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LTC News & Comment

News & Views on the Financing of Long-Term Care

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THE MARKET PLACE

Group LTC racks up impressive growth

Patricia E. Ash

We interviewed **Patricia E. Ash**, senior analyst with LIMRA International.

With over 800 member companies around the world, LIMRA International maintains a proprietary database on the insurance industry's performance. Ash researches the marketing of benefits, and is managing editor of two quarterly newsletters.

LTC News & Comment: Patricia, can you brief us on the history of employer LTC insurance?

Patricia Ash: With information from about 100 of our member companies, LIMRA did a study of employer-sponsored long-term care that was published back in 1991, when a stand-alone, employer-sponsored group LTC insurance product was quite new. At that time, 13 companies offered the product, and of these, two began marketing it in 1986, one in 1987, and two in 1988. LIMRA was able to obtain information on sales and in-force coverage starting in 1989, and the first full-fledged survey was done in 1990 — making this year's survey report our tenth. For group LTC insurance (LTCI) throughout the first part of the decade, the number of carriers offering the benefit remained virtually constant: 13, 13, 14, 11, 12, and 12 insurers each year. Sales declined significantly (50%) in 1994 while the nation debated healthcare reform, and the decline continued through 1995 (27%), but 1995 saw the emergence of the large and innovative CalPERS plan which offered group coverage through employers to California public employees, retirees and state teachers. The plan was announced with fanfare by a website proclamation from the governor, and the Internet was used as a means of promoting the plan and making materials available. More than 75,000 members were reported to have enrolled in a 12-month period. This seemed to spawn other public employee plans in other states, and more carriers became involved.

By 1997, there were still 12 companies reporting sales in our annual survey, but these companies represented or managed other carriers on whose paper the group contracts were still written. Some had responsibility for the static books of carriers that were no longer marketing the group product, but were servicing or maintaining existing caseloads. Each year seemed to see about two carriers leaving the group LTC market and the same number entering it. From 1996 onward, sales, as measured by number of groups and premium, were always up. It's important to note, moreover, that the in-force

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coverage has never declined throughout the entire decade — even in those couple of years when new sales were down from a previous year's sales level.

LTC News: Have you noticed other trends in the employer market?

Ash: Yes. Over the decade there has been a gradual drop in the size of the average employer group buying LTCI. Large employers seemed to be the earliest offerers with companies like AT&T and IBM leading the way, along with Ford Motors, American Express, Monsanto, Proctor and Gamble, and even The World Bank. In 1994 the average size of an in-force U.S. employer group product (by our study) was 434 employees. By 1998, it was down to 268. A 1998 report of the Department of Labor found that two out of three employees participate in employer-sponsored health plans. I think that bodes well for small employers offering long-term care plans as part of their benefit packages, and LIMRA's survey seems to indicate that they are doing so.

A representative of Conning & Company has stated that "well-run companies can earn a 15% return on equity in the long-term care (insurance) market — well ahead of the 13% average in life insurance." This is encouraging news for insurers thinking about entering this market.

LTC News: What does your data show concerning recent growth?

Ash: Employer-sponsored group LTC insurance sales, as measured by new participants, were up 126% percent in 1999 and in-force sales were up 24%. The association group in-force participant count was up 17%. Significant growth in the past couple of years can be seen from the following statistics:

- Average employer size increased in 1999 to 206 participants from 141 in 1998 for new group, and dropped to 248 participants from 271 in 1998 for in-force groups.
- Increases in sales and in-force affected all three data measures: groups, participants and premiums, and the number of employer plans in force has trebled in five years.
- The number of organizations reporting is 15, while the number of insurers represented is 25. For the first time this survey has been expanded to include group association plans. Seven of the 15 companies report in-force association group plans. While the number of companies reporting new association group sales for 1999 is too small to provide an accurate industry growth rate, in-force association groups increased 10 percent in 1999. The participants on in-force association plans increased 17 percent. The average size of an in-force association group is 1,471. Since passage of the 1996 Health Insurance Portability and Accountability Act, the market continues to expand to public employer groups that include some self-insured plans.
- LIMRA also tracks the sales of individual LTCI policies by quarter, and the first quarter of 2000 is showing a 17% increase in new policies issued and a 23% increase in in-force policies. 29 sellers of individual LTCI reported their sales results for this survey.

LTC News: Do you see solid evidence upon which to be optimistic in the future of this market?

Ash: Yes. For example, I would quote a paragraph from the ACLI's *1999 Fact Book*: "Growth of the private long term care insurance market continues to be substantial...But increasing market penetration is an ongoing challenge for insurers. Among the nation's elderly, less than 10 percent have purchased private insurance to protect themselves against the risk of needing long term care, and coverage among working-age adults is less extensive. According to the Bureau of Labor Statistics, only 7 percent of full-time employees in medium-size to large private businesses were offered long-term care insurance as a voluntary benefit in 1997" (p.67). Now this doesn't include the employees whose employers subsidize their long-term care benefits. Although those plans are not as prevalent as voluntary plans, they continue to be marketed and sold, especially among affinity groups such as state teachers' organizations, and they show growth through annual open enrollments. That means that more and more people are taking coverage that will down the road accrue savings to the Medicaid program and give the insureds

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choices about where their long-term care will be sited.

LTC News: Some think that the new federal legislation to expand tax deductibility of LTC insurance will give a boost to sales. However, considering that premiums paid for group LTC insurance are typically lower than those paid for individual products, do you think the new law will significantly help this market?

Ash: Although some might disagree with me, I believe that employer-sponsored benefits, including health benefits, are going to be around for a long time to come. As shown in the government "Green Book," our tax system already provides enough incentives to employers to make them think twice about letting go of those incentives. And the history of employer-provided life insurance is a good precedent to look at. In my opinion employer-paid basic life has been a core benefit to most benefit plans because of the tax-favored status of the first $50,000 of group life provided to each employee. With similar tax incentives available for group long-term care, I believe employers will be much more willing to offer and pay a portion of that benefit. And with employers participating in the cost, employee participation in the benefit should be more commensurate with that of other benefits. That creates a large enough pool of insureds to provide a manageable spread of risk, and prevents insurers from being selected against. Large public plans like the CalPERS plan in California have demonstrated how employer sponsorship can result in better-than-average participation. An inherent advantage to employer-sponsored group plans is that the average age of participants at point of entering the plan is 43, while the average age of a buyer of an individual policy is around 67 or 68. Premiums are much more affordable at early ages, and the level premium design makes the annual premium a budgetable item of expense.

LTC News: What is the realistic market potential in lives and premium for group LTC insurance?

Ash: In 1994, according to the National Association of Insurance Commissioners, 3.7 million Americans had long-term care insurance. As quoted by **Chip Kahn**, president of the HIAA in the Robert Wood Johnson Foundation's report, *The Future of Health and Health Care* between 1993 and 1997, the number of Americans with employer coverage increased from 145 million to 152 million. I would say that there's a lot of market potential in the difference between 145 million and 3.7 million even if the 3.7 million all were covered by employer-sponsored long-term care plans. The employer-sponsored portion of long-term care coverage has remained at between 15% and 30% of all coverage, although this percentage may be growing with the state employee plans that are being offered as group contracts.

LTC News: LTC insurance generally has been around for about a decade. However, the public has not yet accepted the product as a commodity. Can you offer some explanation for this?

Ash: As many people have observed, there is a huge public misperception that the government Medicare program provides an overall safety net for Americans when they reach the age of eligibility. However, Medicare, with its focus on acute care, not chronic care, is not designed to cover long-term care expenses. And since long-term care insurance had its origins in the skilled nursing facility benefits, it has come to be identified as nursing-home coverage, whereas today's plans also provide options for many other benefits such as assisted living and home care. The coverage that my husband and I carry was recently enhanced (at no additional premium) to cover costs of informal care and alternate plans of care (to nursing-home care).

Respite care for the insured's (caregiving) spouse and even informal caregiving training (up to five times the nursing facility care daily benefit amount) are covered during the life of the policies. Chronically ill people want to receive care in their homes and from family caregivers as long as possible, and long-term care policies such as ours allow this to happen. (Opinions expressed by Ash are her own and not those of LIMRA International.) LTC

A certification program for LTC agents

By Harley Gordon, Corporation for Long-Term Care Certification, Boston, MA

Let's look at long-term care insurance from a different perspective. Name one other insurance product that has the endorsement of Congress, and is being promoted through tax incentives. Name one other insurance product that pays for what Medicare, Medicaid and other government programs won't; care and housing we may need in the future. You can't.

So what can possibly stand in the way of this vital product being sold to an aging America? Congress and — the long-term care insurance industry.

The industry is at a crossroads. It has invested millions of dollars to create products that offer consumers coverage if long-term care is necessary. It has invested millions in marketing products. The success of this venture many believe, however, lies not with Congress or even the market place, but with the carriers themselves. The central issue? Education.

The CLTC designation is a home-study course. The material is intuitive, presented in the same format as a producer would approach a potential client.

Education: the critical factor

The industry knows that agents or brokers (producers) who commit to understanding their field take the first step in becoming professionals. Unlike salesmen, who try to make a sale with the hope it solves a problem, professionals solve problems first. The sale of product is based on a careful analysis of the client's needs and finances. Done correctly, the sale becomes self-evident, and education leads naturally to increased sales.

This explains why the industry has invested millions of dollars in professional designations. The rigorous course material and strict standards for ethical behavior required of these programs will lead a producer to consider him or herself a professional who bases a sale on sound economic principals within the confines of ethical behavior.

Until recently no such designation existed for the long-term care industry. Considered a peripheral product, there was little incentive to train producers. The failure to offer comprehensive programs both by the industry and established degree-granting organizations created consequences. You need only read the special report on long-term care insurance in October 1997 *Consumer Reports*. For the first time this publication, never a friend of the industry, states that long-term care insurance is important. The article, however, went on to deliver an indictment on how the product was sold.

The industry can argue that the report was biased and the result of faulty investigation (both legitimate claims). The larger issue, however, is that *Consumer Reports*, rather than creating the issue, simply reflected current public and government opinion. Add to this IMSA requirements and the growing movement by states to mandate special training for producers that include ethical conduct, and it becomes evident that the public is demanding accountability for those who sell this critical product.

Certification of agents now possible

To the credit of many carriers and their general agents, they have taken steps to focus on the profession of long-term care, not just the selling product. One of the ways they have shown their commitment is to support the industry's first professional designation, "Certified in Long-Term Care" (CTC). Created by the Corporation for Long-Term Care Certification, the self-study program focuses on long-term care as a multi-disciplinary field, one that intersects other professions such as law, government programs, medicine and tax law.

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CERTIFICATION PROGRAM *from page 4*

CLTC is a third party; it does not take money from any industry group nor does it seek to enroll students into a marketing program to promote the sale of a particular product. Its goal is to provide unbiased information producers need to effectively compete in a highly competitive and regulated field.

The program has been well received by regulators. All but three states offer CE credits (Minnesota, New Jersey and Wisconsin do not give credit for home-study courses). The CFP Board of Standards also supports it by the granting of CE credits. Most telling, however, is the wide-range of support the program has received from the industry in a short period of time.

Major players, including AIG, Bankers Life & Casualty, Conseco, John Hancock, Kanawha, Penn Treaty Network America, and Prudential have not only endorsed the designation but offer to finance or reimburse students. Many general agents also believe the program offers the first-class education producers need to compete effectively.

What these industry leaders share is a belief that, given the complexities of long-term care, producers need to make a commitment to education. They believe the CLTC program is one solution.

Everyone will agree that an educated producer will sell more product. But there is also a hidden benefit. Education is a form of self-regulation. In their efforts to counter increasing demands for more regulations, the long-term care industry can point to its commitment to regulate itself. Everyone wins.

The details on certification

The Corporation for Long-Term Care Certification offers the CLTC designation as a home-study course. It approaches long-term care as a distinct profession that encompasses many other disciplines that consumers need as they age. The material is intuitive, presented in the same format as a producer would approach a potential client.

For example, Part B explains in detail what resources such as housing and services people may need as they age. It is followed by Part C which explains what pays for these services (such as the VA, Medicare and Medicaid).

The cost of the program is $850.00. Check with your carrier and/or general agent for financing and reimbursement. The course is contained in one binder and takes approximately two months to master. The test is given at local Sylvan Learning Centers. The designation must be renewed every two years at a cost of $200.00. Graduates are sent a quarterly newsletter and given unlimited access to CLTC's password-protected site. It offers articles and updates on all things long-term care. LTC

THE NATIONAL SCENE

LTC insurance program for feds a possibility

The full House has passed H.R. 4040 which would set up a program to offer employer (group) LTC insurance for federal workers, military, and retired people of both groups. The Senate has begun hearings on S. 2420 which mirrors H.R. 4040. Reportedly there is no opposition in the Senate to this bill.

LTC COMMENT: To date no substantial legislative progress has been reported on moving the Patients Bill of Rights bill that contains the expanded tax deductions for individual LTC insurance policies. It may be advisable to attach this proposal to the increasingly popular H.R. 4040, and move both proposals as one package. LTC

Demography of personal expenditures for home care

Data from the 1982, 1989, and 1994 National Long-Term Care Surveys reveal the following important facts about users and out-of-pocket payments (OOPs) for home care:

- Between 1982 and 1994 the proportion of older people with disabilities who relied only on informal caregivers declined from 74% to 64%. [Another indication that there may be fewer informal caregivers available to care for a frail relative.]
- The more disabled a person is, the less likely that she/he will be able to be cared for with only informal or formal care. Both types become necessary. [Another compelling reason to have private LTC insurance: the insurance helps the family caregiver in caring for the disabled person.]
- In 1994 older people with only one IADL dependencies averaged $110 per month in OOPs for formal care.
- In 1994 people aged 74 and over with 3+ ADLs averaged $631 per month in OOPs for homecare. [This figure inflates (5% per year) to $845.60 per month, or $10,142 in the year 2000.]
- Unmarried persons with 3+ ADLs averaged $756 per month in OOPs for home care.
- People who were incontinent had the highest average monthly OOPs for homecare.

[Source: "Changes in Home Care Use by Older People with Disabilities: 1982–1994," AARP, Jan. 2000.] LTC

Female caregivers at greater risk for psychiatric illnesses

An analysis of 30 empirical research reports published between 1985 and 1998 reveals that at all stages of the stress process female caregivers of frail elderly are at greater risk for psychiatric illness than are their male counterparts. Not only do female caregivers report higher levels of depression, anxiety, and general psychiatric symptoms, they also report lower levels of life satisfaction than male caregivers. The analysis also revealed that these psychiatric symptoms were directly related to caring for a frail elderly relative.

Women challenged by more demands than men

The root cause of higher stress from caregiving is that women face and respond to more demands of caregiving than men do. Women are more involved in housework and in hands-on personal care. Women are also less likely to obtain informal support for caregiving, and more likely to remain in the caregiving role longer than men. Women who provide LTC to a frail elder are less likely than men to practice preventive health behaviors such as getting rest and exercise, taking time to make appointments with the doctor, and taking medications.

Unlike women, who generally provide continual LTC, men tend to get involved intermittently in such tasks as providing transportation, and perhaps care management. Men, unfamiliar with the caregiving role, tend to seek outside assistance, both paid and volunteer, while women do not. [Source: *The Gerontologist*, April 2000.]

LTC COMMENT: It is estimated that women provide over 70% of the informal LTC in the country. According to the above research, we can assume that a great proportion of these female caregivers suffer psychiatric illnesses for the reasons stated in the article.

LTC insurance can be of invaluable assistance to women in relieving some of the stressors and/or the levels of stress that result in psychiatric morbidity by providing both physical and emotional relief from the burdens of caregiving. From this perspective LTC insurance is much more than a mere financing mechanism. It is preventative mental healthcare. LTC

The risks of becoming a female family caregiver

The same issue of *The Gerontologist* referenced on the previous page contains another article further delineating the familial repercussions of becoming a female caregiver. The article, entitled "The Dynamics of Caregiving: Transitions During a Three-Year Prospective Study," summarizes research on wives and daughters who became and did not become family caregivers in Wisconsin. Results of the study are selectively summarized as follows:

- 12% of non-caregiving wives became caregivers within the study period of three years. The average age of wife caregivers was 70.
- 35% of daughters became caregivers within the three-year period. The average age of daughter caregivers was 58. (A longitudinal study of caregivers found that 53% of the women in the study became informal caregivers during the 30-year study period.)
- Of the wives who were caregivers at the beginning of the study, 69% continued to be so at the end of the three-year study period. 54% of daughters providing care in the beginning remained in this role three years later. (The smaller percentage of daughters remaining as caregivers may be at least partially explained by the item immediately following.)
- 11% of daughter caregivers placed their parent in a nursing home, while none of the wife caregivers placed their husband in a nursing home.
- Daughters who institutionalized their parent increased their social participation following placement whereas daughter caregivers whose parent remained in the community did not enjoy more social life. LTC

Research high on the list of seniors using the Internet

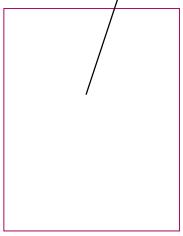
A survey of people aged 50+ conducted on the SeniorNet website received the following responses:

- 38% use the Net 10–19 hours per week.
- 33% use the Net 20+ hours per week.
- By far the favorite use of the Net is to stay in touch with friends and relatives.
- The second most favorite use of the Net is research.
- 38% of senior Net users have been on the Net for 2–5 years.
- 21% have been using the Internet for 5+ years, and 19% for 12–23 months.
- Books top the list for purchases made on the Net, followed by computer software or hardware, travel, and music.
- The second most avoided activity online is making investments, following avoidance of Chat rooms.
- 65% of respondents were female.

(Readers may want to visit www.seniornet.com for themselves.)

LTC COMMENT: The high proportion of computer-literate seniors using the Internet for research is another indication of the importance of the presence of LTC insurance on it. While the likelihood of substantial sales of the product on-line is questionable, the Internet has proven effective in educating the public, and in generating leads. LTC

San Diego DA goes after elder abusers



Paul Greenwood

We interviewed **Paul Greenwood**, a deputy District Attorney in the County of San Diego District Attorney's Office. As head of the Elder Abuse Prosecution Unit he leads a team of five who prosecute perpetrators of those who abuse the elderly. One attorney is exclusively devoted to nursing-home abuse prosecution. The remainder prosecute all other types of elder abuse felonies. In the past four and a half years Greenwood's unit has prosecuted over 350 felony elder abuse cases ranging from murder to theft.

LTC News & Comment: Paul, what is elder abuse?

Paul Greenwood: Elder abuse falls into two distinct categories — that of physical/emotional abuse, and financial abuse. Both forms of abuse are covered in the California Penal Code section 368, which we use as the basis of our charges. In California an elder is defined as any person 65 years or older. Forms of physical abuse are:

- Assaults and batteries. These are commonly divided into three subcategories: 1) Opportunistic street crimes by muggers against elderly victims; 2) Assaults by caretakers borne out of anger or frustration, and 3) Assaults by sons against their elderly mothers. We see many cases of sons in their late 30s to mid-40s living at home with their widowed mothers. They are lazy and unemployed. They have an addiction to alcohol, drugs or gambling. They feed their habits by getting money from mother. When mother finally puts her foot down and says "no more," this is when the violence begins. Sometimes, the mother is too ashamed to pick up the telephone and call 911. In many instances, the victim is unwilling initially to assist with the prosecution. But we have a zero tolerance policy at our office and we will prosecute where the evidence exists even if our primary witness is uncooperative.
- Neglect cases. These are often cases where the victim has been abandoned or left with serious bed sores or without proper medications, nutrition or hygiene. We must prove that the perpetrator was under a legal duty to care for the senior in the first place.
- Sexual assault cases. These primarily involve a female victim suffering from Alzheimer's or other form of dementia.
- Attempted or completed forms of murder or manslaughter.
- Emotional abuse, for example: 1) threats of harm to the victim; 2) verbal bullying; and 3) emotional blackmail — leaving the victim with the impression that they will be abandoned unless the victim complies with the perpetrator's demands

LTC News: What is financial abuse of the elderly?

Greenwood: Financial abuse takes several forms. In California the definition of felony financial elder abuse is very clear — it involves the theft from a person 65 years or older in an amount of $400 or more. Types of financial abuse are:

- Theft of personal effects — the most common being jewelry. I urge all seniors to keep an inventory of every piece of jewelry. Normally, a dishonest care provider will steal jewelry that ends up at the local pawn store.
- Theft of checks. It starts with theft of one check from near the back of the checkbook. Once the perpetrator finds out how easy it is to forge the signature and get the bank to cash the check, the perpetrator usually then steals the unused checkbook and writes other checks.
- Theft of the ATM card. Often the bank will not notify the elderly customer that the ATM card is being used excessively. This means that victims with such disabilities as blindness or early stages of dementia will not realize (until it is too late) that their account is being systematically drained.

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- Theft by use of a Power of Attorney. The perpetrator persuades the unsuspecting victim to create a legal document in favor of the suspect. This then allows them to add their name to a checking or savings account and raid the victim's assets.
- Theft by creation of a fraudulent credit card. The perpetrator will fill out a credit card application on behalf of the victim and add the suspect's name as a joint authorized user. The credit card then arrives in the mail (without the victim's knowledge) and the suspect racks up thousands of dollars in credit against the victim's name.
- Theft by telemarketing scams such as bogus charities, sweepstakes etc. "Send in a check for $4,000 to pay the state taxes in Quebec, and we will then send you your winnings of $100,000." Many seniors cannot refuse such an enticing pitch.

LTC News: Do you encounter people who practice more sophisticated types of financial abuse?

Greenwood: We are also seeing an increase in the number of cases involving "professional" financial advisers, attorneys and insurance agents who take advantage of elderly, vulnerable clients. Victims are induced to make changes to their existing portfolios whereby the changes will benefit the professional perpetrator. Examples are: cashing in annuities prematurely and reinvesting the proceeds in other ways; securing a sizeable commission for the adviser; making amendments to existing living trusts and wills; and granting the adviser an ultimate benefit as a beneficiary.

LTC News: Do children of the elderly sometimes put their inheritances above the good of parents needing long-term care.

Greenwood: Occasionally a child will deliberately transfer/steal the assets of the elderly parent in an effort to secure long-term care that will be financed by Medi-Cal rather than by those assets.

Occationally a child will deliberately transfer/steal the assets of the elderly parent in an effort to secure long-term care that will be financed by Medi-Cal rather than by those assets.

LTC News: What social benefits has your work brought about?

Greenwood: Since 1996 we have made great progress in the area of prosecution of financial abuse of the elderly. I put this down to:

- Continual education/training of police officers in this area — giving law enforcement a sense of confidence that these types of cases are provable, and should be thoroughly investigated.
- Encouraging local financial institutions to train their staff to be on the lookout for red flags that indicate financial exploitation.
- Increased knowledge by our Elder Abuse prosecutors in understanding the dynamics involve in financial abuse and finding innovative ways to show that a theft has occurred. For example, we are able to prosecute cases where the victim is unable to testify due to a lack of capacity caused by dementia, Alzheimer's or Parkinson's Disease. By calling medical experts we can establish that the victim was unable to form the necessary consent at the time of the transaction. We are also learning more about the concept of undue influence and that it is possible to prove theft when a victim's vulnerability has been exploited.

LTC News: What penalties can be incurred by practicing elder abuse?

Greenwood: As prosecutors we seek punishments that are commensurate with the defendant's prior criminal history and which reflect the community's disgust for those who seek to exploit those who, by reason of age, are vulnerable. Sometimes we secure a state prison commitment; other times the defendant is sentenced to local custody together with a period of three years probation.

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I have an abiding respect for the generation that survived the Second World War. Sadly, elder abuse is on the rise and we in law enforcement need to respond now in order to meet the demands. I hope that at least in our county, potential offenders will think twice about exploiting a senior citizen. While I am head of this unit I am determined that San Diego County will be known as a law enforcement community that honors its elderly population. (Paul Greenwood may be reached at (619) 531-3464.) LTC

LTC POPULATION WATCH

Dementia patients average long stays in nursing homes

The average length of stay (LOS) in a nursing home for a patient whose primary diagnosis at admission was Alzheimer's disease was 931 days in 1995. However, this average masks the fact that 32% of these patients stay 1–3 years, 23% stay 3–5 years, and 13% stay 5+ years.

Persons with senile dementia or organic brain syndrome averaged 1,097 days in a nursing home, with 19% staying 5+ years.

The average LOS for patients with the primary diagnosis of diseases of the circulatory system (the leading diagnosis for admission, and the one requiring most help with ADLs) is 868 days. 14% of this group had an LOS of 6–12 months; 31% of 1–3 years; 14% of 3–5 years; and 13% of 5+ years. [Source: *1995 National Nursing Home Survey*.]

Supporting evidence on the length of stays of Alzheimer's patients in nursing homes comes from Pennsylvania's Medicaid program. A study conducted in 1999 reveals that patients with dementia on average stayed in a nursing home almost twice as long as those without the disease. [Source: National Conference of State Legislatures, April 2000.] LTC

Striking facts about stroke

- *Every 53 seconds* someone in the United States has a stroke.
- Someone dies from stroke every 3.3 minutes.
- Strokes afflict one-half million Americans each year, killing one-third of them, and disabling another 200,000.
- *Currently 3 million survivors* of stroke live with life-altering consequences of stroke. [Source: American Stroke Association]
- The average length of stay for nursing-home patients admitted primarily for stroke is 868 days.
- 27% of stroke admissions stay in a nursing home less that six months.
- However, 32% of them remain 1–3 years.
- 23% stay 3–5 years.
- 13% remain in the nursing home more than five years.

[Source: *The National Nursing Home Survey: 1995 Summary*] LTC

Pros and cons of keeping Alzheimer's patients at home

There are definite financial and emotional advantages in keeping Alzheimer's patients at home as long as possible, rather than placing them in ALFs or nursing homes. However, family caregivers incur serious risks to their health in following such a course, as the following quotation warns:

"Caregivers are more likely to have health problems and to be taking more medications than non-caregivers. Caregivers are stressed, lack sleep, are fatigued, and have somatic complaints, anxiety and depression. Stress, depression and immunosuppression are three times more common in care providers than in non-caregivers....If the patient is depressed, then it is more likely that the care giver will become depressed." [Source: Alzheimer's Disease in the United Kingdom: developing patient and career support strategies to encourage care in the community," *Quality in Health Care*, September 1997.]

LTC COMMENT: The above quotation is another bullet to counter the objection: "My kids will take care of my LTC." It highlights the selfishness of those who put off buying LTC insurance, and who would put their children at the emotional, physical, and financial risks accompanying caring for their parents. LTC

CORRECTION: In last month's edition we wrote that Michigan allowed a 100% state tax deduction for premium for LTC insurance. The state has no such law on its books.

CLARIFICATION: Our May edition carries a subhead ("It's quality, not asset protection, stupid") that we inserted in Phyllis Shelton's article. Most subheads, including the above, are to be credited to your editor, not to the authors.

Important e-freebie

By Talia Clever, Center for Long Term Care Financing, Woodinville, WA

The Center for Long Term Care Financing publishes a free online newsletter called *LTC Bullets* with information and analysis on national LTC policy. The Center's core message is that most Americans could and would purchase LTC insurance or otherwise plan to privately finance their long-term care needs if they understood the real risks of long-term care and the inadequacy of current public programs. Additionally, the ease with which middle and upper income families access America's welfare program, Medicaid, to pay for nursing-home care exacerbates cost and quality problems, and reduces its ability to support its intended population, the very poor. Through *LTC Bullets* the Center articulates what is wrong with LTC financing today and promotes the solution to over 2,500 subscribers.

Water torture

The Center emails *Bullets* on LTC topics to its 2500+ subscribers once or twice a week on average. Subscribers include the general public, carriers, brokers and agents, service providers, the media, and government decision-makers. Center President **Stephen Moses** humorously describes this strategy as "intellectual water torture" because, slowly, "drip by drip," the credibility and influence of the message increases. We believe that our persistence fosters the alignment of public policy, public perception and market incentives and will result in greater private financing of long-term care. Private financing, especially of LTC insurance, is crucial to developing a vital, innovative, consumer-oriented long-term care system for aging baby boomers and the generations that will support and follow them.

The Center emails Bullets on LTC topics to its 2500+ subscribers once or twice a week on average.

Sample issues covered

Recent *LTC Bullets* covered several of the Center's primary issues. "Is Medicaid Planning Elder Abuse?" addressed the ethical problems of elder law practice and Medicaid planning. "Who Needs LTC Insurance?" discussed the affordability of LTC insurance and was also published in the May 2000 issue of *LTC News & Comment*. The "LTC Reality Check" series responded to continuing media inaccuracies regarding LTC insurance (e.g. "Barron's Analysis: Not All Its Cracked Up To Be," by Eileen Tell). "Michigan Gets with (Part of) the Program" provided analysis and recommendations for state-level Medicaid policy. Readers can peruse all past *Bullets* in the archives on the Center's website at www.centerltc.com.

Like *LTC News & Comment*, the *Bullets* are a valuable source of information for agents and others who need high-quality, current information on LTC. For a free subscription to *LTC Bullets*, send an email to info@centerltc.com that includes your full name, address and organization or affiliation. Complete contact information is necessary for our records but we do not sell, trade or make our distribution list public. We do encourage our subscribers to forward *Bullets* electronically or in print to increase our circulation. The necessity of long-term care planning is evident; the more people understand this and act on their knowledge, the brighter the future of an aging America will look. LTC