



AN ALTERNATIVE TO LONG-TERM CARE COVERAGE

SHORT-TERM LIMITED-DURATION INSURANCE



INTRODUCTION

Jamie Sarno

Email: axismedicareadvisors.com

Cell: (502) 599-9741

- **Proud NAIFA Member**
- **I have been in the Senior Medicare Market for 37 years.**
- **I sold Long Term Care Insurance for 24 years.**
- **I have sold Short Term Care Insurance for 37 years.**
- **I am President of Axis Medicare Advisors and a National Sales Director for Aetna Senior Supplemental Insurance.**



WHY SHORT-TERM CARE?

- Defining LTC and STC
- Underwriting
- Placement Rate
- Policy: Speed to Issue and Delivery
- Elimination Periods
- Facility Care
- Observation Status




Defining Long-Term Care

The words *Long Term Care* refer to a category of services that help people perform certain activities of daily living (ADL's) when they are unable to perform them themselves.

Long-Term Care Insurance covers these ADL's in a nursing facility, assisted living facility and residential home care when an individual cannot perform at least two of six ADL's or has a cognitive impairment.

Short-Term Care insurance also covers the same ADL's in a nursing facility, assisted living facility and residential home care with the same triggers as LTC being two of six ADL's or a cognitive impairment.

So what's the difference?



The difference between Long term care & Short- Term care



The only difference
between the two is
simply their duration.



A nursing benefit period of 365 days
or more is defined as Long Term Care,
any benefit period less than 365 days
is considered Short Term Care.



Duration vs Daily Benefit Analysis

Although Short-Term Care insurance is limited to a maximum duration of 360 days, it's important to note, that there is no maximum on the daily benefit dollar amount a carrier can offer.

For example, a top carrier currently offers 360 days of coverage with a daily benefit of \$400, this gives the insured \$144,000 in just 12 months. This benefit could potentially help extend a nursing facility or assisted living facility confinement well over 360 days.

Also, adding an optional Home Care rider can extend care by adding an additional 52 weeks of in home recuperation totaling \$62,400.

Both facility and home care benefits can be used consecutively, giving the insured a combined two year plan of care.

Restoration of benefits are also included that can “double” the duration and the benefit amount for the insured.



DIFFERENCES IN UNDERWRITING

■ LTC

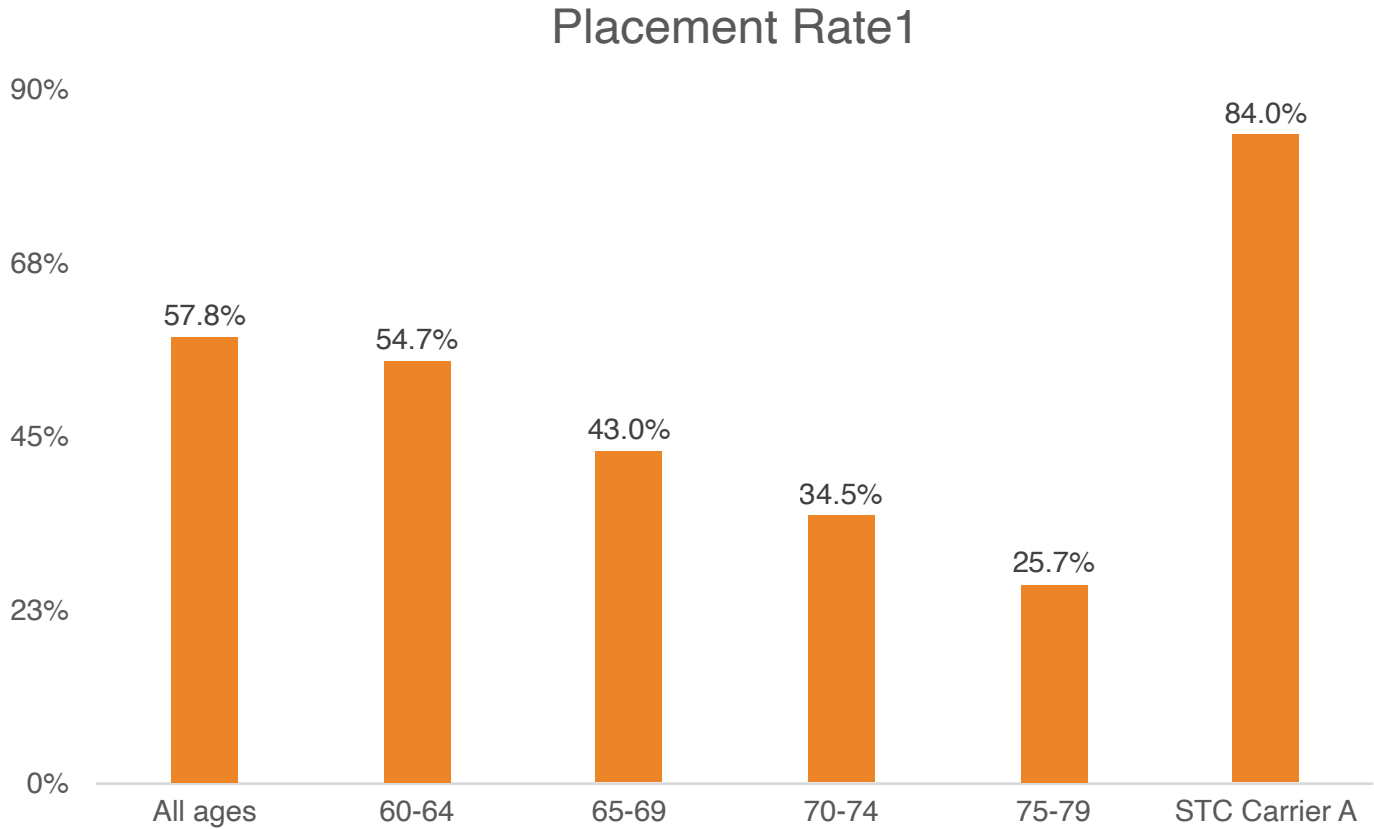
- Medical Records
- Rx Check
- Phone Interview
- Cognitive Testing
- Medical Information Bureau (MIB)
- Paramedical
- Medical Exam

■ STC

- Yes / No Application
- Rx Check

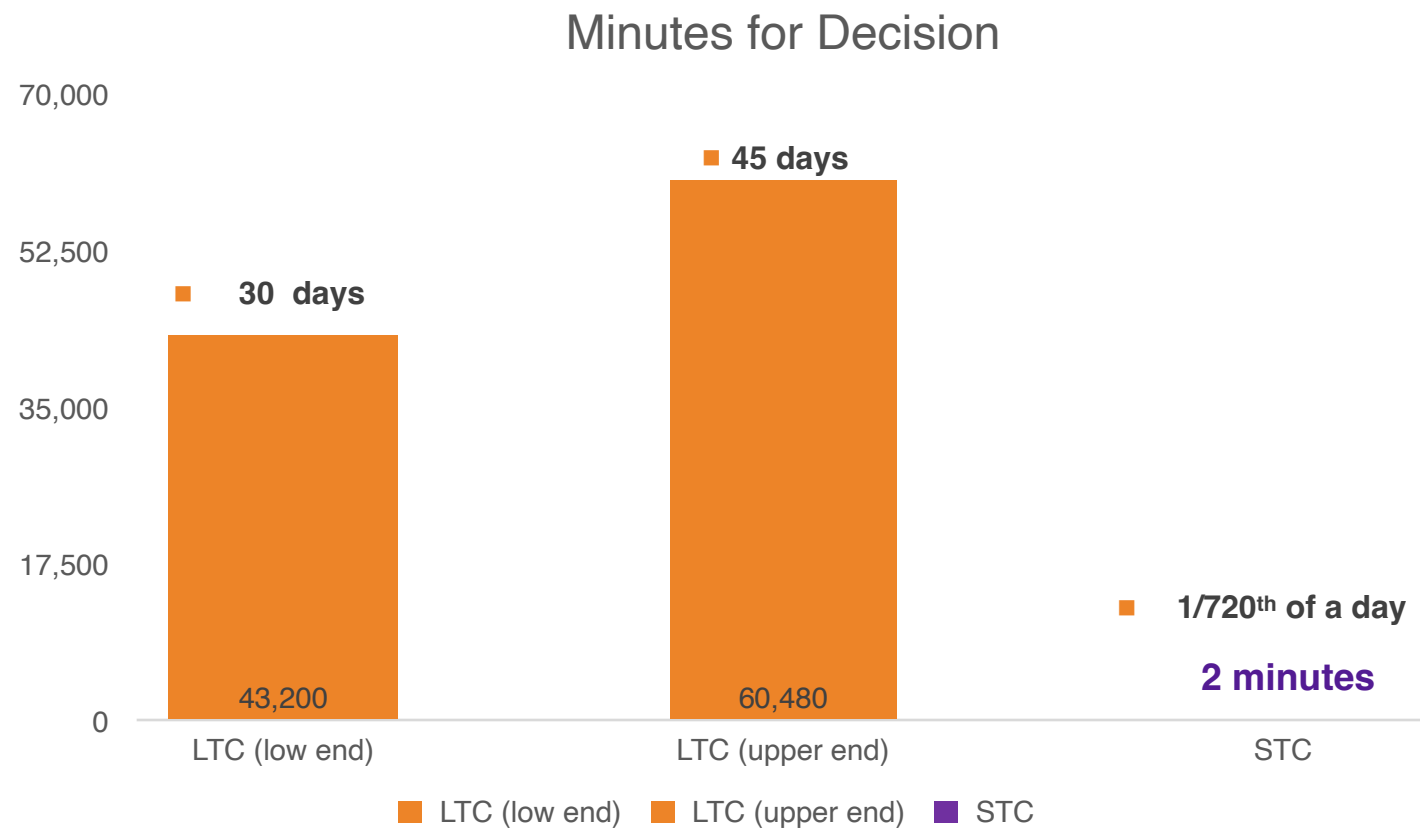


PLACEMENT RATE: LTC VS. STC



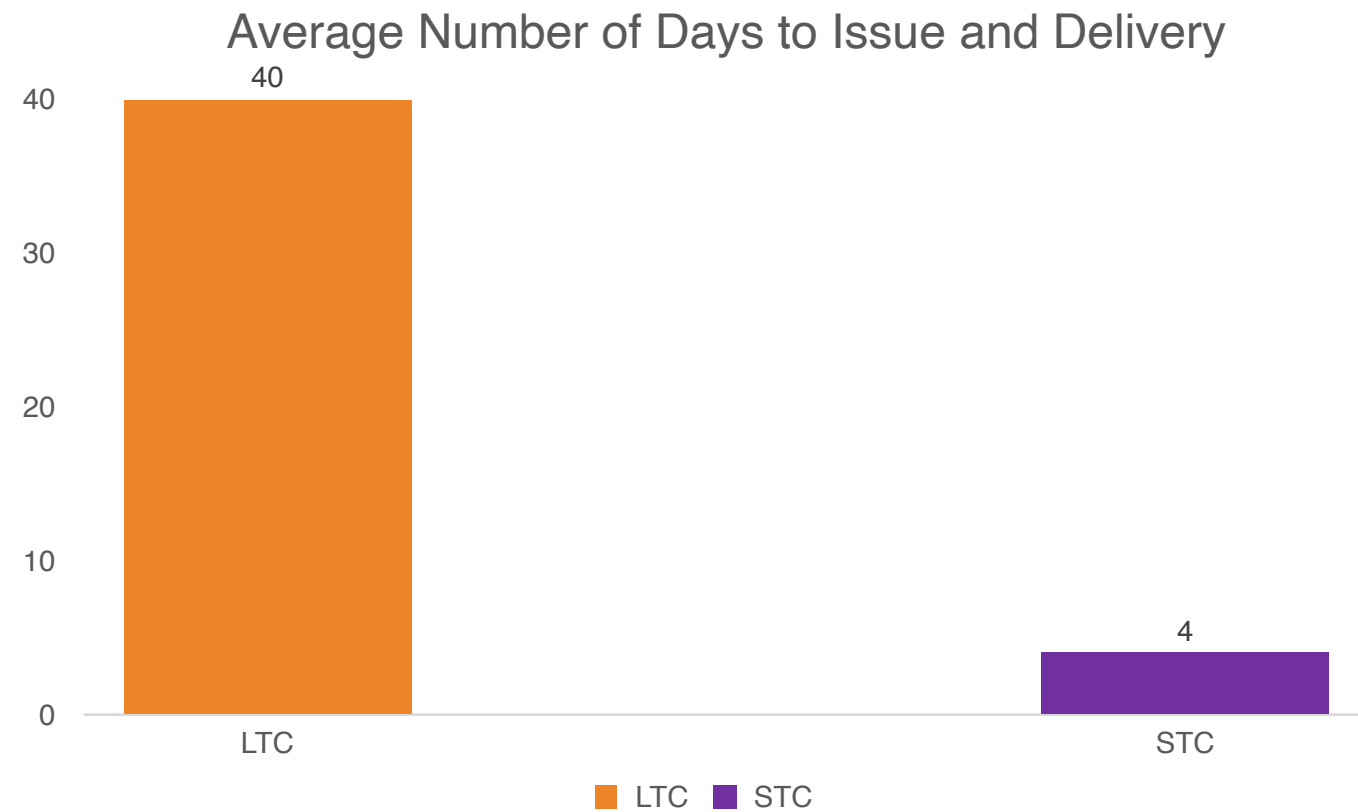


POLICY: SPEED OF DECISION





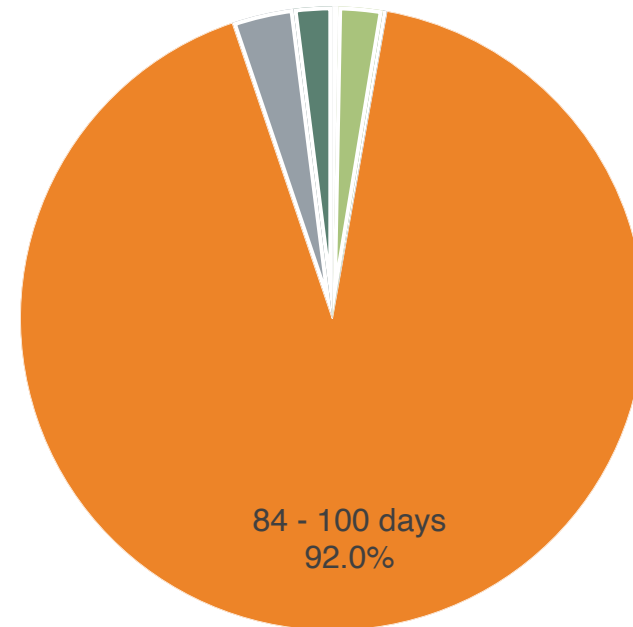
POLICY: SPEED TO ISSUE AND DELIVERY





ELIMINATION PERIODS

Number of Days



- 0 - 19 days
- 20 - 44 days
- 45 - 83 days
- 84 - 100 days
- 100 - 200 days
- >200 days



THE PROBLEM WITH ELIMINATION PERIODS



Unless you hear the word

“Observation”



OBSERVATION STATUS

- Observation services are hospital outpatient services you get while **your doctor decides whether to admit you as an inpatient** or discharge you³.





In Conclusion

When Long Term Care insurance is unavailable due to a person's age, health or finances, it's important to consider a Short Term Care insurance plan.

Your Clients will thank you for your expertise and knowledge in finding an alternative to LTC that protects their finances and their well-being.

THANK YOU

JAMIE SARNO

C: 502 599.9741

JSARNO@AXISMEDICAREADVISORS.COM

AXIS MEDICARE ADVISORS



REFERENCES

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- ² LTC Consumer. “How to Qualify for Long Term Care Insurance.” *LTC Consumer*, ltcconsumer.com/consider-this/qualify. Accessed 5 Aug. 2022.
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- ⁴ “Hospital Observation Status.” *YouTube*, uploaded by NBC, 13 Jan. 2021, www.youtube.com/watch?v=lvHHWHiNv4k.