

NAIC Long-term Care and Partnership Training Course

Glossary

A

A.M. Best Rating :

Independent judgment by the A.M. Best Company, a private organization that evaluates and monitors the financial strength of life insurance companies. The company assigns letter grades from A++ (the highest) through C.

Accelerated Death Benefit :

A life insurance policy feature that lets you use some of the policy's death benefit prior to death.

Activities of Daily Living (ADLs) :

Basic actions performed by an independently functioning person on a daily basis: (a) bathing; (b) dressing; (c) toileting; (d) transferring (moving to and from a bed or a chair); (e) eating; and (f) caring for incontinence. The need for assistance with ADLs or inability to perform ADLs is used to determine eligibility for many public programs such as Medicaid reimbursed long-term care services. Also, many long-term care insurance policies use the inability to do a certain number of ADLs (such as 2 of 6) as criteria for paying benefits.

Acute Care :

Care that has recovery as its primary goal; typically requires the services of a physician, nurse, or other skilled professional and usually provided in a doctor's office or hospital; usually short term.

Added Protection Upon Lapse :

(also called Third Party Designation or Third Party Notice) Long-term care insurance benefit that lets you name someone who the insurance company would notify if your coverage is about to end because of lack of premium payment. This can be a relative, friend, or professional, such as your lawyer.

Adult Day Services :

Services provided during the day at a community-based center. Programs are designed to meet the needs of functionally and/or cognitively impaired adults through an individual plan of care. These structured, comprehensive programs provide a variety of social and support services in a protective setting during any part of a day, but less than 24-hour care. Many adult day service programs include health-related services.

Advanced Directive :

(also called Health Care Directive, Advanced Health Care Directive, Living Will, or Health Care Directive) Legal document used to specify whether you would like to be kept on artificial life support if you become permanently unconscious or are otherwise dying and unable to speak for yourself. It also specifies other aspects of health care you would like under those circumstances.

Alzheimer's Disease :

Progressive, degenerative form of dementia that causes severe intellectual deterioration; first symptoms are impaired memory, which is followed by impaired thought and speech and finally complete helplessness.

Arthritis :

Disease involving inflammation of a joint or joints in the body.

Assisted Living Facility :

Residential living arrangement that provides individualized personal care, assistance with Activities of Daily Living, help with medications, and services such as laundry and housekeeping. Facilities may also provide health and medical care, but care is not as intensive as care offered at a nursing home. Types and sizes of facilities vary, ranging small homes to large apartment-style complexes. Levels of care and services also vary. Assisted living facilities allow people to remain relatively independent.

Attending Physician's Statement (APS) :

Report from your doctor or a medical facility that has treated you, providing information such as medical history, medications, and diagnoses.

B**Bathing :**

Washing oneself by sponge bath, or in the bathtub or shower. One of the six Activities of Daily Living (ADLs)

Benefit Triggers (Triggers) :

Criteria insurance companies use to determine when you are eligible to receive benefits. The most common Benefit Triggers for long-term care insurance are: (1) needing help with two or more ADLs, or (2) having a Cognitive Impairment.

Benefit Waiting Period :

Specified amount of time at the beginning of a disability during which covered services are received, but for which the policy will not pay benefits (also known as a Deductible Period or Elimination Period). A Service Day Deductible Period is satisfied by each day of the period on which you receive covered services. A Calendar Day or Disability Day Deductible Period doesn't require that you receive covered services during the entire deductible period, but only requires that you meet the policy's benefit triggers during that time period.

Benefits :

Monetary sum paid by an insurance company to a recipient or to a care provider for services covered by the insurance policy.

Board and Care Home :

(also called Group Home) Residential private homes that are designed to provide housing, meals, housekeeping, personal care services, and supports to frail or disabled residents. At least one caregiver is on the premises at all times. In many states, Board and Care Homes are licensed or certified and must meet criteria for facility safety, types of services provided, and the

number and type of residents they can care for. Board and Care Homes are often owned and managed by an individual or family that is involved in the every day operation of the home.

C

Care Management Services :

(also called care coordination services) Service in which a professional, typically a nurse or social worker, arranges, monitors, or coordinates long-term care services.

Caregiver :

Person providing care to someone with chronic illness or disability; may be unpaid (family, friend, or volunteer) or paid; provides care in the home or community. Unpaid caregivers are also called Informal Caregivers. Paid caregivers are trained and possibly licensed or certified, if required by the state. They are sometimes called Formal Caregivers.

Cash Surrender Value :

Amount of money you may be entitled to receive from the insurance company when you terminate a life insurance or annuity policy. The amount of cash value is determined as stated in the policy.

Charitable Remainder Trust :

Special tax-exempt irrevocable trust written to comply with Federal tax laws and regulations. With this kind of trust, you transfer cash or assets into the trust and may receive some income from it for life or a specified number of years (not to exceed 20). The minimum payout rate is 5 percent and the maximum is 50 percent. At your death, the remaining amount in the trust goes to the charity that was designated to receive it as part of the trust arrangement.

Chronically Ill :

Having a long lasting or recurrent illness or condition that causes a person to need help with Activities of Daily Living and often other health and support services, for example Parkinson's Disease or Alzheimer's disease. At a minimum, the condition is expected to last for at least 90 consecutive days. Term used in a tax-qualified long-term care insurance policy to describe a person who needs long-term care because of an inability to do a certain number of everyday Activities of Daily Living without help or because of a severe cognitive impairment.

Cognitive Impairment :

Deficiency in short or long-term memory; orientation to person, place and time; deductive or abstract reasoning; or judgment as it relates to safety awareness. (An example of a cognitive impairment is Alzheimer's disease.)

Community Spouse :

Spouse of the person applying for or receiving Medicaid long-term care services.

Community-Based Services :

Services and service settings in the community, such as adult day services, home delivered meals, or transportation services. Often referred to as home and community-based services, they are designed to help older people and people with disabilities stay in their homes as independently as possible.

Continence :

Ability to maintain control of bowel and bladder functions; or when unable to maintain control these functions, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag). One of the six Activities of Daily Living.

Contingent Nonforfeiture :

Long-term care insurance policy provision automatically included in many newer policies, which provides a limited amount of continuing coverage even if the policy lapses due to non-payment of premium, if the non-payment is due to a significant increase in premium rates. The policy defines what is considered a significant increase in premiums based on your age at the time you bought the policy.

Continuing Care Retirement Communities (CCRC) :

Retirement complex that offers a range of services and levels of care. Residents may move first into an independent living unit, a private apartment or house, on the campus. The CCRC provides social and housing-related services and often also has an assisted living unit and an on-site or affiliated nursing home. If and when residents can no longer live independently in their apartment or home, they move into assisted living or the CCRC's nursing home.

Continuous Payment Options :

Premium payment option that requires a person to pay premiums for the life of the policy or until they begin to receive benefits. Premiums are usually paid on a monthly, quarterly, semi-annually or annual basis. The policy is not cancelable, except in the event of nonpayment of premiums.

Convalescent Care Facility :

(also called Nursing Home or Long-Term Care Facility) Licensed facility that provides general nursing care to those who are chronically ill or unable to take care of daily living needs.

Countable Assets :

Assets whose value is counted in determining financial eligibility for Medicaid. They include vehicles other than the one used primarily for transportation, life insurance with a face value over \$1,500, bank accounts, trusts, and your home, if your spouse or child does not live there and its equity value is greater than \$500,000 (in some states up to \$750,000).

CPR (Cardiopulmonary Resuscitation) :

Combination of rescue breathing (mouth-to-mouth resuscitation) and chest compressions used if someone isn't breathing or circulating blood adequately. CPR can restore circulation of oxygen-rich blood to the brain.

Custodial Care (Personal Care) :

(also called personal care) Non-skilled service or care, such as help with bathing, dressing, eating, getting in and out of bed or chair, moving around, and using the bathroom. May also include care that most people do themselves, such as using eye drops.

D

Daily Maximum (or Daily Benefit Maximum) :

Specified dollar amount that is the maximum amount paid per day for covered services. Policies may pay the full daily maximum regardless of the cost of care or may pay a percent of actual expenses up to the specified daily maximum amount. Some policies specify a single Daily Maximum for all covered services (for example, nursing home care, assisted living facility, home care) and other policies have one Daily Maximum for nursing home care and a lower amount for other covered services.

Deductible Period :

Specified amount of time at the beginning of a disability during which covered services are received, but for which the policy will not pay benefits (also known as an Elimination Period or Benefit Waiting Period). A Service Day Deductible Period is satisfied by each day of the period on which you receive covered services. A Calendar Day or Disability Day Deductible Period doesn't require that you receive covered services during the entire deductible period, but only requires that you meet the policy's benefit triggers during that time period.

Deficit Reduction Act of 2005 :

Legislation passed by the U.S. Congress and signed into law in December 2005 that is designed to trim the Federal deficit. It includes major changes in the Federal Medicaid policy.

Dementia :

Deterioration of intellectual faculties due to a disorder of the brain.

Disability Method :

Method of paying long-term care insurance benefits that only requires you to meet the benefit eligibility criteria. Once you do, you receive your full daily benefit.

Disabled :

For Medicaid eligibility purposes, a disabled person is someone whose physical or mental condition prevents him or her from doing enough work or the type of work needed for self-support. The condition must be expected to last for at least a year or be expected to result in death. Persons receiving disability benefits through Supplemental Security Income (SSI), Social Security, or Medicare automatically meet this criterion.

Disclosure Form :

(also called Outline of Coverage) Description of benefits, exclusions, and provisions of a long-term care insurance policy. Most state laws specify the format and content of the Outline of Coverage. The Outline of Coverage must be provided to a prospective applicant for insurance before the application is taken.

Do Not Resuscitate Order (DNR) :

Written order from a doctor that resuscitation should not be attempted if a person suffers cardiac or respiratory arrest. A DNR order may be instituted on the basis of an Advance Directive from a person, or from someone entitled to make decisions on their behalf, such as a health care proxy. In some jurisdictions, such orders can also be instituted on the basis of a physician's own initiative, usually when resuscitation would not alter the ultimate outcome of a disease. Any

person who does not wish to undergo lifesaving treatment in the event of cardiac or respiratory arrest can get a DNR order, although DNR is more commonly done when a person with a fatal illness wishes to die without painful or invasive medical procedures.

Dressing :

Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs. One of the six Activities of Daily Living.

Durable Power of Attorney :

Legal document that gives someone else the authority to act on your behalf on matters that you specify. The power can be specific to a certain task or broad to cover many financial duties. The power can be given to start immediately or upon mental incapacity. To be valid the document must be signed by you before you become disabled.

E

Eating :

Feeding oneself by getting food into the body from a receptacle, such as a plate, cup or table, or by a feeding tube or intravenously. It is one of the six Activities of Daily Living.

Elimination Period :

Specified amount of time at the beginning of a disability during which covered services are received, but for which the policy will not pay benefits (also known as a Deductible Period or Benefit Waiting Period). A Service Day Deductible Period is satisfied by each day of the period on which you receive covered services. A Calendar Day or Disability Day Deductible Period doesn't require that you receive covered services during the entire deductible period, but only requires that you meet the policy's benefit triggers during that time period.

Equity Value :

Fair market value of property minus any encumbrances on the property such as mortgages or loans.

Estate Recovery :

The process by which Medicaid recovers an amount of money from the estate of a person who received Medicaid. The amount Medicaid recovers cannot be greater than the amount it spent on the person's medical care.

Exempt Assets :

(also called Non-countable Assets) Assets whose value is not counted in determining financial eligibility for Medicaid. They include personal belongings, one vehicle, life insurance with a face value under \$1500, and your home, if your spouse or child lives there or its equity value is less than \$500,000 (\$750,000 in some states).

Expense-Incurred Method :

(also called Reimbursement Method) Most common method of paying long-term care insurance benefits. Your policy or certificate will pay benefits when you receive eligible services. Once you have incurred an expense for an eligible service, benefits are paid either to you or your provider. The coverage pays for the lesser of the expense you incurred or the dollar limit of your policy.

F

Fair Market Value :

Value of a property if sold at the market's current prevailing price.

Federal Poverty Level :

Income standard that is issued annually by the Federal government and that reflects increases in prices, as measured by the Consumer Price Index.

Fee For Service :

Method of paying providers, which pays a fixed amount for each service provided. In Medicaid programs, Fee for Service gives Medicaid recipients the choice to receive care from any Medicaid participating provider for medical services.

Financial Eligibility :

Assessment of an individual's available income and assets to determine if he or she meets Medicaid eligibility requirements.

Free-Look :

Typically, a 30-day period following receipt of a long-term care insurance policy during which you may return it for any reason for a full refund of any premiums paid.

Functional Eligibility :

Assessment of an individual's care needs to determine if he or she meets Medicaid eligibility requirements for payment of long-term care services. The assessment may include a person's ability to perform Activities of Daily Living and/or the need for skilled care.

Future Purchase Option (FPO) :

Form of Inflation Protection in a long-term care insurance policy, where the insured has the right to increase benefits periodically (for example, annually or every three years) to reflect increases in the cost of care. Increases can be elected without providing evidence of insurability as long as the insured is not receiving benefits at the time. Terms of the FPO vary from one company to another.

G

General Medicaid Eligibility Requirements :

Residency and citizenship criteria for Medicaid applicants: You must be a resident of the state where you are applying; be either a United States citizen or a legally admitted alien; and be 65 or over or meet Medicaid's rules for disability, or be blind.

Group Home :

(also called Board and Care Home) Residential private homes that are designed to provide housing, meals, housekeeping, personal care services, and supports to frail or disabled residents. At least one caregiver is on the premises at all times. In many states, Board and Care Homes are licensed or certified and must meet criteria for facility safety, types of services provided, and the number and type of residents they can care for. Board and Care Homes are

often owned and managed by an individual or family that is involved in the every day operation of the home.

Guaranteed Renewable :

Describes a long-term care insurance policy that cannot be cancelled by an insurance company unless benefits have been exhausted or premiums have not been paid as due. The company cannot change the coverage or refuse to renew coverage for other than nonpayment of premiums (including health conditions and/or marital or employment status). In a guaranteed renewable policy, the insurance company may increase premiums only on an entire class of policies, not just on your policy.

H

Hands-On Assistance :

Physical assistance from another person, without which the individual would not be able to perform an Activity of Daily Living.

Health Care Directive :

(also called Advanced Directive, Advanced Health Care Directive, Living Will, or Health Care Directive) Legal document used to specify whether you would like to be kept on artificial life support if you become permanently unconscious, or are otherwise dying and unable to speak for yourself. It also specifies other aspects of health care you would like under those circumstances.

Health Care Proxy :

Legal document in which you name someone to make health care decisions for you if, for any reason and at any time, you become unable to make or communicate those decisions for yourself.

Health Insurance Portability and Accountability Act (HIPAA) :

Federal health insurance legislation passed in 1996 that allows, under specified conditions, long-term care insurance policies to be qualified for certain tax benefits.

High Blood Pressure :

Blood pressure is the force of blood pushing against the blood vessel walls. High blood pressure is when that force, as measured by a blood pressure cuff, is elevated above normal limits.

Home and Community-Based Waiver Services :

Services offered to Medicaid recipients in their homes, the provision of which prevents them from having to enter a nursing home. The services offered and populations served vary from state to state.

Homemaker/Chore Services :

Homemaker/chore services can help you with general household activities such as meal preparation, routine household care, and heavy household chores such as washing floors, windows or shoveling snow.

Hospice Care :

Short-term, supportive care for the terminally ill (life expectancy of six months or less) that focuses on pain management, and emotional, physical, and spiritual support for the patient and family. It can be provided at home, in a hospital, nursing home, or a hospice facility. Hospice care is typically paid for by Medicare and is not usually considered long-term care.

I**Income Cap :**

Income level certain states impose on persons applying for Medicaid payment of nursing facility services. Persons with income greater than the income cap are not eligible for Medicaid. As of August 2006, the following are income cap states: Alaska, Arizona, Colorado, Delaware, Georgia, Idaho, Kentucky, Mississippi, Missouri, Nevada, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, and Wyoming.

Incontinence :

Inability to maintain control of bowel and bladder functions; or when unable to maintain control these functions, the inability to perform associated personal hygiene (including caring for a catheter or colostomy bag). Continence is one of the six Activities of Daily Living.

Indemnity Method :

Method of paying benefits where the benefit is a set dollar amount, without regard to the amount of the expense incurred. The insurance company decides if you are eligible for benefits and if the services you receive are covered under the policy. The cost of specific services is not important in determining the amount of benefits paid. The insurance company pays benefits directly to you up to the limit of the policy.

Inflation Protection :

Provision of a long-term care insurance policy by which benefits increase over time, either automatically or at the option of the person insured by the policy, to help offset future increases in service costs.

Informal Care :

Care provided by family members or friends who are not paid to provide care.

Informal Caregiver :

A family member, friend, or any other person who provides long-term care without pay.

Intermediate Care Facility for the Mentally Retarded (ICF/MR) :

Facilities that provide care for mentally retarded adults. Residents may have a job or attend occupational therapy during the day, but return to the facility at night.

L**Lapse :**

Termination of a long-term care insurance policy when a renewal premium is not paid.

Limited Payment Option :

Long-term care insurance premium payment option in which the person pays premiums for a set time period. After the last premium payment, neither the company nor the person can cancel the policy. These plans are more expensive than continuous payment policies. Some policies reserve the right to charge an additional premium if rates change on a class basis, even if your policy is paid-up.

Living Will :

(also called Health Care Directive, Advanced Health Care Directive, Living Will, or Health Care Directive) Legal document used to specify whether you would like to be kept on artificial life support if you become permanently unconscious or are otherwise dying and unable to speak for yourself. It also specifies other aspects of health care you would like under those circumstances.

Long Term Care Facility :

(also called Long Nursing Home or Convalescent Care Facility) Licensed facility that provides general nursing care to those who are chronically ill or unable to take care of daily living needs.

Long-Term Care :

Variety of services and supports to meet health or personal care needs over an extended period of time.

Long-Term Care Insurance :

Specific type of insurance policy designed to offer financial support to pay for necessary long-term care services.

Long-Term Care Services :

Services that include medical and non-medical care to people with a chronic illness or disability. Long-term care helps meet health or personal needs. Most long-term care assists people with Activities of Daily Living, such as dressing, bathing, and using the bathroom. Long-term care can be provided at home, in the community, or in a facility. For purposes of Medicaid eligibility and payment, long-term care services are those provided to someone requiring a level of care equivalent to that received in a nursing facility.

Lookback Period :

Five-year period prior to a person's application for Medicaid payment of long-term care services. The Medicaid agency determines if any transfers of assets have taken place during that period that would disqualify the applicant from receiving Medicaid benefits for a period of time called the penalty period.

M**Medicaid :**

Joint Federal and state public assistance program for financing health care for the poor. It pays for health care services for those with low incomes or very high medical bills relative to income and assets. It is the largest public payer of long-term care services.

Medical Power of Attorney :

Legal document that allows you to name someone to make health care decisions for you if, for any reason and at any time, you become unable to make or communicate those decisions for yourself.

Medicare :

Federal program organized under the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965. It provides hospital and medical expense benefits for those individuals over age 65, or those meeting specific disability standards. Benefits for nursing home and home health services are limited.

Medicare Supplement Insurance :

(also called Medigap coverage) Private insurance policy that covers gaps in Medicare coverage.

Medigap Insurance

(also called Medicare Supplement Insurance) Private insurance policy that covers gaps in Medicare coverage.

Miller Trust :

(also called qualifying income trust) An income trust that is used in states that require a Medicaid recipient's income to be less than a state-designated level. Such trusts must contain a provision allocating all monies remaining in the trust (up to the amount paid for medical assistance) to the state upon the death of the recipient.

Minimum Monthly Maintenance Needs Allowance (MMNA) :

Amount of income a community spouse is allowed to retain each month. The amount is based on a Federally regulated formula that takes into account the community spouse's actual housing costs.

N**National Association of Insurance Commissioners (NAIC) :**

Membership organization of state insurance commissioners. One of its goals is to promote uniformity of state regulation and legislation related to insurance.

Non-Cancelable Policy :

Insurance contract that cannot be cancelled by the insurance company and the rates cannot be changed by the insurance company. Except for a single pay (paid-up) policy, no insurer today currently offers non-cancelable long-term care policies.

Non-countable Assets :

(also called exempt assets) Assets whose value is not counted in determining financial eligibility for Medicaid. They include personal belongings, one vehicle, life insurance with a face value under \$1500, and your home if your spouse or child lives there or its equity value is less than \$500,000 (\$750,000 in some states).

Non-Forfeiture Benefits :

Long-term care insurance policy feature that returns at least part of the premiums to you if you cancel your policy or let it lapse.

Nursing Home :

(also called Long-Term Care Facility or Convalescent Care Facility) Licensed facility that provides general nursing care to those who are chronically ill or unable to take care of daily living needs.

O**Osteoporosis :**

Bone disease characterized by a reduction in bone density. The bones become porous and brittle, as a result of calcium loss. Someone with osteoporosis is more vulnerable to breaking a bone.

Outline of Coverage :

(also called Disclosure Form) Description of benefits, exclusions, and provisions of a long-term care insurance policy. Most state laws specify the format and content of the Outline of Coverage. The Outline of Coverage must be provided to a prospective applicant for insurance before the application is taken.

P**Partnership Policy :**

Private long-term care insurance policy that allows you to protect (keep) some or all of your assets if you apply for Medicaid after using up your policy's benefits. Only a few states currently have Partnership Programs. However, the Deficit Reduction Act of 2005 allows any state that wishes to do so to establish a Partnership Program. Under a Partnership Policy, generally, the amount of Medicaid spend-down protection you receive is equal to the amount of benefits paid to you under your private Partnership policy. (State-specific program designs may vary.)

Penalty Period :

Specified period during which a person is disqualified from receiving Medicaid because of a transfer of assets. The length of the penalty period is determined by dividing the amount of transferred assets by the average monthly cost of private nursing home payment.

Personal Care :

(also called custodial care) Non-skilled service or care, such as help with bathing, dressing, eating, getting in and out of bed or chair, moving around, and using the bathroom. May also include care that most people do themselves, such as using eye drops.

Personal Needs Allowance :

Designated portion of monthly income that a person receiving Medicaid long-term care services may retain for personal needs. This amount includes food and shelter costs for persons receiving home and community-based waiver services. The amount allowed varies from state to state.

Pooled Trust :

Trust established and managed by a nonprofit organization that pools the assets in the trust for investment purposes. A separate account is maintained for each beneficiary, and the parents, grandparents, legal guardian, or court must have created the account on behalf of a disabled individual under age 65. The trust must contain a provision that the state be named beneficiary upon the death of the disabled individual in an amount up to the amount spent by Medicaid on the individual's behalf.

Pre-Existing Condition :

Condition for which medical advice or treatment was recommended by or received from a health care provider within a stated time period prior to the effective date of insurance coverage (for example, 6-12 months).

Pre-existing Condition Exclusion :

Policy provision that excludes coverage for a period of time (for example, 6-12 months) immediately following the effective date of coverage, if the care needed is the result of a pre-existing condition. The exclusion may apply to any long-term care need due to the pre-existing condition, which begins during the specified period of time, or it may only exclude coverage during the specified period of time.

Probate :

Process to determine assets that are available in an estate that is left to heirs through a decedent's will.

Property Essential to Self Support :

Property, such as a farm, that is essential to trade or business and is currently being used by and/or providing income to the Medicaid applicant or the applicant's spouse.

Q**Qualifying Income Trust :**

(also called Miller trust) An income trust that is used in states that require a Medicaid recipient's income to be less than a state-designated level. Such trusts must contain a provision allocating all monies remaining in the trust (up to the amount paid for medical assistance) to the state upon the death of the recipient.

R**Reduced Paid-up Benefits :**

A nonforfeiture option in a long-term care insurance policy that reduces your daily benefit but retains the full benefit period on your policy until death. For example, you buy a policy for three years of coverage with \$150 daily benefit: If you let the policy lapse, the daily benefit will be reduced to \$100. The exact amount of the reduction depends on how much premium you have paid on the policy. The benefit period continues to be three years. Unlike extended term benefits, which must be used in a certain amount of time after the lapse, you can use reduced paid-up benefits at any time after the lapse (until death).

Reimbursement Method :

(also called Expense-Incurred Method) Most common method of paying long-term care insurance benefits. Your policy or certificate will pay benefits when you receive eligible services. Once you have incurred an expense for an eligible service, benefits are paid either to you or your provider. The coverage pays for the lesser of the expense you incurred or the dollar limit of your policy.

Rescind :

When an insurance company voids/cancels a policy.

Respite Care :

Temporary care given by a Nursing Home, Adult Day Service Center, or private party for a person receiving long-term care services, which is intended to provide time off for those informal caregivers who ordinarily care for that person on a regular basis. Respite care is usually short-term typically 14 to 21 days of care per year.

Reverse Mortgage :

New type of loan based on home equity that enables older homeowners (62+) to convert part of the equity in their homes into tax-free income without having to sell the home, give up title, or take on a new monthly mortgage payment. Instead of making monthly payments to a lender, as with a regular mortgage, a lender makes payments to you. The loan, along with financing costs and interest on the loan, does not need to be repaid until the homeowner dies or no longer lives in the home.

Rider :

Addition to an insurance policy that changes the provisions of the policy. The rider is added at the election of the insured or applicant and may be available with or without an additional premium charge. An insurer cannot change or amend terms of a policy once issued unless such change does not reduce benefits or increase premium costs.

S**Shortened Benefit Period :**

Nonforfeiture option in a long-term care insurance policy that reduces the benefit period, but retains the full daily maximums applicable until death. The period of time for which benefits are paid is shorter. For example, you buy a policy for three years of coverage with \$150 daily benefit, but if you let the policy lapse, the benefit period is reduced to one year, with full daily benefits paid. The exact amount of the reduction depends upon how much premium you have paid on the policy. Unlike extended term benefits, which must be used in a certain amount of time after the lapse, you can use shortened benefits at any time after you let the premium lapse (until death).

Skilled Care :

Nursing care (such as help with medications, caring for wounds) and therapies (such as occupational, speech, respiratory and physical therapy). Skilled care usually requires the services of a licensed professional (such as a nurse, doctor or therapist).

Skilled Care Needs :

Services requiring the supervision and care of a nurse or physician, for example assistance with oxygen, maintenance of a feeding tube, or frequent injections.

Special Needs Trust :

Trust established by a parent, grandparent, court, or legal guardian solely for the benefit of a disabled individual who was under the age of 65 when it was created. The trust must contain a provision that the state be named beneficiary upon the death of the disabled individual in an amount up to the amount spent by Medicaid on the individual's behalf.

Spend Down :

Requirement that an individual use most of his or her income and assets to meet Medicaid eligibility requirements.

Standby Assistance :

Caregiver stays close by the individual to watch over the individual and provide physical assistance if necessary as they perform Activities of Daily Living. Someone who does not need hands-on help might need standby assistance if they are unsteady or have physical movement limitations.

State Health Insurance Program :

Federally funded program to train volunteers to provide counseling on the insurance needs of senior citizens.

Substantial Assistance :

Hands-on or standby help required to perform Activities of Daily Living.

Substantial Supervision :

Presence of person directing and watching over another an individual who has a Cognitive Impairment.

Supervisory Care :

Long-term care service for individuals with memory or orientation problems such as Alzheimer's disease. Supervision ensures that you don't harm yourself or others because your memory, reasoning, and orientation to person, place or time are impaired.

Supplemental Security Income (SSI) :

Program administered by the Social Security Administration that provides financial assistance to needy persons who are disabled or aged 65 or older. Many states provide Medicaid, without further application, to persons who are eligible for SSI.

T**Tax-Qualified Long-Term Care Insurance Policy :**

Long-Term Care Insurance policy that conforms to certain standards in Federal law and offers certain Federal tax advantages.

Term Life Insurance :

Life insurance policy that covers a person for a period of one or more years. It pays a death benefit only if you die during that term. It generally does not build cash value.

Third Party Designation :

(also called Third Party Notice or Added Protection Upon Lapse) Long-term care insurance benefit that lets you name someone who the insurance company would notify if your coverage is about to end because of lack of premium payment. This can be a relative, friend, or professional, such as your lawyer.

Third Party Notice :

(also called Third Party Designation or Added Protection Upon Lapse) Long-term care insurance benefit that lets you name someone who the insurance company would notify if your coverage is about to end because of lack of premium payment. This can be a relative, friend, or professional, such as your lawyer.

Toileting :

Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene. One of the six Activities of Daily Living.

Transfer of Assets :

Giving away property for less than it is worth or for the sole purpose of becoming eligible for Medicaid. Transferring assets during the Lookback period results in disqualification for Medicaid payment of long-term care services for a penalty period.

Transferring :

Moving into and out of a bed, chair or wheelchair. One of the six Activities of Daily Living.

U

Underwriting :

Process of approving or denying applications for insurance. The purpose of underwriting is to balance the risks of needing insurance across a typical group of people by excluding from the insurance program people who are already in need of long-term care or who are known to be at great risk of needing care in the future.

Universal Life Insurance :

Flexible life insurance policy that lets you vary your premium payments and adjust the face amount of your coverage.

W

Waiver of Premium :

Long-term care insurance policy provision that suspends premium payment after a specified period of time, during which the insured is receiving benefits for long-term care services. The suspension continues until recovery, at which time premium payments resume.

Whole Life Insurance :

Life insurance policies that build cash value and cover a person for as long as he or she lives, if premiums continue to be paid.