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PHCA/CALM BACKS CONSUMER PROTECTIONS FOR LONG-TERM CARE INSURANCE

HARRISBURG --- Individuals and families should take more control of their future long-term care needs to protect themselves and their hard-earned assets, cautioned Anne Henry, Chief Operating Officer of the Pennsylvania Health Care Association (PHCA) and Center for Assisted Living Management (CALM) in testimony submitted to the House Insurance Committee today.

Long-term care insurance is a vital piece of planning and paying for future health-care needs, yet it is not purchased by most Pennsylvanians and widely misunderstood. The House Insurance Committee held a hearing today in Sharspsburg, Allegheny County, on HB 1251, a measure that would help to enhance consumer protections for those who purchase coverage.

“Too many people have the mistaken notion that their long-term care needs are covered by regular insurance or government programs like Medicare and Social Security. But they’re not,” Henry said. “By the time people realize they’re on their own, it’s too late. More and more seniors and their families are finding themselves woefully unprepared for the real cost of care.

“Not only do we need to encourage more Pennsylvanians to purchase long-term care insurance to ensure they get high quality care as they age, we also need to make sure strong protections are in place so they get what they paid for from the policies they purchase,” Henry said.

Henry reported that PHCA/CALM has heard about long-term care insurance carriers denying claims that they should be paying, or delaying payment for long periods of time. That affects both the consumer and their provider of care, such as nursing homes. In June 2008, the U.S. General Accounting Office issued a report, “Long-Term Care Insurance: Oversight of Rate Setting and Claims Settlement Practices,” that questioned the performance of long-term care insurance underwriters with respect to rates and claims nationally.

In Pennsylvania, House Bill 1251 aims to introduce into long-term care the same consumer protections provided for in other types of insurance, such as accident coverage and health insurance. This includes timely responses to complaints and an appeals process.

Long-term care insurance can provide coverage for a full range of services, including home care, adult day care, personal care home/assisted living and nursing homes. Not only does it give seniors and their families more options in choosing the long-term care venue of their choice, it can also help to safeguard hard-earned assets.

Financial experts say that unless you are poor enough to qualify for Medicaid or wealthy enough to pay for your care as you do other bills, you should consider long-term care insurance. Consumers should compare policies and prices among insurance providers, as they can range greatly.

“The reality is that the long-term care system today is far too complex, and the population we serve is far too diverse for any single solution for everyone,” Henry said. “Buying long-term care insurance is one option, but it is not an easy task, and it requires a great deal of caution on behalf of the consumer.

“But considering the high cost of long-term care, it’s worth it for many people --- so long as consumers get what they are paying for,” she continued. “That makes the consumer protections afforded by House Bill 1251 all the more important.”

PHCA/CALM, which submitted testimony to the committee, supports the legislation, but added that amendments are needed to enhance the bill.

The measure is specifically geared toward long-term care insurance; yet, its definitions of the facilities that provide this care are unclear. While the bill defines “health care provider,” it does not define “health care facility.” Henry said the measure should be amended to include and more clearly define those providers that serve Pennsylvania’s long-term care continuum --- nursing homes, assisted living facilities, personal care homes and home and community-based care.

Moreover, because the state’s long-term care network is evolving to serve a changing and aging population, Henry suggested that the committee look at amending the measure to provide generally for these providers of long-term care so that House Bill 1251, once enacted, continues to ensure consumer protections over time as policies change.

As one of the nation’s oldest and most rapidly aging states, Pennsylvania has a lot at stake. The Urban Institute reports that because of poor planning, long-term care is a leading cause of catastrophic out-of-pocket costs for families. Data show that only 35 percent of people 65 or older think they will need long-term care in the future, whereas 70 percent of those turning 65 this year will eventually require some form of long-term care.

PHCA/CALM is a statewide advocacy organization for Pennsylvania’s most vulnerable older residents and their providers of care. Members comprise for-profit, nonprofit and government providers. PHCA and CALM represent more than 334 long-term care and senior service providers that care for almost 33,200 elderly and disabled individuals. For more information call 717-221-1800 or visit www.phca.org.

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