

# THE WALL STREET JOURNAL

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## The Latest Long-Term Care Snafu



Still, most claims-related problems can be avoided. The key: to reread the policy's fine print before hiring a caregiver or entering a facility. In some cases, it also may make sense for beneficiaries or their adult children to enlist help in preparing claims from an agent or geriatric-care manager.

Some claims are rejected simply because a health-care professional fails to document a disability adequately.

### January 22, 2011 Comments

Most long term care policies clearly state that you qualify for benefits if you need substantial assistance with two or more of the six activities of daily living (ADLs): 1) Bathing, 2) Continence, 3) Dressing, 4) Eating, 5) Toileting, 6) Transferring

**OR** You have a severe cognitive impairment, such as: dementia, Alzheimer's disease, short or long term memory loss, poor orientation of people, places or time, poor deductive or abstract reasoning, or poor judgment of safe or unsafe situations **AND** Your care is expected to last at least 90 days.

Some long term care insurance policies will pay for informal care provided by unlicensed friends and unlicensed neighbors, who can also provide homemaker chores. Because informal care can cost half as much as formal care, a policy that covers informal care can allow your benefits to last twice as long. Policies that require licensed or certified home health care providers limit which providers you can utilize for your home care. Licensed or certified providers can be much more expensive than unlicensed or uncertified providers. Licensed or certified providers can drain your policy's pool of money much quicker than unlicensed or uncertified providers.

**Long Term Care Insurance Companies Approve the Vast Majority of Claims They Receive.** The two largest long term care insurance companies, Genworth and John Hancock, each have approximately **95% claims approval rates**. In the case of John Hancock, the main reason for denials is that the policyholder is not yet eligible for benefits (e.g.: unable to perform one activity of daily living instead of the two required by the policy).

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