

Long Term Care Insurance

Glossary of Terms

Activities of Daily Living (ADLs): Everyday actions performed by individuals such as dressing, eating, bathing, toileting, continence and transferring. Most insurance policies covering long term care services base your qualification for benefits on your inability to perform a certain number of ADLs.

Adult Day Care: Group supervision for elderly persons, including social and recreational services and in some cases health services, in a community facility.

Alternate Level of Care Benefits: Care in a hospital inpatient setting for those persons waiting to be placed in a nursing home or while arrangements are being made for home care.

Assisted Living Facility: A residential facility providing ongoing care and related services for persons needing assistance in the activities of daily living.

Copayment or Coinsurance: The amount you must pay for each medical service, outpatient hospital service or hospital stay.

Custodial Care: Non-medical care that meets your personal needs. For example, custodial care includes help eating, bathing, toileting, taking medication or walking.

Cognitive Impairment: Deterioration in intellectual activity such as thinking, reasoning or remembering.

Daily Benefit Amount: The amount your insurance policy will cover for each day of services provided. Some policies pay a flat daily benefit amount, while others will pay reasonable and customary charges up to the daily benefit amount.

Deductible: The amount you must pay for health care before Medicare or private medical insurance begins to pay.

Dementia: Impairment of intellectual faculties due to a disorder of the brain.

Elimination or Waiting Period: The elimination or waiting period is the number of days you must receive long term care services before benefits will be paid under the policy. During the elimination or waiting period you will have to privately pay for the care you receive. A new elimination or waiting period may be imposed for each period of care. Shorter periods increase the cost of coverage.

Free Look Period: The time period after receipt of the policy during which a policyholder can cancel and get a full refund. In New York State this period is 30 days.

Functional Impairment: The need for assistance to carry out a specific number of activities of daily living.

Guaranteed Renewable: Guaranteed renewable means that you have the right to continue the policy as long as the premiums are paid on a timely basis. An insurer cannot terminate the policy if your health declines. The insurer also cannot make any change in any provision of the policy while the insurance is in force without your agreement. An insurer cannot change the premium charged for the policy unless it is approved by the New York State Insurance Department, and unless it applies to all members of a class covered by the policy.

Home Care (personal care): Assistance with personal hygiene, dressing or feeding, nutritional or support functions and health-related tasks.

Home Health Care: Health services received in your home, including skilled nursing care, speech, physical or occupational therapy or home health aide services.

Hospice Care: A program of care and treatment, either in a hospice facility or in the home, for persons who are terminally ill and have a life expectancy of six months or less.

Inflation Protection Benefit: Increases the daily benefit amount and policy maximums over time to help keep pace with inflation and increased expenses.

Maximum Policy Benefit: The period of time or dollar amount limit for which long term care benefits will be paid under the policy.

Medicaid: A governmental program for low-income individuals and families.

Medicare: A federal program providing hospital and medical insurance to people aged 65 or older and to certain ill or disabled persons.

Medicare Supplement Insurance: Private insurance designed to fill in some of the major gaps in Medicare coverage.

New York City Metropolitan Area: The counties of Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester.

Nonforfeiture Benefit: A benefit designed to ensure that if an insurance policy is lapsed after a specific number of years, some of the benefits from the policy will be retained.

Partnership for Long Term Care: A public-private partnership which combines private long term care insurance with Medicaid Extended Coverage to provide New Yorkers with a lifetime of long term care benefits.

Period of Care: A specified number of days of care either in a nursing home or while receiving home care services without a break in the services for a specified number of days.

Preexisting Condition: A medical condition for which medical advice was given or treatment was recommended by, or received from, a licensed health care provider within six months before the effective date of coverage.

Respite Care: Services to provide family members a rest or vacation from caregiving responsibilities.

Skilled Nursing Care: A level of care that must be given or supervised by registered nurses.

Viatical Settlement: A cash lump sum paid in lieu of a life insurance policy's death benefits.

Waiting Period: See Elimination Period

Waiver of Premium: After a policyholder has received benefits for the specific number of days stated in the policy, no further premiums will be due until they leave the nursing home.

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