



Minnesota Public Employee Long Term Care Insurance Plan

Voluntary **Long-Term Care (LTC) Insurance** is a comprehensive way to help protect your lifestyle, family, and assets from unforeseen long-term care expenses.

If you have additional questions, please visit www.mpel.org or contact the CNA Customer Service Department at 888-653-9600

General Questions

Q: What is Long-Term Care (LTC)?

A: Long-Term Care (LTC) addresses a wide range of services that provide assistance when you are chronically ill, due to illness, disability or a cognitive disorder. This is the type of care needed when you cannot perform normal Activities of Daily Living (ADLs) – like bathing, dressing, eating, etc. – by yourself. LTC services are generally needed for extended periods of time, and range from skilled care in a facility to assistance in the home.

Q: Isn't LTC just for elderly people?

A: No! Accidents or illness can happen to anyone, at anytime. Spinal cord injuries, stroke, and multiple sclerosis are all examples of disabling illnesses that can affect anyone, at any age. Nearly half of those requiring LTC services are under the age of 65 – that's 5.3 million working age adults!¹

Q: Doesn't my health or disability insurance pay for LTC services?

A: No. Health insurance typically covers very limited long-term care services related to acute (or short-term) health care treatment, and is not designed to cover the long-term needs or types of care that you would need in a LTC situation. Disability insurance is intended as a partial replacement of your pay when you are unable to work. That money will be needed for regular living expenses, and may not be enough to cover long-term care.

Q: What about Medicare or Medical Assistance/Medicaid? Won't the government pay for my long-term care?

A: *Medicare* is a government health insurance program for people age 65 plus, and for certain people under age 65 who are disabled, and people with permanent kidney failure treated with dialysis or a transplant. Medicare pays for skilled nursing facility care of up to 100 days per illness following hospitalization, only after the individual satisfies their eligibility requirements. There are other requirements, including (but not limited to) a co-payment for days 21-100 of care. Basically, Medicare only pays for limited long-term care related to treatment following hospitalization.

In Minnesota the Medicaid program is called by the name Medical Assistance. *Medical Assistance* will only pay for certain long-term care services (in a nursing home), and only if you are impoverished. People must exhaust their savings under a “spend down” formula to meet the state's definition of poverty, and only then will Medical Assistance pay. However, if Medical Assistance does pay, the state will determine where you will receive care, based on where the state has

This piece is for illustrative purpose only and is not a contract. It is intended to provide a general overview of long-term care. Please remember only the insurance policy can give actual terms, coverage, amounts, conditions and exclusions.

¹ The Henry J. Kaiser Family Foundation, *Kaiser Commission on Medicaid Facts*, 2001.

contracts with nursing facilities. These facilities may not be close to home, or one that you would choose.

Q: What is LTC Insurance?

A: LTC insurance covers all levels of care – whether you need care at home or in a facility. Once you cannot perform your normal ADLs (Activities of Daily Living) you would need long-term care. It covers long-term care services whether it's with a chronic illness (such Multiple Sclerosis) or a Cognitive Impairment (such as Alzheimer's Disease).

Q: Where are LTC services provided? Isn't it just nursing homes?

A: LTC services can be provided wherever care is best for you. It could be skilled care at a Nursing Home facility, or services in a community-based care setting like an Assisted Living Facility, a specialized living community (i.e. apartment complex) that provides housing, support services and care in a home-like environment. LTC services are also provided in other community settings, like Adult Day Care centers. Many people would rather receive long-term care at home by a home health care agency. Care may also take place in a Hospice setting.

Q: How much do LTC services cost?

A: LTC costs vary depending on the type of service, and geographical region in which you receive care. Nationally the cost of one year's stay in a nursing home averages over \$50,000 and can exceed \$110,000 per year². The average daily cost for nursing home care in Minnesota is \$156.³ The average stay in a nursing home is 2 ½ years⁴. Home care costs can be expensive too. The average cost for a home health aid in Minnesota is about \$26 per hour. At five hours per day, for five days a week, that could be as much as \$33,800 per year, or more if more care is needed⁵. Keep in mind these costs rise each year.

Q: Why do I need LTC Insurance?

A: LTC insurance helps cover the costs associated with long-term care. It helps protect your retirement savings and assets, the lifestyle of a healthy spouse and family, and it gives you the choice of where to receive quality care and services.

Q: Who can enroll or apply for coverage in the M-Pel plan?

A: All eligible actively-at-work employees; Spouses of eligible actively-at-work employees; Parents of eligible actively-at-work employees; Retirees and their spouses. During May 2010 employees can enroll without the need to provide any medical or health information. All eligible employees who enroll during this time will be guaranteed to receive the coverage. Once May 2010 ends employees will have to submit to the medical questions that are on the short form application and be approved for the coverage.

For coverage to be put in force the employee must still be actively at work with the State of Minnesota on the coverage effective date. For payroll deducted employees, the coverage will be effective with the beginning of the pay period that includes July 1, 2010. For employees who are directly billed for their coverage, the effective date will be July 1, 2010. If an enrollee, retires or has their employment terminated prior to the effective date, the coverage will not become effective.

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² Based on 2006 CNA Cost of Nursing Home Care Survey, room and board only.

³ U.S. Department of Health and Human Services website.

http://www.longtermcare.gov/LTC/Main_Site/Paying_LTC/Costs_Of_Care/Costs_Of_Care.aspx, accessed March 2010.

⁴ Health Insurance Association of American (HIAA), *Guide of Long-Term Care Insurance*, 1996.

⁵ U.S. Department of Health and Human Services website.

http://www.longtermcare.gov/LTC/Main_Site/Paying_LTC/Costs_Of_Care/Costs_Of_Care.aspx, accessed March 2010.

Newly hired employees have 35 days from their date of initial eligibility to enroll in the plan without any medical questions.

Spouses, parents and retirees always have to submit medical information and be approved for coverage.

Please Note – A spouse’s parents and all grandparents are NOT eligible for the M-Pel plan.

Q: What about my medical history - will I be able to get into the plan?

A: After the May 2010 open enrollment ends, approval is subject to good health & underwriting standards. All others (spouses, parents, etc.) are subject to the standard underwriting process – keep in mind that not all medical conditions will disqualify other family members from coverage!

Q: What about the premiums?

A: Premiums for the plan are deducted from your paycheck, after-tax. Premiums are affordable, and are based on the age when your coverage becomes effective. The younger you are when your coverage begins, the lower your premiums will be for the duration of your plan. They are expected to stay level over the life of your plan (unless you increase your benefits). The coverage is portable and can be continued if you change employers or retire.

Q: What is the tax credit for Minnesota residents?

A: The state of Minnesota passed a law back in the late 1990’s that allowed a state tax credit for those who enroll in a long term care insurance plan. Taxpayers who purchase insurance to provide long-term care coverage, such as nursing home coverage, for themselves or their spouse may take a credit of 25 percent of the premiums paid up to a maximum of \$100, or \$200 if filing jointly, on their Minnesota return using [Schedule MILTI](#).

From the “Learn More” page of the website www.mpel.org there is a link to more information from the State of Minnesota about this tax credit.

Q: What is the Minnesota Long Term Care Partnership?

A: The Minnesota Long Term Care Partnership is a public/private arrangement between long-term care insurers and Minnesota’s Medical Assistance program. It enables Minnesota residents who purchase certain long-term care insurance to have more of their assets protected if they later need the state to help pay for their long-term care. Minnesota is using this approach to give persons greater control over how they finance their long-term care and to help shore up the public safety net against coming demographic pressures. Insured individuals with a certified Partnership plan can protect assets up to the total dollar amount of benefits that have been paid for them by the LTC Partnership policy and still be able to receive Medical Assistance. For more information about the Minnesota Long Term Care Partnership please visit www.mnltpartnership.org.

Q: Are any of the plans in M-Pel certified for the Minnesota Long Term Care Partnership?

A: Yes. All plans that include the optional Lifetime Automatic Benefit Increase (ABI) for inflation protection have been certified by the Minnesota Department of Commerce as meeting the requirements for the MN Long Term Care Partnership for applicants of any age.

Questions Specific to the May 2010 Open Enrollment

Q: I want to enroll for the first time. How do I do it?

A: Employees can enroll online at www.mpel.org Click on APPLY NOW! on the home page of the mpel website. This will take you to an enrollment screen, press the “Enroll Employee” button. The next page will ask you to verify that you are an employee by clicking “I want to enroll”. The next screen will ask you to enter your 8 digit employee ID number. Make sure to include all zeros (Example: 00012345). The system will recognize you as an employee and allow you to continue to enroll. Choose the options you want and click enter. The system will acknowledge that you have enrolled.

Q: I've enrolled online, but now I want to change what I did. The system won't let me. What do I do?

A: If you receive the response from the system that indicates you are already enrolled, it will provide you with the ability to print out a paper enrollment form for a PDF document. You would need to complete that form and mail it to CNA at CNA Group Long Term Care, PO Box 64908, St Paul, MN 55164. **For current insureds that use this form during May 2010, they do not need to bring it to the benefits office to complete the grey HR section of the form.** CNA already has this information since they are already enrolled.

Q: My spouse wants to apply. How do they do it?

A: Spouses cannot enroll in the same online interactive fashion that employees can. A spouse will need to complete the paper Short Form Application. This application can be obtained either from the www.mpel.org website by clicking the APPLY NOW! Link on the home page and then clicking the “Short Form Application” link on the section about “Spouses of Employees”. The application form should be mailed to CNA at CNA Group Long Term Care, PO Box 64908, St Paul, MN 55164. **During the May 2010 enrollment period they do not need to bring it to the personnel office to complete the HR section** as it says in the instruction sheet. The State of Minnesota has provided CNA with an eligibility file to be used only during this time to complete that information.

Q: I am currently insured in the M-Pel plan. Is anything changing from what is currently offered?

A: An additional daily benefit amount of \$200 per day is being added to the plan, so there are now three daily benefit choices of \$100, \$150 or \$200 per day. In addition, a new shorter lifetime maximum that is the equivalent of a 2 year time period (if the maximum daily benefit is being used) is being added to the plan. This does not affect any coverage that is currently in force. We are just adding these new options because the average costs for care have risen in recent years and the higher daily benefit may be desirable by some people. The new lifetime maximum is just to give another option to the plan.

There were some features that were part of the plan when it started in 2002 that were discontinued for new enrollment back in 2006. At that time the main reasons were to provide a plan with daily benefits more closely in line with actual nursing home costs, to remove features that have very little participation, and also make the plan easier to understand. As of August 1, 2006 the \$80 and \$120 per day levels of coverage were discontinued and the two choices to be offered were \$100 and \$150 per day. The Facilities Only plan and the 5000X Lifetime Maximum was also discontinued. The plan with Comprehensive coverage remained. Since there is no need to distinguish between a comprehensive and facilities plan any longer, the specific name “Comprehensive” was no longer used in any of the materials. But the coverage being offered is always comprehensive in nature.

These changes do not have any effect on existing coverage from someone that may have a plan that is no longer offered. They may keep their coverage as is. If they are happy with their current level of coverage there is no need to do anything. The M-Pel is just no longer offering those particular features for new enrollment.

In 2006 a World Wide Coverage rider was added as a standard for all insureds, both new and existing.

Information regarding the changes to the plan is available on the website www.mpel.org under the “Current Enrollees” section.

Q: I am currently insured in the M-Pel plan, but I want to increase my coverage. How do I do that?

A: Currently insured employees can increase their coverage on a GI basis to any other benefit level being offered during the May 2010 enrollment period without answering any medical questions. They cannot move to one of the older existing coverage choices that were discontinued in the past.

To increase coverage a current participant will need to complete the paper enrollment form. They cannot make a change through the interactive online system. The paper form can be obtained from the website www.mpel.org on the page for “Current Enrollees” From this page there is a link in the section about increasing coverage to a PDF version of the enrollment form that can be printed. The form can also be obtained from a new enrollment kit.

The current insured should complete the form, choosing the level of coverage they desire and mail to CNA at CNA Group Long Term Care, PO Box 64908, St Paul, MN 55164. **For current insureds that use this form during May 2010, they do not need to bring it to the benefits office to complete the grey HR section of the form.** CNA already has this information since they are already enrolled.

Q: My spouse is currently insured in the M-Pel plan and also wants to increase their coverage. How do they do that?

A: A spouse that wants to increase coverage should complete the Short Form Application that is available on the website www.mpel.org or in an enrollment kit. They should mail it to CNA at CNA Group Long Term Care, PO Box 64908, St Paul, MN 55164. **During the May 2010 enrollment period they do not need to bring it to the personnel office to complete the HR section** as it says in the instruction sheet. The State of Minnesota has provided CNA with an eligibility file to be used only during this time to complete that information.

Q: I am currently enrolled in the M-Pel plan and want to know what my new premium will be if I increase my coverage?

A: To find out what your new premium will be if you increase coverage, please contact CNA’s Group Long Term Care Customer Service at 888-653-9600. They will be able to tell you what the premium amount will be for the various plans that are available.

Q: What if an employee is on leave of absence during the May 2010 enrollment period?

A: If an employee is on leave of absence during the May 2010 open enrollment period they are not eligible to apply during that time. When they return from their leave of absence we will allow them a 30 day time period to enroll in the plan. The 30 days begins on the first day they are back to regular actively at work status. CNA will confirm with the employer the dates of the leave of absence.

Q: What if an employee goes out on leave of absence prior to their effective date of coverage?

A: If an employee was actively at work when they enrolled for coverage during May 2010, but goes out on leave of absence prior to their effective date of coverage, their coverage will not go in force until they have returned to regular actively at work status. A person must be actively at work on the effective date for coverage to be put in force. CNA will confirm with the employer dates of any leave of absence.

Q: When will the new coverage become effective?

A: The effective date of coverage for employees who enroll during the May 2010 open enrollment period will be as follows: For those employees who receive payroll deductions for premiums, the coverage will be effective with the beginning of the pay period that includes July 1, 2010. For those who are directly billed for premiums, the coverage will be effective on July 1, 2010.

For spouses who are approved for coverage, the effective date of that coverage will be no sooner than the dates listed above for employees, but could be later depending on the time needed to reach an underwriting decision. If approved, the actual effective date will be shown on the Certificate of Coverage that they will receive in the mail. Coverage for spouses is always subject to underwriting approval and is not guaranteed.

For parents of employees and retirees and their spouses who are approved for coverage, the actual effective date will be shown on the Certificate of Coverage that they will receive in the mail if approved. The effective date for people in this classification will always be the first day of a month. Coverage for parents of employees, retirees and their spouses is always subject to underwriting approval and is not guaranteed.

Q: What if I retire, quit, or get fired prior to the effective date?

A: An employee must be actively at work at their regular job on the effective date for the coverage to be put in force. Even if an employee was actively at work when they enrolled during the May 2010 enrollment period, if they retire, quit, get fired or have their employment terminated for any reason prior to the actual effective date of coverage, the coverage **will not** be put in force. Likewise, any spouse or parent application that may have been approved, will not become effective if the employee is no longer employed on the effective date.

Q: Can an employee who was previously declined enroll during the May 2010 open enrollment period?

A: Yes. An employee who was previously declined may enroll during the May 2010 enrollment period. All other classes of insureds (spouse, parents, etc...) still have their normal underwriting rules.

Q: If I don't enroll now when will the next open enrollment be held?

A: At this time there is no thought as to when, if ever, another guarantee issue open enrollment period such as this one will be held. There are no plans to do this again. Once the May 2010 enrollment period ends employees may apply for coverage using the short form application and are subject to underwriting approval prior to being accepted into the plan.

Q: What happened to the older separate retire plan?

A: Up until 2006 there was a separate retiree plan for retirees and their spouses to enroll in. That plan had different daily benefits and features than the plan offered to employees and the other eligible classes. This made it very confusing. That plan was discontinued in June 2006. All retirees and their spouses are now eligible for the same plan as the rest of the employee population.

Q: I am a retiree who is already enrolled in the previous separate retiree plan. Do I need to do anything?

A: No. Even though the older retiree plan is no longer available for new enrollment, anyone who is already in that plan can keep their coverage as it is. There is no change for them. There is no need for them to do anything