZIP CODE ⓘ

Illinois, USA



Compare Location

SELECT COST BY PERIOD ⓘ

HOURLY

DAILY

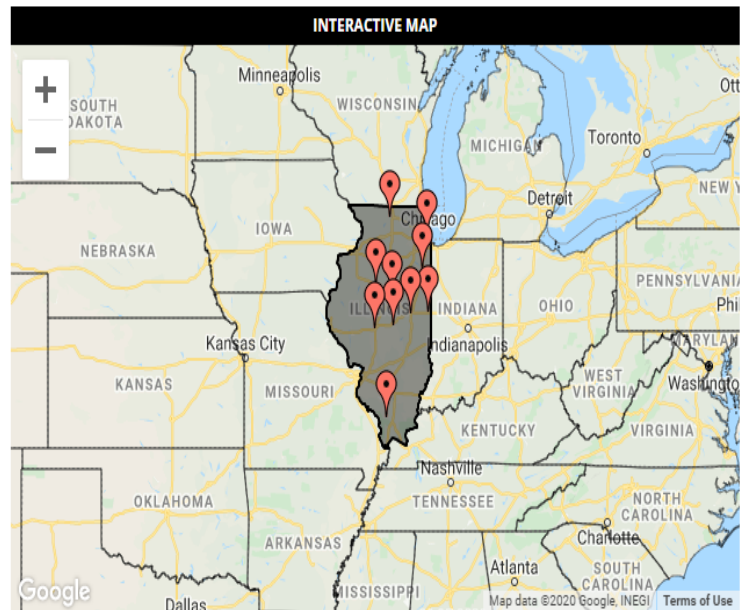
MONTHLY

ANNUAL

CALCULATE FUTURE COST



Reset



Monthly Median Costs: *Illinois - State*[ⓘ] (2019)

In-Home Care ⓘ		Community and Assisted Living ⓘ		Nursing Home Facility ⓘ	
Homemaker Services ¹	\$4,481	Adult Day Health Care ²	\$1,584	Semi-Private Room ²	\$5,931
Home Health Aide ¹	\$4,576	Assisted Living Facility ³	\$4,170	Private Room ²	\$6,844

NATIONAL MEDIAN

Home Health Aide

\$52,624 / year

Adult Daycare

\$19,500 / year

Assisted Living Facility – Private Room

\$48,612 / year

Nursing Home – Private Room

\$102,200 / year

About Long Term Care Insurance

What is Long Term Care Insurance?

Long term care insurance is designed to help you pay for the care you may need if you are chronically ill. That could include:

- ✓ Help with some of the everyday activities we often take for granted (like eating, bathing or dressing)
- ✓ Nursing home or residential care facility fees
- ✓ Benefits that can help you receive care in your own home

Why should I consider Long Term Care Insurance?

These are some reasons why people buy long term care insurance:

- ✓ It will cover care expenses over several years so you don't drain your hard-earned savings and retirement income
- ✓ It gives you options to determine where you receive care and the quality of that care
- ✓ It protects your assets and retirement income so your loved ones maintain their lifestyle
- ✓ It enables your loved ones to supervise your care rather than provide the care
- ✓ Health insurance does not pay for long term care

Should I wait until I'm older to buy Long Term Care Insurance?

Long term care insurance premiums are based on your age when you apply. Typically, the younger you are, the lower your premiums will be. You can wait to apply at an older age, but since it is a medically underwritten program, you may need to provide evidence of good health to qualify. People tend to associate long term care with older age, but an accident or illness requiring long term care services could happen at any time. Enrolling in long term care now can help ensure you're covered for the unexpected.

What is medical underwriting?

Insurance companies screen people for medical conditions when they apply for long term care insurance. You will be asked a series of health questions on the application and will be required to sign a release of your medical records so the insurance company can examine them. Some companies will call or send someone to interview applicants to verify their physical and cognitive condition. A few companies will accept you if you have certain chronic conditions, but your premiums are likely to be higher.

Companies selling this insurance will screen people for existing medical conditions when they apply for coverage. However, people who are actively employed and apply through an employer group may be accepted with little health screening, or only be refused coverage when they have a serious health condition. To learn about the underwriting requirements for the ISU program, see "ISU' Program" in the next section.

What is the difference between Long Term Disability and Long Term Care Insurance?

Many confuse Long Term Disability and Long Term Care Insurance. Both are triggered by health-related causes, but these two insurance plans serve vastly different purposes. Long Term Disability Insurance is to help protect your future earnings. It is designed to replace a portion of your income when you are not able to work due to a debilitating illness or disability accident.

Long Term Care Insurance pays a daily or monthly (ISU's plan is a Monthly Benefit Amount) benefit toward the cost of services from a nursing facility, assisted living facility, adult daycare, or home assistance when you can no longer take care of yourself for the activities of daily living, such as bathing, dressing or eating.

Doesn't our health / medical insurance cover Long Term Care?

Health insurance is designed to cover short-term, acute care such as hospital stays, operations, prescription drugs and doctor visits. It usually pays little toward long term care costs.

Doesn't Medicare cover Long Term Care?

Many Americans believe Medicare pays for long term care services, yet Medicare is designed as health insurance. It will pay for limited long term care services. For example, Medicare only pays for nursing home care if there is a prior qualifying hospital stay of at least three days and skilled nursing or rehabilitative care is needed every day. The Medicare benefit for nursing home care will only last for a maximum of 100 days and, in most cases, far fewer days.

Doesn't Medicaid cover Long Term Care?

Medicaid is the government-funded program that pays for nursing home care only for individuals for are low income and have spent down most of their assets. To get Medicaid help, you must meet federal and state guidelines for income and assets. State laws differ about how much income and assets you can keep and still be eligible for Medicaid. Contact your state Medicaid office, office on aging, or department of social services to learn about the rules in your state.

About ISU's Program

What coverage choices do I have under this plan and how do I learn more about the program?

For information about coverage options under this plan, go to this website: <http://www.genworth.com/ISU>.

The website has a *Learning Center* and a *Get A Quote* section that include interactive tools to provide you with more information about long term care, the insurance, and to help you understand the coverage options that are available. You can also call 1.800.416.3624 (Monday – Friday, 8am – 8pm ET) toll free to speak to a Genworth program expert.

How much does Long Term Care Insurance cost?

Premiums are based on the age that you apply and your plan options. Go to the [website](#) to *Get A Quote*. In the *Get A Quote* section, you can select the different options and the monthly premiums costs. You will also have access to interactive tools that will provide more information about your plan options.

Do my premiums increase as I age?

Your premium will not change due to a change in your age, health or claims status.

When is the coverage effective?

The coverage is effective the first of the month after your application has been processed and approved by Genworth Life. If you apply during the special enrollment period, the soonest effective date is May 1, 2020.

Do I continue to pay when I'm receiving benefits?

No. Premium payments will be waived while you are receiving benefits in a facility, at home or in the community.

How do I receive benefits?

When you receive your certificate of coverage, you will receive a toll free number to contact Genworth Life. Should the need for a claim arise, you or your representative should call that number. After speaking with an intake analyst, you will be contacted by a member of the Care Coordination team. The Genworth Care Coordination team can help in developing your plan of care, providing information on available long term care resources in your area and may set up a face-to-face meeting and conduct a needs assessment.

When will this program start to pay benefits?

Benefits become payable under this program when:

- ✓ You need help with at least two “activities of daily living” and will likely need it for at least 90 days, OR
- ✓ You are diagnosed with a cognitive impairment that requires supervision, AND
- ✓ A medically licensed healthcare practitioner certifies that your condition qualifies you as being “chronically ill”
 - The activities of daily living that are eating, dressing, continence, transferring, bathing and toileting

In addition, the elimination period (also known as a “waiting period”) must be satisfied, and you must be receiving covered services under a plan of care.

What is an “elimination or waiting period” and how does it work for this program?

Once you qualify for benefits, a “waiting period” of 90 calendar days starts on the first day you receive care and continues for 90 calendar days while you remain chronically ill. You are not required to receive services during these 90 days. Once the elimination period is satisfied, benefits for covered services become payable. You only have to satisfy one elimination period in a lifetime.

What happens to my coverage if I leave ISU or when I retire?

The program is portable and Guaranteed Renewable. If you leave ISU or retire, coverage will remain in force as long as the required premium is paid and you have not exhausted the Maximum Lifetime Benefit. Coverage will not be canceled as long as premiums are paid on time and cannot be canceled due to your age or because of a change in health. Premiums can only be changed with the Illinois Department of Insurance's approval and only on a group, not an individual, basis.

So, if you leave ISU you can still continue your long term care coverage as long as you pay your premiums on time. Your coverage stays the same and your premiums stay the same.

What happens to my coverage if I move to a different state?

If you move, your coverage continues at your current rate and coverage level. Benefits are payable in the United States and any territory or possession of the United States. Also included in your coverage is an International Nursing Facility Benefit.

What are the payment options?

When you apply, you will have a few choices to pay for your coverage:

1. Direct Bill on a quarterly, semi-annual or annual basis
2. Electronic Funds Transfer from checking or savings on a monthly basis

If my family members apply, do I pay for their coverage?

No, when your family members apply, they will choose their payment option.

Can I pay for my Long Term Care Insurance premiums from my Health Savings Account (HSA)?

You can use your HSA money to pay premiums for an eligible long-term-care insurance policy, but the amount you can withdraw tax-free each year is based on your age. The older you are, the more you can withdraw tax-free. The amount increases slightly every year, and the limits are per person.

In 2020, here are the amounts you can withdraw from your HSA tax-free, to pay for your long term care insurance premiums:

Age	Annual Tax-Free Amount that can be Withdrawn from Your HSA
40 or younger	\$430
41 – 50	\$810
51 – 60	\$1,630
61 – 70	\$4,350
71 or older	\$5,430

Can I deduct my premiums from my taxes?

If you don't have a Health Savings Account (HSA) or you don't use HSA money for these expenses, your long term care insurance premiums may be tax deductible up to the same limits listed in the above question (can I pay for my long term care insurance premiums from my Health Savings Account).

To qualify for the medical expense deduction in 2020, you must itemize, and your eligible medical expenses are deductible only to the extent that they exceed 10% of your adjusted gross income. Your state may offer an additional break from your state income taxes for qualified long term care insurance premiums.

The ISU program is a federally qualified long term care insurance contract. Benefits paid for qualified long term care expenses are not taxable as income.

Where can I find more information about tax qualification and long term care insurance?

For more information about tax qualified long term care insurance and the tax treatment of medical and dental expenses, consult [IRS Publication 502](#).

Everyone's financial plan is different. So, as always, when you are making decisions regarding taxes, it is recommended that you consult with your tax advisor and/or financial planner.

What happens if I miss a premium payment or can't pay the full amount?

If you are not able to pay your full premiums on time there is an initial grace period of 31 days. If your premium has not been paid by the end of that period, you will receive notice explaining that a payment was missed and your coverage is in danger of lapsing. The notice will provide an additional 35 days to pay the unpaid premiums beginning on the date the notice is mailed.

Can I cancel my coverage at any time?

Yes, you can cancel your coverage at any time by notifying Genworth in writing.

Can I increase my coverage?

Yes, within the plan options available and with full medical underwriting. Please note there are benefit increase options you may choose to increase your coverage automatically on an annual basis, or on a periodic basis with Future Purchase Options from Genworth. You can find these plan options at the *Get A Quote* section of www.genworth.com/ISU, and in your Outline of Coverage at the *Learning Center* of www.genworth.com/ISU.

Can premiums go up in the future?

Under certain circumstances, as set forth in long term care insurance contracts, a rate increase is warranted. Carriers need rate increases to help manage costs as claims experience emerges. The potential for rate increases is disclosed on the first page of Genworth Life's certificates. No one likes rate increases, but they are necessary to ensure carriers' ability to pay claims in the future.

As with all tax-qualified long term care insurance plans, premium will not change due to a change in an individual insured's age or health. Genworth Life reserves the right to increase premium rates and it is possible that rates may have to be increased in the future. Genworth Life may change premiums either on a Group Policy or class basis; but only if we change premium for all similar Certificates issues under the Group Policy in the same State. Any increase will be implemented in accordance with state requirements and may occur only once during any 12-month period.

Genworth remains committed to the long term care insurance business, even as dozens of carriers have exited, as well as to our more than 1 million long term care insurance policyholders, who depend on their coverage to help shoulder the potentially large financial burden of long term care.

Applying for the ISU Program

Who is eligible to apply* for Long Term Care Insurance coverage?

The long term care insurance program is available to:

- ✓ Benefit eligible employees who are actively at work, working at least 50% of a normal work period and are eligible for benefits through Central Management Services (CMS) and retirement participation in the State Universities Retirement System (SURS).
- ✓ Family members of an eligible employee who is between the ages of 18 and 75, including:
 - Spouses, Civil Union Partners, and Domestic Partners
 - Parents, Parents-in-law, Step Parents, and Step Parents-in-law
 - Grandparents, Grandparents-in-law, Step Grandparents, and Step Grandparents-in-law
 - Adult Children and Step Children
 - Siblings, Siblings-in-law and Step Siblings

All applicants must maintain a permanent U.S. residence and have a valid Social Security Number or Tax Identification Number.

* Please note once you apply and are approved for coverage, your coverage continues as long as you pay your premiums.

Do I need to apply in order for my eligible family members to apply?

No, you do not need to apply in order for your eligible family members to apply.

If age 75 is the oldest age for a family member to apply, does the program end at age 75?

No, this program will continue as long as you continue to pay your premiums, or when your pool of benefits (Total Coverage Amount) is exhausted.

Why should I consider applying now?

Benefit-eligible, actively-at-work employees under age 66 may apply with Modified Guaranteed Issue from March 2, 2020 – April 3, 2020. If you wait to apply after the initial enrollment period ends, or if you are a benefit eligible employee older than age 65, you may apply with full medical underwriting.

What is Modified Guaranteed Issue Comprehensive?

- Two disqualifying health questions
- Height / weight parameters
- Pre-existing conditions* limitation applies

* Pre-existing Conditions Limitation: Genworth Life will not pay for Covered Expenses incurred for any care or confinement that is a result of a Pre-Existing Condition when the care or confinement begins within twelve months following the initial certificate effective date. A pre-existing condition means a condition for which medical advice or treatment was recommended by, or received from, a provider of health care services within six months prior to the initial certificate effective date.

What are the medical underwriting requirements for the ISU program?

If you are:	You will use this process to apply:
<ul style="list-style-type: none">Benefit Eligible employees and new hires up to and including age 65 during initial enrollment and new hire period	Modified Guarantee Issue Comprehensive <ul style="list-style-type: none">Two question formHeight / weight parametersPre-existing Conditions Limitation applies
<ul style="list-style-type: none">Benefit Eligible employees and new hires ages 66 and above during initial enrollment and during new hire periodSpouses of employees ages 18 through 75All other applicants 18-75	Long Form <ul style="list-style-type: none">Health QuestionnaireMedical records are requestedFull medical underwriting which may include:<ul style="list-style-type: none">Paramedical examFunctional / Cognitive assessmentPhone health interview

If you're benefit eligible and age 65 or younger, you can take advantage of a streamlined application process by:

- ✓ Online: Visit www.genworth.com/ISU.
- ✓ Via phone: Call **1.800.416.3624 (Monday through Friday, 8am – 8pm ET)** toll-free to speak with a Genworth program expert or order a printed information kit that contains important disclosures as well as applications you can fill out, sign and mail.
 - Newly-hired, benefit-eligible employees age 65 and younger have 60 days to enroll in the plan after they become benefit-eligible to take advantage of this streamlined application process.
 - Benefit eligible employees who are age 66 and older will need to go through full medical underwriting.
 - Spouses of a newly-hired, benefit-eligible employee between the ages of 18 and 75 can apply with full medical underwriting.
 - All other eligible individuals (parents, parents-in-law, grandparents, grandparents-in-lage, siblings and adult children) can apply **anytime**, with full medical underwriting.
 - After the initial enrollment period is over, anyone that is eligible can apply at **any time** with full medical underwriting.