

Long Term Care Insurance

Long Term Care (LTC) is the help or supervision provided for someone with severe cognitive impairment or the inability to perform the Activities of Daily Living, including bathing, dressing, eating, toileting, transferring, and continence. Services may be provided at home or in a facility – and care may be provided by a professional or informal caregiver, such as a friend or family member.

The Long Term Care (LTC) Insurance plan is offered through The Prudential Insurance Company of America (Prudential LTC).

Commonly Asked Questions

Why do I need LTC Insurance?

Your odds of needing Long Term Care Insurance may be greater than you think. More than 2 in 5 people over the age of 65 will require nursing home care at some time in their lives.¹ It could be the result of spinal cord injury, heart attack, stroke, or age-related illness such as Parkinson's Disease or Alzheimer's Disease.

How expensive is LTC?

In Maryland, it can cost over \$87,600 a year for nursing home care alone.² When people suddenly find themselves the primary caregiver for a loved one, the responsibility could result in a huge financial and emotional burden.

Isn't care covered by other insurance?

Disability income insurance provides no benefits for the services covered by LTC insurance – while Medicaid and Medicare have significant limitations.

Am I too young for LTC insurance coverage?

It's never too early to purchase coverage. You may be surprised to learn that 40% of LTC insurance benefit recipients are under the age of 65.³ And the younger you are when you first purchase Long Term Care Insurance, generally the lower your premium for the life of your plan, regardless of your age or health status in later years.

Can I get coverage for other family members, too?

You can also extend coverage to qualifying family members (such as a spouse, parent, or grandparent). To be considered for enrollment, they will need to provide evidence of good health to Prudential.

What happens to my coverage if I leave employment with or retire from the State of Maryland?

The LTC Insurance plan is portable. If you leave employment with or retire from the State, you can take your LTC Insurance coverage with you. (Premiums and coverage will not change due to retiree status, but payment must be made directly to Prudential.)

Are LTC premiums pre-tax deductions?

No. Under Federal guidelines, LTC premiums cannot be pre-tax deductions.

Can retirees and family members enroll in LTC insurance coverage?

Yes. State retirees and family members must provide medical history to be approved for coverage and payments are made directly to Prudential.

Guaranteed Issue for Actively-at-Work Employees Who Enroll Within 60 Days of Their Date of Hire

If you are a new, permanent, actively-at-work State of Maryland/Satellite Account employee who works at least 20 hours per week, you can receive guaranteed issue coverage if you enroll within 60 days of your date of hire. That means you do not have to provide medical history to be approved for coverage. Current State employees, State retirees and all family members covered by Active employees or retirees must provide medical history to be approved for coverage.

¹ "Long Term Care Insurance: Who Really Needs It?", Journal of Financial Planning, Sept. 2004

² Long Term Care Cost Study, Prudential Research Report, 2010

³ Americans for Long-Term Care Security (ALTCS), "Did You Know," 2005, www.ltcweb.org/learn.html#di

Your Choices

LTC Insurance is available to all actively at work full-time and part-time State of Maryland/Satellite Account employees working at least 20 hours per week, State retirees, and their family members. Unlike other plans outlined in this guide, coverage may be elected for more than you and your dependents. Coverage under the LTC plan is offered to:

- ✿ Legal Spouses;
- ✿ Parents (in-laws included);
- ✿ Grandparents (in-laws included); and
- ✿ Children age 18 or older and their spouses.

For each individual you choose to cover, you must select one of the plans listed below.

Plan Option	Nursing Home Care & Assisted Living Facility Daily Maximum*	Home & Community-Based Care Daily Maximum*	Lifetime Maximum**
Plan 1	\$85	\$43	\$93,075
Plan 2	\$85	\$43	\$186,250
Plan 3	\$100	\$50	\$109,500
Plan 4	\$100	\$50	\$219,000
Plan 5	\$150	\$75	\$164,250
Plan 6	\$150	\$75	\$328,500
Plan 7	\$200	\$100	\$219,000
Plan 8	\$200	\$100	\$438,000

* Benefits are paid up to the daily maximum.

** All benefits paid will be deducted from the lifetime maximum.

How the Plan Works

In order to receive benefits, you must be confirmed as having a chronic illness or disability by a licensed health care practitioner.

A qualifying chronic illness or disability is one in which there is:

- ✿ A loss of the ability to perform, without substantial assistance, at least two of the Activities of Daily Living (ADLs). This loss must be expected to continue for at least 90 days. ADLs are bathing, continence, dressing, eating, toileting, and transferring; or
- ✿ A severe cognitive impairment, which requires substantial supervision to protect you from threats to your health and safety.

BENEFIT WAITING/ELIMINATION PERIOD

Before you can receive benefits, you must satisfy the 90-day benefit waiting/elimination period. This period is counted in calendar days and begins on the date you are assessed, if you are determined to be eligible for benefits. You do not need to receive formal LTC services to satisfy the waiting period, and this waiting period only needs to be satisfied once during the period you are covered by the Prudential LTC plan.

PERIODIC INFLATION PROTECTION

As part of the plan, you may increase your coverage on a periodic basis without submitting any additional health information (as long as you have not declined the previous two consecutive inflation offers). Inflation protection will be offered at least every three years to individuals who do not elect the optional automatic inflation protection feature.

For More Information

For more information, to enroll, or to download enrollment forms:

- Visit www.prudential.com/gltc (group name: maryland; password: marylandltc); or
- Call 1-800-732-0416, Monday through Friday, 8:00 a.m. to 8:00 p.m., ET.

OPTIONAL FEATURES

You may customize your plan to meet your needs and the needs of your family members by choosing either of these optional features:

- ✿ Automatic inflation protection – coverage amounts increased at least 5% per year, compounded annually
- ✿ Non-forfeiture shortened benefit period – allows you to retain access to a portion of the benefits if you stop paying premiums (after at least five years)

Keep in mind that choosing optional features will increase your premium amount.

ADDITIONAL BENEFITS

The LTC Insurance plan through Prudential also offers these additional benefits:

- ✿ Bed reservation;
- ✿ Hospice care;
- ✿ Respite care;
- ✿ Independence support;
- ✿ Informal care;
- ✿ Caregiver training;
- ✿ Information and referral services;
- ✿ Private care management;
- ✿ Alternate plan of care;
- ✿ Death benefit;
- ✿ Cash alternative;
- ✿ International coverage benefit; and
- ✿ Marriage discount.

There is no waiting period for hospice care, independence support, caregiver training, information and referral services, or private care management.

EXCLUSIONS

Benefits will not be payable if any of the following situations apply:

- ✿ **Work-connected conditions charge:** A charge covered by a Workers' Compensation law, occupational disease law, or similar law
- ✿ **Government plan charge:** A charge for a service or supply:
 - Furnished by or for the United States government or any other government, unless payment of the charge is required by law; or
 - To the extent that the service or supply, or any benefit for the charge, is provided by any law or governmental plan under which the patient is or could be covered*
- ✿ **Self-inflicted injury or suicide:** Charges arising from intentionally self-inflicted injury or attempted suicide, while sane or suffering from inorganic-based insanity or mental illness
- ✿ **Services and supplies outside the United States:** Charges for services or supplies outside the United States and its possessions (does not apply to the International Coverage Benefit)
- ✿ **Treatment for chronic alcoholism or chemical dependency:** Charges in connection with the treatment of chronic alcoholism or chemical dependency
- ✿ **War, felony, riot, or insurrection:** Charges for a condition due to war or any act of war while you are insured or due to the insured's participation in an act of felony, riot, or insurrection**

* This does not apply to a State plan under Medicaid or to any law or plan when, by law, its benefits are excess to those of any private insurance program or other non-governmental program. When this is applied to Medicare, the benefits provided by Medicare will be deemed to include any amount that would have been payable by Medicare in the absence of a deductible or coinsurance requirement under that program.

** War means declared or undeclared war and includes resistance to armed aggression. Riot means a wild, violent, public disturbance of the peace.