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# What Do Long-Term Care Insurance Policies Cover?

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Long-term care refers to a broad range of medical and personal services designed to assist people who've lost their ability to function independently. If you're thinking of buying long-term care insurance (LTCI), you'll want to make sure it covers the services you may need.

## Types of long-term care

Because some LTCI policies subsidize only certain forms of care, it's important to understand the terms. Long-term care may be divided into three levels:

- Skilled care may be continuous round-the-clock care designed to treat a medical condition; it's ordered by a doctor and administered by skilled medical workers, such as registered nurses or professional therapists, as part of an established treatment plan
- Intermediate care is intermittent nursing and rehabilitative care provided by registered nurses, licensed practical nurses, and nurse's aides under a doctor's supervision
- Custodial care helps the patient perform daily living activities (e.g., bathing, eating, and dressing); it can be provided by someone without professional medical skills, but it's supervised by a doctor

Generally, LTCI policies will, for a specified period of time (called the benefit period), pay a selected dollar amount per day toward skilled, intermediate, or custodial care in nursing homes, assisted-living facilities, or the insured's home. Typical benefit periods run from two to five years, and most policies pay \$40 to \$150 per day or more in daily benefits.

## Where it's happening

LTCI policies sometimes limit the facilities where you can choose to receive such care. Generally, though, LTCI will pay for care in nursing homes, assisted-living facilities, and at home.

Many nursing homes provide all three levels of long-term care. When a patient no longer needs skilled care, he or she can be transferred to an intermediate or custodial care section within the same facility, or perhaps released to an assisted-living facility or to home care. Assisted-living facilities generally provide rental rooms or apartments, housekeeping services, meals, social activities, and transportation; some, most notably continuing care retirement communities, also provide long-term nursing care and guaranteed lifetime services.

Home health care makes sense when you're recovering from an injury or an illness and don't need 24-hour care. If you have a medical condition that requires nursing care, daily monitoring, or therapy, you can hire a nurse or an aide to help you. You may

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also need custodial care and perhaps household help with cleaning, laundry, or shopping. In some instances, you might live with a relative who works and cannot care for you all day. Home health care might then be coupled with adult day care in centers that provide social interaction, therapeutic activities, preventive health services, and nutritious meals.

### **What long-term care insurance policies don't cover**

To know what a particular LTCI policy covers, be sure to check the details of the policy.

Do you have any medical conditions from which you experienced symptoms, or for which you sought medical advice or treatment, within one to five years before applying for LTCI? If so, check what the policy covers. Some ignore pre-existing conditions, while others refuse to pay for treatments related to them--it might all depend on how long ago the condition first appeared. Many companies impose a waiting period (up to six months) before coverage for pre-existing conditions goes into effect. In all cases, you should disclose your true medical history to the insurance company on your application. If you do not disclose a pre-existing condition and the company discovers this later on, it may not pay for treatment related to that condition or may even cancel your policy.

Check to see what, if anything, isn't covered. Alzheimer's disease, senility, and Parkinson's disease are common reasons for needing long-term care; make sure your policy doesn't exclude paying for care associated with these conditions. Also, most policies won't pay benefits for a person with an alcohol or drug addiction, an injury caused by an act of war, or injuries that were self-inflicted or the result of an attempted suicide.

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