

# Peace of mind begins with a **plan**

CalPERS Long-Term Care Coverage  
**Information Guide**



# Things You Should Know Before You Buy Long-Term Care Coverage

## About this Guide

This information guide describes important features of coverage available through the CalPERS Long-Term Care Program. You should compare this guide to other plans available to you. This guide is not an agreement. It is a summary of some of the features of the Program. Nothing in this information guide, the Outline of Coverage or any other similar document is a representation, warranty or guarantee of the coverage that is provided by this Program, and these documents are neither agreements nor offers to enter into binding agreements with you. Only the Evidence of Coverage, which will be provided to you upon notification of your acceptance into the CalPERS Long-Term Care Program, contains governing agreement provisions between you and the Program. This means that the Evidence of Coverage sets forth in detail the rights and obligations of both you and us. Therefore, if you elect to purchase this coverage it is important that you read your Evidence of Coverage carefully. An illustrative copy of the Evidence of Coverage for each plan type is available at [www.CalPERSLongTermCare.com](http://www.CalPERSLongTermCare.com).

## About Long-Term Care Coverage

Long-term care coverage is designed to pay most of the costs for your care in a nursing home or assisted living/residential care facility. Most plans also pay for care at home or other community settings. Since plans can vary in coverage, you should read this Information Guide and the Outline of Coverage to make sure you understand what the CalPERS Long-Term Care Program covers before you purchase coverage. For further information, you may access an illustrative copy of the Evidence of Coverage for the Comprehensive and California Partnership Plan at [www.CalPERSLongTermCare.com](http://www.CalPERSLongTermCare.com).

You should not buy this coverage unless you can afford to pay the premiums every year. Remember that CalPERS can increase premiums in the future. This information guide includes questions designed to help you determine whether this coverage is suitable for your needs.

## Medicare

Medicare does not pay for most long-term care.

## Medi-Cal

Medi-Cal, which is California's version of Medicaid, will generally pay for long-term care if you have very little income and few assets. You probably should not buy CalPERS Long-Term Care coverage if you are now eligible for Medi-Cal. Many people become eligible for Medi-Cal after they have used up their own financial resources.

When Medi-Cal pays your spouse's nursing home or assisted living/residential care bills, you are allowed to keep your house and furniture, a living allowance and some of your joint assets. Your choice of long-term care services may be limited if you are receiving Medi-Cal. To learn more about Medi-Cal, contact your local Medi-Cal agency. If you do not currently live in California, or do not plan to live in California in the future, you should consult with the Medicaid agency in the state in which you live or may live.

## "Taking Care of Tomorrow"

Make sure you review the California Department of Aging's long-term care consumer guide called "Taking Care of Tomorrow" included in your application kit. Read it carefully.

## "Before You Buy"

Make sure you review the California Department of Health Care Services' long-term care consumer guide called "Before You Buy" included in your application kit. Read it carefully.

## 30-Day Free Look

If you have decided to apply for the CalPERS Long-Term Care Program, you have the right to cancel your coverage within 30 days and get back any premium you have paid if you are dissatisfied for any reason or choose not to purchase the coverage.

## Health Insurance Counseling and Advocacy Program (HICAP)

Free counseling and additional information about long-term care insurance are available through your state's insurance counseling program. In California, counseling is provided through HICAP, which can be reached by calling (800) 434-0222.

# Content

- Overview . . . . . 4
  - About Long-Term Care . . . . . 4
  - The Power of a Plan . . . . . 5
  - Medi-Cal and Long-Term Care. . . . . 5
- CalPERS Long-Term Care Coverage . . . . . 6
  - Eligibility . . . . . 7
  - Covered Expenses . . . . . 7
  - Understanding How Your Coverage Works . . . . . 7
- Frequently Asked Questions . . . . . 9
- CalPERS Long-Term Care Plans . . . . . 11
  - CalPERS Comprehensive Plan . . . . . 14
  - California Partnership Plan . . . . . 16
- Optional Inflation Protection. . . . . 20
  - Three Ways to Protect Against Inflation . . . . . 21
- Glossary. . . . . 24



## Eligibility

CalPERS Long-Term Care coverage is designed for current California public employees, retirees, their spouses, parents, parents-in-law, adult children and adult siblings, between the ages of 18 and 79. California public employees include, but are not limited to, those employed by the State of California and all state departments, state Assembly and Senate, judicial systems, school districts, cities, counties, special districts, public universities and community colleges.

## Administration

The CalPERS Long-Term Care Program is voluntary and not-for-profit. Completely funded by participant premiums and investment returns, it is not an employer-paid benefit.

The CalPERS Long-Term Care Program is offered by and subject to the control of the CalPERS Board of Administration. The Program is administered by Univita Health.

## Contact Us

For information about the CalPERS Long-Term Care Program:

- [www.CalPERSLongTermCare.com](http://www.CalPERSLongTermCare.com)
- [CalPERSLTC@univitahealth.com](mailto:CalPERSLTC@univitahealth.com)
- (800) 908-9119, Monday – Friday, 8:00 a.m. – 5:00 p.m. PST
- (952) 918-5089 fax
- CalPERS Long-Term Care Program  
P.O. Box 64902  
St. Paul, MN 55164-0902

A woman with long brown hair, wearing a light pink t-shirt, is sitting on a beach. She is looking out at the ocean with a peaceful expression. The background shows a calm sea and a hazy horizon under a bright sky. The overall mood is serene and contemplative.

## Peace of mind for you and your family

*"Being part of the CalPERS Long-Term Care Program brings me a big sense of comfort, knowing that if I ever should need any care for myself, I have that as a resource...I feel a great sense of relief."*

— Alicia Vargas-Williams, a CalPERS  
Long-Term Care Program participant

*"I believe everybody should have something besides family members who have to give up working and come in. My sister, right now, is in the same situation and her daughter-in-law left her job to come take care of her. And everybody can't do that. So to me, long-term care is the answer."*

— Mattie Harris, a CalPERS  
Long-Term Care Program participant

*"I would tell others that like life or car insurance – there is a place for long-term care insurance. When you leave the hospital, major medical insurance stops paying and when that stops, long-term care coverage comes into play. People don't understand...medical coverage is limited. Care becomes a burden to someone...either parents, your spouse or your children."*

— John del Corral, a CalPERS  
Long-Term Care Program participant

*"Talking to our care manager Nikki has been like talking to someone who genuinely cares about us. She has made me feel as though I could call with any concern. When you're grieving that the parent you've known and loved is slowly going away, that kind of care means so much."*

— Julie Norris, daughter of a CalPERS  
Long-Term Care Program participant



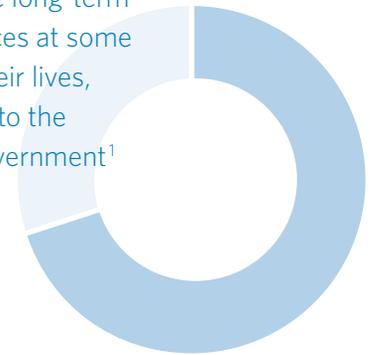
## Overview

### About Long-Term Care

Long-term care refers to the services available to people who have difficulty managing the activities of daily living due to illness, injury, disability, cognitive disorder or aging. CalPERS Long-Term Care coverage helps pay for the high cost of care when one needs assistance with activities of daily living including bathing, dressing, toileting, transferring (such as from a bed to a chair), continence, eating or a severe cognitive impairment.

Whether you prefer to receive long-term care at home or in a facility, CalPERS Long-Term Care coverage makes it possible for you to do what is best for you and your family.

**70%** of people ages 65 and older will require long-term care services at some point in their lives, according to the federal government<sup>1</sup>



<sup>1</sup> Medicare & You Handbook 2014, Centers for Medicare & Medicaid Services, <http://www.medicare.gov/Pubs/pdf/10050.pdf>

## The Power of a Plan

Planning now will help you make important decisions before you are in a stressful situation. Consider these important facts:

### » An unexpected illness or accident can happen at any time.

People of all ages require long-term care for a variety of reasons. From accidents to strokes, health-related impairments can change everything. In some cases, they change your life in an instant.

The best time to consider long-term care coverage is when you are in reasonably good health. While you may not need long-term care until you are older, your premiums are lower the earlier you get started.

### » Many people are not prepared for the high cost of long-term care.

Without long-term care coverage, paying for long-term care – at home or in a facility – can quickly deplete even sizable savings and retirement accounts.

### » Long-term care is expensive.

The average daily cost for residence in a California skilled nursing facility (nursing home) in 2014 is expected to be \$260 per day<sup>1</sup>. Sixty-six percent of Californians 40 years old and older say they could not afford more than three months of care in a nursing home<sup>2</sup>.

Long-term care costs include, but aren't limited to:

- Assisted living facilities
- Residential care facilities
- In-home care services
- Skilled nursing
- Adult day care and respite service

### » Many long-term care services are not covered by health insurance, disability insurance or Medicare.

Long-term care is different from other health care, and is not typically covered by health insurance plans, disability insurance or Medicare supplemental policies.

More information on Medicare and Medicare supplemental policies is available in *A Guide to Health Insurance for People with Medicare*, available at [www.medicare.gov](http://www.medicare.gov) or by calling (800) 633-4227.

## Medi-Cal and Long-Term Care

Currently, Medi-Cal covers limited long-term care services once you have depleted, or “spent down,” your assets. If you or your spouse goes into a nursing or assisted living/residential care facility, the spouse at home may keep up to \$117,240 in assets and up to \$2,931 in monthly income<sup>3</sup>.

If you rely on Medi-Cal, your choices for care can be very limited. The majority of the long-term care covered by Medi-Cal is care provided in a nursing home. Medi-Cal covers limited care at home and does not pay for room and board in an assisted living facility.

Relying on Medi-Cal may reduce, or possibly eliminate, any inheritance you may want to leave, as Medi-Cal can recover the amount it has paid for your care from your estate after your death.

More information about Medi-Cal and long-term care is available at:

- California Partnership for Long-Term Care: (916) 552-8990 or [www.rureadyca.org](http://www.rureadyca.org)
- Medi-Cal: (916) 636-1200 or (800) 541-5555, Monday – Friday, 8:00 a.m. – 5:00 p.m. PST

*Most people do not want to spend down their financial assets, thereby leaving their spouse with limited resources. The California Partnership Plan provides Medi-Cal spend-down protection to protect your assets after your coverage is depleted and you receive Medi-Cal benefits. Information about the California Partnership Plan is on page 16.*

*The CalPERS Long-Term Care Program is not Medicare supplement coverage. CalPERS does not represent Medicare, Medi-Cal, the federal government or any other state government agency.*

<sup>1</sup> Rate is extracted from the California Office of Statewide Health Planning and Development LTC Annual Financial Data Profile report

<sup>2</sup> The SCAN Foundation, [http://www.thescanfoundation.org/sites/thescanfoundation.org/files/who\\_pays\\_for\\_ltc\\_ca\\_jan\\_2013\\_fs.pdf](http://www.thescanfoundation.org/sites/thescanfoundation.org/files/who_pays_for_ltc_ca_jan_2013_fs.pdf)

<sup>3</sup> 2013 figures, obtained from Medi-Cal website



## CalPERS Long-Term Care Coverage

Your CalPERS Long-Term Care plan will cover most of the costs of a variety of long-term care services, including care in an eligible facility (nursing home or assisted living/residential care facility), care at home and care in a community setting, such as adult-day services or respite care.

CalPERS Long-Term Care coverage offers flexibility and control:

- Plans tailored to different needs and budgets
- Affordable options to keep up with the rising costs of receiving long-term care
- Benefits designed to help cover the cost of receiving long-term care at home
- Limited benefits are available if you need care outside the United States
- A marital discount is available when both spouses or eligible domestic partners apply and at least one is approved

## Eligibility

CalPERS Long-Term Care coverage is designed for current California public employees, retirees, their spouses, parents, parents-in-law, adult children and adult siblings, between the ages of 18 and 79. California public employees include, but are not limited to, those employed by the state of California and all state departments, state Assembly and Senate, judicial systems, school districts, cities, counties, special districts, public universities and community colleges. To maintain the tax-qualified status of the program, eligibility has not yet been extended to domestic partners. This relationship is pending changes to IRC Title 26, section 7702B (f)(2).

You do not need to participate in CalPERS retirement or health benefit programs to be eligible. Eligible family members may apply to the CalPERS Long-Term Care Program even if the public employee or retiree that makes them eligible does not apply for coverage or is not approved for coverage.

Applicants must pass underwriting in order to be approved for coverage.

---

*Some people count on family to help them when they need care. Other people say that they “don’t want to be a burden” to their family. Either way, a long-term care plan helps to provide you more control of your situation.*

---

## Covered Expenses

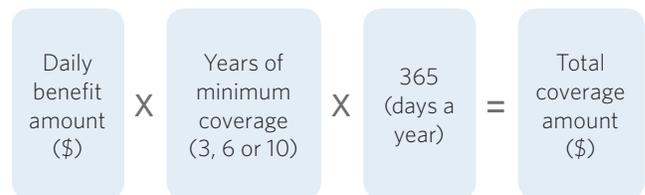
CalPERS Long-Term Care coverage pays for qualified long-term care services you receive at home, from an approved independent provider or home health agency, or in a facility. Care providers include licensed health care professionals, independent providers, home health agencies, assisted living/residential care facilities, nursing and hospice facilities and community settings, such as a respite care or adult day care. The CalPERS Long-Term Care Program may also cover the cost of other long-term care services and expenses.

## Understanding How Your Coverage Works

Long-term care coverage is unique and different from medical or life insurance.

Applying for long-term care coverage requires that you make decisions about the total coverage amount you purchase as part of your plan. CalPERS Long-Term Care plans provide a total coverage amount – or total dollar amount – that may be used to cover long-term care needs.

Your total coverage amount is determined by the daily benefit amount and the benefit period you choose.



For example, and as illustrated below, if your daily benefit amount is \$250 and you choose a six-year benefit period, your total coverage amount is \$547,500.



This concept and accompanying example apply to both the Comprehensive and Partnership Plans described in this guide.

*If you have questions about your eligibility or CalPERS Long-Term Care covered expenses, please call our long-term care specialists at (800) 908-9119.*

---

# \$260 a day

estimated average cost of care in a California nursing home in 2014<sup>1</sup>

## Daily Benefit Amount

Daily benefit amount refers to the maximum dollar amount that your coverage will pay for each day that you receive care from an eligible provider or in an eligible facility. CalPERS Long-Term Care coverage pays 100 percent of covered expenses up to your daily benefit amount. (Some benefits are subject to a monthly, rather than a daily, benefit amount.) Covered expenses include the cost of receiving care at home or in an eligible facility.

If the cost of your care exceeds the daily (or monthly) benefit amount provided in the long-term care plan that you select, you are responsible for the balance of those expenses. If the cost of your care is less than your daily (or monthly) benefit amount in the long-term care plan that you select, the balance remains within your total coverage dollars for care you receive in the future.

## Benefit Period

The benefit period represents the length of time in years that the total coverage amount would last if the maximum daily benefit amount was paid every day.

For example, if you select a 10-year benefit period and a maximum daily benefit amount of \$300, your total coverage amount would be calculated this way:

$$\begin{matrix} \$300/ \\ \text{day} \end{matrix} \times 10 \text{ years} \times 365 \text{ days} = \$1,095,000$$

<sup>1</sup> Rate is extracted from the California Office of Statewide Health Planning and Development LTC Annual Financial Data Profile report

<sup>2</sup> [http://www.cdc.gov/nchs/data/nnhsd/Estimates/nnhs/Estimates\\_PaymentSource\\_Tables.pdf](http://www.cdc.gov/nchs/data/nnhsd/Estimates/nnhs/Estimates_PaymentSource_Tables.pdf)

---

# \$218,270

average cost of residential care for 2.3 years,<sup>2</sup>  
average length of stay in a nursing home

## Total Coverage Amount

The total coverage amount is the sum of money that the CalPERS Long-Term Care Program may pay for charges that you incur for covered services over the life of your coverage. The balance of your total coverage amount is reduced as benefits are paid.

Consider your personal assets when you make the decision about the total coverage amount that you will buy. With the average cost of care in a California nursing home at \$260 per day,<sup>1</sup> you may decide that a plan with a \$150 daily benefit is best, because the premiums are lower than they would be for a higher daily benefit, and you have the personal assets to cover the balance of the daily cost. Or, you may choose to purchase a plan with a higher total coverage amount and daily benefit, opting to cover the cost of a higher premium now so that you don't have to pay out of pocket for care later. It is up to you.

If you use only one-half of the maximum daily benefit dollar amount each day, the total coverage amount would last twice as long. Or, if you use the maximum daily benefit amount for less time than your covered benefit period, and your circumstances are such that you no longer need to pay for long-term care, you will have money available in your plan to use in the future.

You can also stretch how long your coverage lasts if you do not receive covered services every single day. By deciding on the type of care you prefer, as well as where and when you receive care, you have more control over how you use your long-term care coverage and how long it will last.



## Frequently Asked Questions

### **Q: What is long-term care?**

**A:** Long-term care refers to the services provided to people who have difficulty managing the activities of daily living due to illness, injury, disability, cognitive disorder or aging. CalPERS Long-Term Care coverage helps pay for the high cost of care when one needs assistance with activities of daily living including bathing, dressing, toileting, transferring (such as from a bed to a chair), continence, eating or a severe cognitive impairment.

### **Q. Why do I need long-term care coverage?**

**A.** CalPERS Long-Term Care coverage offers more control over how you live your life if you need assistance with the activities of daily living as a result of injury, aging, illness or cognitive impairment such as Alzheimer's. It provides the financial resources you may need to choose the location and type of care you receive. CalPERS Long-Term Care coverage helps you preserve your assets so you can maintain your quality of life, and allow you to provide for your spouse or family or leave an inheritance.

---

*Medicare, as well as health insurance and disability insurance, are not designed to pay for long-term care. Many long-term care services are not covered by these plans.*

---

### **Q. Will my family care for me?**

**A:** Many people assume that family members will take care of them if they need long-term care. However, even the most dedicated family members will not likely be available 24 hours per day, seven days per week for a long period of time.

Having a long-term care plan in place can help cover the cost of receiving care at home when family members are away. Or, it can make it possible for you to receive

daily care without having to rely on family or friends. With CalPERS Long-Term Care coverage, you can make decisions that are right for you and your family. Please note that the CalPERS Long-Term Care Program will not reimburse family members for care they provide you.

**Q. Will Medi-Cal/Medicaid, Medicare or health insurance cover my long-term care needs?**

**A.** Long-term care is different from other health care and is not typically covered by health insurance, Medi-Cal, Medicare or Medicare supplemental policies. Medicare and Medi-Cal cover very limited long-term care services. Medi-Cal will only cover long-term care services after you have depleted – or “spent down” – your assets.

**Q. I am still relatively young. Should I wait until I am older to get coverage?**

**A.** Young or old, people require long-term care for a variety of reasons. At any age, whether it is due to an accident or illness, health-related impairments can change everything. While you may not need long-term care until you’ve advanced in age, your premiums are lower the earlier you get started.

**Q. Would I be better off saving on my own to pay for long-term care services?**

**A.** Not everyone is able to save enough money to cover the high cost of long-term care. Without coverage, paying for long-term care can quickly deplete even sizable savings and retirement accounts.

**Q: How long is the current average long-term care claim?**

**A:** An analysis of our historical data shows that, on average, CalPERS Long-Term Care Program participants spent 3.4 years in claim and less than one percent required long-term care for more than 10 years.

**Q. When will my coverage expire if I choose the 10-year, six-year or three-year benefit periods?**

**A:** Your coverage does not expire unless you exhaust your total coverage amount or choose to terminate your plan. For example, you might initiate a claim and use one-third of your total coverage amount. Should you recover your

health and close the claim, you would still have two-thirds of your total coverage amount remaining in the event of a future claim. For example, if you choose a three-year benefit period, it is possible that your benefits will continue for a period of time longer than three years if you do not use your maximum daily benefit on a daily basis.

**Q. Can my premium be increased?**

**A.** Your premiums could increase in the future under certain circumstances, but only after approval by CalPERS. Should a premium increase occur, all impacted CalPERS Long-Term Care Program participants will receive a 60-day written notice. If you cannot afford the increase, or do not want to accept the premium increase, you may be given the option to adjust your coverage to an amount that would let you maintain or lower your existing premium.

**Q. What if I die before I use all of my CalPERS Long-Term Care coverage benefits?**

**A.** The CalPERS Long-Term Care Program offers an optional benefit for return of premium at death. If you select this optional benefit, should you die before age 75, a percentage of your premiums will be returned to your estate, minus any benefits paid by the CalPERS Long-Term Care Program. Premiums paid for coverage protection are not refundable if you die before you use your benefits. Without the optional return of premium at death benefit, unused coverage remains with the CalPERS Long-Term Care Program. This optional benefit is only available at the time you submit your application. You must be between the ages of 18 and 65 at the time of application in order to select this optional benefit. See the Outline of Coverage for more information.

**Q. I am in a domestic partnership. Am I eligible for CalPERS Long-Term Care?**

**A.** If both you and your domestic partner are independently eligible for the CalPERS Long-Term Care Program through the Program’s established eligibility criteria, you may both apply separately. If you are both issued policies, you will then be eligible for benefits available to married couples.



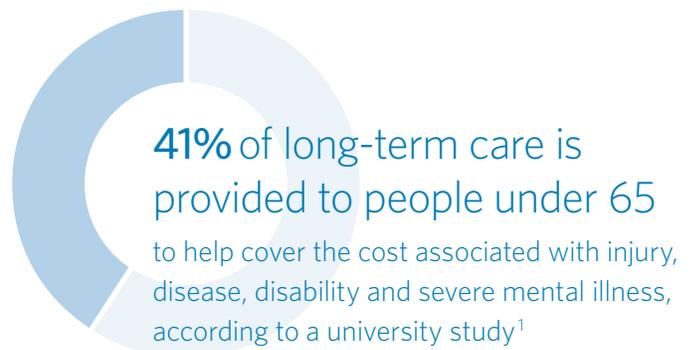
## CalPERS Long-Term Care Plans

It is important to select the type of coverage that best suits your lifestyle should you need long-term care services.

Remember to consider the average cost of care in the area where you live, or where you plan to live upon retirement. Think about your family health history, life expectancy and likelihood of developing a disease or illness.

The cost of coverage is based on your age when you apply, so the earlier you apply the less your premium payment will be.

The CalPERS Long-Term Care Program offers two types of plans, the **Comprehensive Plan** and the **California Partnership Plan**. Both plans offer a comprehensive set of benefits that include both home and facility care. Each provides options so you can design the plan that best meets your needs. They are each described in this section, so review them both carefully.



In addition to the standard benefits offered in each plan, a number of optional benefits are also available when you initially apply for coverage. Optional benefits allow you to consider the impact of inflation, increasing costs of long-term care and maintaining your total coverage amount.

<sup>1</sup> Georgetown University Long-Term Care Financing Project. "Long-Term Care Financing Policy Options for the Future," June 2007 <http://ltc.georgetown.edu/forum/ltcfinalpaper061107.pdf>

All of the standard and optional benefits are described in greater detail in the Outline of Coverage.

CalPERS Long-Term Care coverage offers these popular **standard benefits**:

### **Marital Discount**

A discount is available to married couples and to domestic partners if both partners are eligible and independently apply for coverage. If both spouses or partners apply for CalPERS Long-Term Care coverage and both are approved, a 25-percent discount is applied to the cost of both premiums. If only one spouse is approved, a 10-percent discount is applied for the approved spouse's or partner's premium.

The marital discount is also available at the 10 percent discount level to new applicants if one of the spouses or partners has coverage from a previous CalPERS Long-Term Care Plan (coverage purchased prior to 2014). See Outline of Coverage for additional details.

### **No Exclusions for Pre-Existing Conditions**

Once you are accepted for CalPERS Long-Term Care coverage, there are no limits or exclusions on your coverage based on your health prior to your application being accepted.

### **Care Advisory Services**

Whether you are eligible for benefits or simply looking for information about your coverage, CalPERS Long-Term Care Program Care Advisory Services will help you identify the long-term care services that best meet your needs. Care Managers are also available to discuss your coverage and assist you over the life of your coverage.

### **Preferred Provider Network**

Our network of high-quality long-term care service providers continues to grow to meet participant needs, and CalPERS is planning on extending this network. The CalPERS Long-Term Care Program Preferred Provider Network includes nursing homes, assisted living facilities, home health-care agencies, adult day centers, hospice programs and facilities. All Program participants can

access our provider network. By doing so, you obtain services from quality providers at discounted rates (currently from 5 to 20 percent off the provider's standard rates). You are not required to use a preferred provider. Your benefits are not affected if you use an eligible provider outside of the network.

### **Home Care Monthly Allowance**

For care at home, the CalPERS Long-Term Care Program offers the advantage of a monthly allowance rather than a set daily amount. The home care total monthly allowance offers you the flexibility to receive care only when you need it, as long as you stay within your total monthly maximum. Your total monthly allowance is calculated as "30 days" multiplied by your chosen daily benefit amount.

### **Stay-At-Home Flexibility**

The stay-at-home benefit is designed to help you remain in your home instead of moving into a facility, and it covers products and services that can make this possible. Specifically, it covers the following:

- Home Modifications
- Emergency Medical Response Systems
- Durable Medical Equipment
- Informal Caregiver Training

The limited stay-at-home benefit pays up to a lifetime limit equal to 30 times your daily benefit amount.

The stay-at-home benefit can only be used while a participant meets the benefit eligibility requirements, including during the elimination period. Any benefits paid under this provision will not reduce your maximum lifetime benefit.

### **Portability**

As long as you continue to pay your premiums on time, your CalPERS Long-Term Care coverage stays with you if you move, retire, change employers or your marital status changes.

*Additional information about these benefits is available in the Outline of Coverage.*

## Coverage is Guaranteed Renewable

We cannot cancel or refuse to renew your coverage until benefits have been exhausted as long as you pay premiums on time. Your premiums will never increase due solely to a change in your age or health. CalPERS can, however, change your premiums, but only if we change the premium schedule on an issue-age basis for all similar coverage issued in your state on the same form as this coverage. We must give you at least 60 days written notice before we change your premiums. The premiums for any increases in coverage, which you voluntarily elect, will be based on your age at the time you elect the increase.

## International Care Benefits

The CalPERS Long-Term Care Program provides limited benefits for covered services received outside of the United States, its territories and possessions, while you are a resident at an eligible facility. Coverage is up to 50 percent of your daily benefit amount for up to 365 days over the life of your coverage.

## Bed Reservation

If you leave a nursing home, assisted living facility or hospice facility, CalPERS will cover up to 100 percent of your daily benefit amount for up to 30 days, essentially holding a space in the facility to enable you to return.

## Coordination of Benefits

You may be eligible for benefits for long-term care services under other plans or programs. CalPERS will consider other coverage and benefits when determining the amount of benefits we will pay.

## Coverage for Other Types of Care

In addition to care at home or in an eligible facility, CalPERS covers up to 100 percent of your daily benefit amount for the costs of hospice care, respite care, community day care and an alternative plan-of-care approved by the CalPERS Long-Term Care Program.

---

# 3.4 years

average time in claim for CalPERS Long-Term Care Program participants

### **30-Day Right to Cancel**

*Within 30 days after you receive your CalPERS Long-Term Care coverage, you may cancel and receive a refund of any premium you have paid.*

### **Tax Qualification**

*Plans offered by the CalPERS Long-Term Care Program are intended to be a qualified long-term care insurance contract as allowed by the Internal Revenue Code. Please consult your tax advisor for more information.*

### **Talk With a Trusted Advisor**

*We recommend you speak with a trusted financial advisor, and your family, as you make decisions about which long-term care plan is right for you.*

### **Tell Your Family**

*Remember to include your spouse, and tell your parents, parents-in-law, adult children and adult siblings about the CalPERS Long-Term Care Program. They may be eligible to apply.*

---

*CalPERS Long-Term Care coverage can provide you the peace of mind that comes from knowing that you have made important decisions about your future.*

---

## CalPERS Comprehensive Plan

With a Comprehensive Plan, you may choose from three pre-packaged options or customize your own plan from a range of options. You do not have to live in California in order to purchase or receive benefits under the Comprehensive Plan.

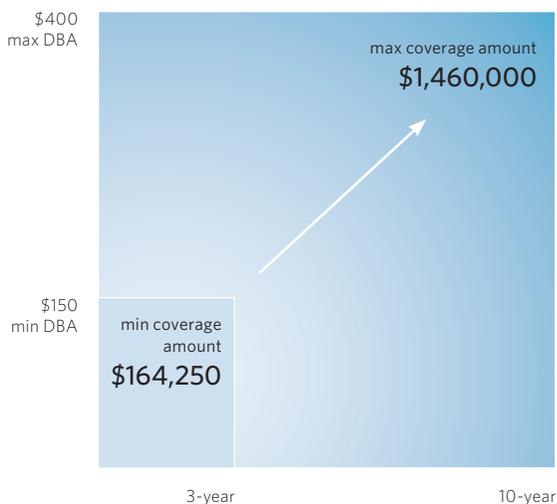
A Comprehensive Plan allows you to protect your assets while your CalPERS Long-Term Care coverage helps you to pay for the cost of care. If you intend to leave assets in your estate or to your surviving spouse, the Comprehensive Plan may appeal to you.

### Benefit Periods

Comprehensive Plan options provide benefits for three, six or 10 years. These are longer benefit periods than the coverage provided in the California Partnership Plan. Longer benefit periods allow you to fully consider your personal circumstances, including family support and your financial situation, as you make decisions about long-term care.

### Total Coverage Amounts

The Comprehensive Plan provides a wide range of coverage, with a minimum total coverage amount of \$164,250 and a maximum total coverage amount of \$1,460,000 before inflation.



Your daily benefit amount and benefit period will determine how much this coverage will provide on a daily or monthly basis for long-term care services, and for how long.

### Elimination Period

Comprehensive Plans have a 90-day elimination period, also referred to as the “waiting period.” This means that a licensed health care practitioner must determine that you are chronically ill for 90 calendar days before the benefits begin. You do not have to receive care from a licensed health care professional or at an eligible facility for the entire 90 days in order to qualify for your benefits. The 90-day elimination period begins when you receive at least one day of eligible care from an approved provider. For the remainder of the 90 days, you may receive care from family or friends before using your CalPERS Long-Term Care benefits.

The elimination period need only be met once per lifetime. There are exceptions that may shorten the elimination period, as summarized in the Outline of Coverage.

### Comprehensive Plan Optional Benefits

- **Optional Restoration of Benefits**  
If you select this option, your benefit period will be restored if you recover and are not eligible for benefits for at least 180 consecutive days. The maximum amount that can be restored over the life of the coverage is equal to the original total benefit amount purchased. This option is available only when selecting three or six-year benefit periods.
- **Optional Return of Premium at Death Benefit**  
Returns to your estate a percentage of your premiums paid, minus the claims paid, based on age at death. This optional benefit is only available at the time you submit your application. You must be between the ages of 18 and 65 at the time of application in order to select this optional benefit.
- **Optional Survivorship Benefit**  
If both spouses or domestic partners have this optional benefit, long-term care coverage for a surviving spouse or partner will be paid up if one spouse or partner dies after the end of the 10th year. Spouses or domestic partners must choose identical coverage (e.g., benefit period, inflation protection, etc.) to sign up for this optional benefit.
- **Optional Nonforfeiture Benefit**  
This benefit is designed to provide you with a continuation of coverage (up to a specified dollar amount) if your coverage lapses due to nonpayment.

## Comprehensive Plan Packages

- **Essential/3-Year Plan**
  - » Daily benefit amount – \$150/day
  - » Benefit period – 3 years
  - » Inflation protection – 3-percent simple interest
  - » Restoration of benefits
- **Choice/6-Year Plan**
  - » Daily benefit amount – \$180/day
  - » Benefit period – 6 years
  - » Inflation protection – 3-percent simple interest
  - » Survivorship benefit when spouses have identical coverage
- **Premier/10-Year Plan**
  - » Daily benefit amount – \$200/day
  - » Benefit period – 10 years
  - » Inflation protection – 3-percent simple interest
  - » Survivorship benefit when spouses have identical coverage

## Comprehensive Plan – Custom Package

- **CustomSelect**
  - » Daily benefit amount – Choose an amount between \$150 and \$400; in \$10 increments
  - » Benefit period – Choose coverage between 3, 6 or 10 years
  - » Optional inflation protection – Choose between:
    - 3-percent simple interest
    - 5-percent simple interest
    - 3-percent compound interest
    - 5-percent compound interest
    - Benefit increase option
  - » Optional benefits – Choose among:
    - Restoration of benefits
    - Return of premium at death
    - Survivorship benefit when spouses have identical coverage
    - Nonforfeiture

*For additional assistance in determining which options will suit your needs, please contact our long-term care specialists at (800) 908-9119.*

---

*The best time to consider long-term care coverage is when you are in reasonably good health. While you may not need long-term care until you are older, your premiums are lower the earlier you get started.*

---

## Inflation Protection

The three pre-packaged plans all provide 3-percent simple interest inflation protection. The customized plan offers 3-percent or 5-percent compound interest inflation protection, 3-percent or 5-percent simple interest inflation protection, the benefit increase option or you may elect no inflation coverage.

Comprehensive Plans	Interest Inflation Protection
Essential/3-Year Plan	• 3-percent simple
Choice/6-Year Plan	• 3-percent simple
Premier/10-Year Plan	• 3-percent simple
CustomSelect (choose 3-, 6-, or 10-year)	• 3-percent simple, or • 5-percent simple, or • 3-percent compound, or • 5-percent compound, or • benefit increase option, or • none

*Please see the Outline of Coverage for more information about benefits and aspects of the Comprehensive Plan. Refer to the illustrative copy of the Evidence of Coverage at [www.CalPERSLongTermCare.com](http://www.CalPERSLongTermCare.com) for more detailed information.*

## California Partnership Plan Comprehensive Coverage

The California Partnership Plan is offered through a partnership between CalPERS and the California Department of Health Care Services. With a California Partnership Plan, once you use all of your CalPERS Long-Term Care coverage, you can qualify to receive Medi-Cal benefits without first being required to spend all of your savings and other assets. CalPERS California Partnership coverage is subject to regulatory requirements of the California Department of Health Care Services', California Partnership for Long-Term Care.



CALIFORNIA PARTNERSHIP FOR  
LONG-TERM CARE

While you may reside and receive care outside of California while using the benefits of CalPERS Long-Term Care coverage, you *must* be a California resident when you apply for Medi-Cal and take advantage of your accumulated California Partnership asset protection.

The California Partnership Plan may be appealing to people who have more modest means.

When you become eligible for Medi-Cal, the Partnership approved Care Management Provider Agency will prepare for you a transition plan (also called "Plan of Care"), which must be approved by the California Department of Health Care Services.

### Benefit Periods

The California Partnership Plan offers one or two-year coverage, a 30-day elimination period and includes built-in inflation protection.

### Total Coverage Amounts

The California Partnership Plan provides a wide range of coverage, with a minimum total coverage amount of \$65,700 and a maximum total coverage amount \$292,000.

Your benefit period and total coverage amount will determine how much this coverage will provide on a daily or monthly basis for long-term care services, and for how long.

### Elimination Period

California Partnership Plans have a 30-day elimination period, also referred to as the "waiting period." This means that a licensed health care practitioner, as defined for partnership coverage, must determine that you are chronically ill for 30 calendar days before the benefits begin. You do not have to receive care from a licensed health care professional or at an eligible facility for the entire 30 days in order to qualify for your benefits. The 30-day elimination period begins when you receive at least one day of eligible care from an approved provider. For the remainder of the 30 days, you may receive care from family or friends before using your CalPERS Long-Term Care benefits.

The elimination period need only be met once per lifetime. There are exceptions that may shorten the elimination period, as summarized in the Outline of Coverage.

### California Partnership Plan Optional Benefits

- **Optional Return of Premium at Death Benefit**  
Returns to your estate a percentage of your premiums paid, minus the claims paid, based on age at death. This optional benefit is only available at the time you submit your application. You must be between the ages of 18 and 65 at the time of application in order to select this optional benefit.
- **Optional Survivorship Benefit**  
If both spouses or domestic partners have this optional benefit, long-term care coverage for a surviving spouse or partner will be paid up if one spouse or partner dies after the end of the 10th year. Spouses or domestic partners must choose identical coverage (e.g., benefit period, inflation protection, etc.) to sign up for this optional benefit.
- **Optional Nonforfeiture Benefit**  
This benefit is designed to provide you with a continuation of coverage (up to a specified dollar amount) if your coverage lapses due to nonpayment.

### California Partnership Plan options include:

- Daily benefit amount – Choose an amount between \$180 and \$400, in \$10 increments
- Benefit period – Choose between 1 or 2 years of coverage
- Inflation protection is automatic and is based on your age when you apply for coverage
  - » If you are between ages 18 and 69, 5-percent compound interest is included.
  - » If you are between ages 70 and 79, you must choose between:
    - 5-percent simple interest
    - 5-percent compound interest
- Optional benefits – Choose among:
  - » Nonforfeiture
  - » Return of premium at death
  - » Survivorship benefit when spouses have identical coverage

CalPERS recommends you consult your tax advisor and/or financial advisor to determine if the asset protection provided by the California Partnership Plan is suitable for you.

### A few points to think about as you consider the California Partnership Plan:

- In-home care and facility options are limited when Medi-Cal is the primary source of payment.
- The California Partnership Plan only protects assets, not income, when you apply for Medi-Cal. If your income exceeds the level specified by Medi-Cal, you will be required to apply a portion of your income toward the cost of your care.
- If you have assets that exceed the amount protected by the California Partnership Plan (plus the normal Medi-Cal exemptions), you will have to “spend down” these unprotected assets to qualify for Medi-Cal. This means that you will have to use your own savings and other assets to pay for your care until you qualify to receive Medi-Cal benefits.

### Spend-Down Protection and the California Partnership Plan

With a California Partnership Plan in place, you may avoid the current requirement to “spend down” your assets in order to qualify for Medi-Cal benefits. As you choose a total coverage amount for your California Partnership Plan, consider the amount of assets you wish to protect. Coverage amounts range from \$65,700 to \$292,000 and continue to grow over time because of built-in inflation protection.

You will first use your California Partnership Plan benefits to pay for your long-term care. If you use up the total coverage amount of your California Partnership Plan benefits and still need long-term care, you may apply for Medi-Cal under special asset rules applicable only to persons with a California Partnership Plan.

In qualifying for Medi-Cal, you will be allowed to keep the assets that Medi-Cal normally allows, plus an additional amount of your assets **equal to the amount of benefits the California Partnership Plan already paid out for your care**. Each dollar the California Partnership Plan pays out in benefits for your long-term care entitles you to protect \$1 of your assets. These assets are also protected in your estate so they will be distributed upon your death according to your wishes.

Keep in mind that the total coverage amount and, therefore, the spend-down protection you choose when selecting your California Partnership Plan, increases in value by 5-percent compounded annually. The built-in inflation protection feature in the California Partnership Plan allows the amount of assets that you are protecting to keep pace with inflation.

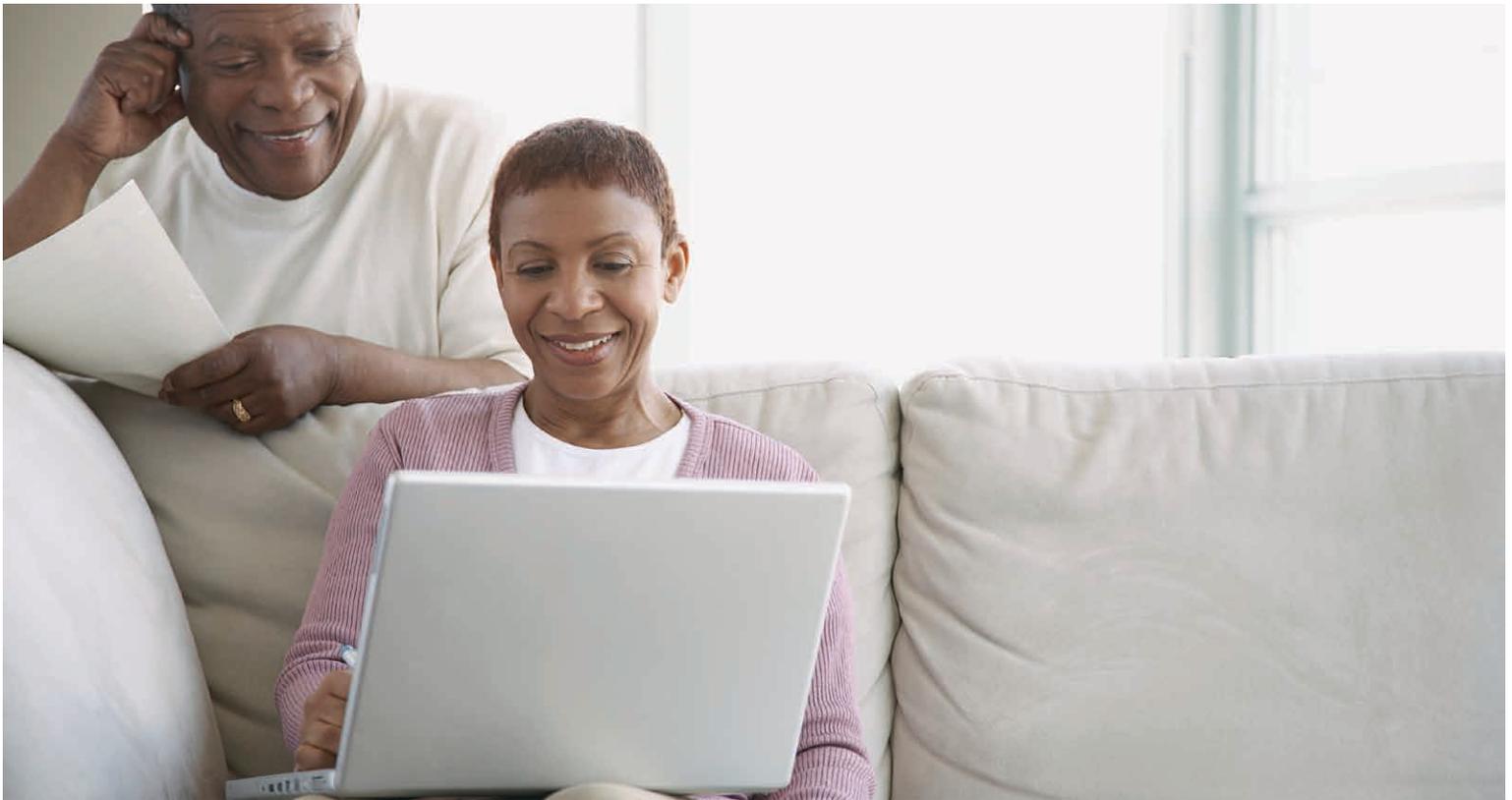
The optional restoration of benefits is not available with the California Partnership Plan.

*Please see the Outline of Coverage for more information about benefits and aspects of the California Partnership Plan. Refer to the illustrative copy of the Evidence of Coverage at [www.CalPERSLongTermCare.com](http://www.CalPERSLongTermCare.com) for more detailed information.*

## Comparison: Comprehensive Plan vs. California Partnership Plan

	Benefit Description	Comprehensive Plan	California Partnership Plan
<b>Base Plan Features</b>			
Nursing Home	Covers up to 100% of daily benefit amount.	✓	✓
Assisted Living/ Residential Care Facility	Covers up to 100% of daily benefit amount.	✓	✓
Home Care and Community Care	Covers up to 100% of monthly benefit amount.	✓	✓
Daily Benefit Amounts	The maximum dollar amount that coverage will pay for each day a participant receives care from an eligible provider or in an eligible facility.	\$150 – \$400 <i>in \$10 increments</i>	\$180 – \$400 <i>in \$10 increments</i>
Benefit Period	Comprehensive Plan options provide coverage for a longer period of time than the California Partnership Plan, providing more flexibility and choices for how and where you receive care during the timeframe care is needed.	3, 6 or 10 years	1 or 2 years
Total Coverage Amounts	The sum of money that the CalPERS Long-Term Care Program may pay for charges incurred for covered services over the life of coverage.	Minimum: \$164,250 Maximum: \$1,460,000	Minimum: \$65,700 Maximum: \$292,000
Elimination Period	The total number of calendar days during which a participant must be eligible for benefits before CalPERS will pay for benefits.	90 calendar days	30 calendar days
Monthly Home Care	Covers 100% of facility care benefit amount, paid as pro-rated monthly benefit.	✓	✓
Bed Reservation	Covers up to 100% of daily benefit amount for up to 30 days to reserve a bed in a skilled nursing or similar facility.	✓	✓
Hospice	Covers up to 100% of daily benefit amount.	✓	✓
Respite Care	Covers up to 100% of the home and community care monthly maximum.	✓	✓
Alternate Plan of Care	Covers up to 100% of daily benefit amount.	✓	✓
Stay at Home Benefit	Pays up to 30 times daily benefit amount.	✓	✓
International Benefits	Pays the coverage on a reimbursement basis at up to 50% of daily benefit amount for up to 365 days of care.	✓	✓
Contingent Nonforfeiture Benefit	Offers to convert coverage to a paid-up plan if there is a substantial premium increase.	✓	✓
Marital Discount	Spouses or eligible domestic partners must apply at the same time. Premium discount is 25% if both spouses or partners are approved; 10% if one spouse or partner is approved. A 10% discount is also available to new applicants if one spouse or partner has coverage from a previous CalPERS Long-Term Care Plan (coverage purchased prior to 2014).	✓	✓
Waiver of Premium	The premium will be waived when receiving benefits, except for respite care, stay-at-home, hospice services or Care Advisory Services benefit.	✓	✓
Inflation Protection	Provision that increases benefits over time, automatically, to help coverage keep pace with increases in the cost of care.	N/A	5% compound

	Benefit Description	Comprehensive Plan	California Partnership Plan
<b>Optional Features</b>			
Simple Inflation Protection Benefit	A form of inflation protection that automatically increases the maximum daily benefit amount and total coverage amount each year.	3% or 5%	5% available to applicants age 70 and older
Compound Inflation Protection Benefit	A form of inflation protection that automatically increases the maximum daily benefit amount and lifetime total coverage amount each year, compounded annually.	3% or 5%	N/A
Benefit Increase Option	A form of inflation protection that increases benefits periodically to reflect increases in the cost of care. This option is offered by CalPERS every three years.	✓	N/A
Nonforfeiture Benefit	Provides a continuation of coverage (up to a specified dollar amount) if your coverage lapses due to nonpayment.	✓	✓
Return of Premium at Death Benefit	Returns a full or partial amount of premiums paid, less claims, if death occurs prior to age 75.	✓	✓
Restoration of Benefits	Restores participant's benefit period if the participant recovers and is not eligible for benefits for at least 180 consecutive days. The maximum amount that can be restored over the life of the coverage is equal to the original total benefit amount. This option is only available when selecting three- or six-year benefit periods.	✓	N/A
Survivorship Benefit	Pays long-term care coverage for a surviving spouse if one spouse dies after the end of the 10th year. Spouses must choose identical coverage (e.g., benefit period, inflation protection, etc.) to sign up for this optional benefit.	✓	✓



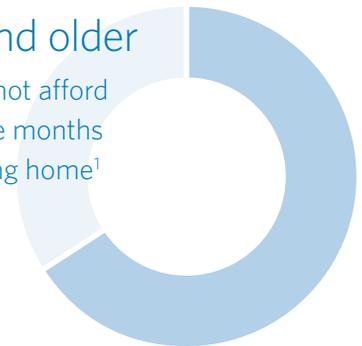
## Optional Inflation Protection

Inflation can affect the cost of long-term care and the value of the coverage you buy today. Consider inflation protection so you have adequate coverage to receive the care you want when you need it.

Most people buy long-term care coverage many years in advance of when they might need it. Our own analysis of cost-of-care data indicates long-term care costs have increased by approximately 15 percent over the past three years in total. If you do not plan for inflation, you might find your coverage is inadequate in the future.

**66%** of Californians ages 40 and older

say they could not afford more than three months of care in nursing home<sup>1</sup>



<sup>1</sup> SCAN Foundation, [http://www.thescanfoundation.org/sites/thescanfoundation.org/files/who\\_pays\\_for\\_ltc\\_ca\\_jan\\_2013\\_fs.pdf](http://www.thescanfoundation.org/sites/thescanfoundation.org/files/who_pays_for_ltc_ca_jan_2013_fs.pdf)

For example, assume you purchase coverage today that pays for care in an assisted care facility up to \$54,750 per year (\$150/day). Twenty years from now, at an inflation rate of 5 percent per year, that same year of care will cost about \$145,268 (\$398/day). If your coverage did not “grow” with the rate of inflation, you would only have enough coverage to pay for just under five months’ worth of care or about 38 percent of the projected annual costs of care. You would have to pay the difference of nearly \$78,475 per year out of your own pocket, or find another means to pay for or receive care.

## Three Ways to Protect Against Inflation

The CalPERS Long-Term Care Program offers three options to protect against the rising cost of long-term care. These options help keep pace with inflation, but they work differently, so you may find one approach meets your needs better than another.

### » Option 1: Simple Interest Inflation Protection

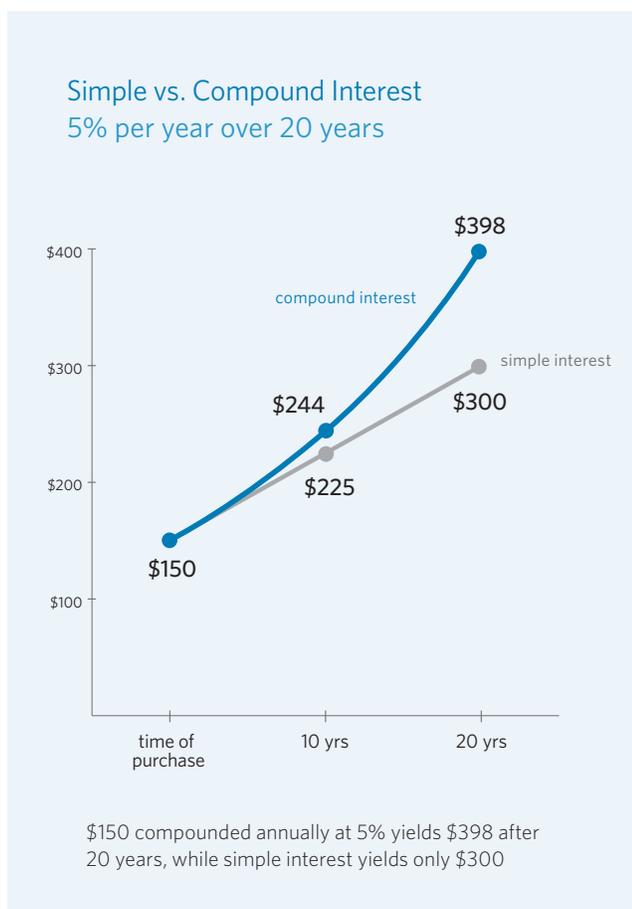
Simple interest inflation protection provides a set, automatic annual increase for your initial maximum daily benefits and lifetime maximum benefits each year. Simple interest inflation protection provides fixed annual increases and therefore less protection against increased long-term care costs than compound interest inflation protection; however the premium is lower. For example, with simple interest inflation protection, an initial \$200/day benefit is increased every year by the same amount – 3 percent or 5 percent of \$200, which is either \$6 or \$10 additional benefit each year for the life the coverage. With simple interest inflation protection, interest that has been added annually does not earn interest.

The Simple vs. Compound Interest graph on this page shows the growth of \$150 at time of purchase using both 5-percent compound interest and 5-percent simple interest. After 20 years, the compound interest yields \$398 compared to simple interest that yields \$300.

### » Option 2: Compound Interest Inflation Protection

Compound interest inflation protection automatically increases your coverage amounts on an annual basis. Interest is added to the prior year amount, so that from the inception of your coverage, the interest that has been added annually also earns interest – interest is compounded.

Compound interest inflation protection increases your total coverage amount, nursing home daily benefit amount, assisted living facility/residential care daily benefit amount, and home and community care monthly amount (if it is covered in the plan you choose). All increase automatically by 3 percent or 5 percent (depending on the interest you select) of the previous year’s amount, even while you are receiving benefits.



While plans with compound inflation protection cost more initially, they may be more cost effective in the long run.

» **Option 3: Benefit Increase Option** (*Comprehensive Plan only*)

The benefit increase option allows you to increase your daily benefit amount, monthly maximums and total coverage amount on a periodic basis. You can purchase additional coverage without having to provide proof of insurability. This option **requires an additional premium** based on your age at the time the benefit increase option is offered.

Since accepting the benefit is voluntary, you can decide whether or not to accept it when it is offered. However, once you have refused two offers, you are ineligible to purchase future benefit increases without underwriting. Benefit increase options will continue to be made to you as long as:

- Your coverage remains in force
- You are not currently receiving benefits
- You are not in the process of meeting the Elimination Period for an approved claim

The advantage of the benefit increase option is that the premium will be initially lower than if you select a built-in inflation protection option. However, you may end up

---

*Without long-term care coverage, paying for long-term care – at home or in a facility – can quickly deplete even sizable savings and retirement accounts.*

---

paying more over the long run because of the additional premium when you accept a benefit increase option. Also, the benefit increase option may provide less complete inflation protection because you are ineligible to increase your coverage once you are eligible for, or begin to receive, benefits. Therefore, should your cost of care increase while you are receiving care, your benefits will not increase under this option.

You may want to consider the benefit increase option if you:

- Expect your income or assets will increase
- Expect reduced financial obligations in the future

*Please see the Outline of Coverage for more information about these inflation protection options.*

An elderly couple is seen from behind, embracing on a wooden deck. The man is wearing a dark blue jacket and light-colored pants, while the woman is wearing a red top and grey pants. They are looking out over a large body of water, likely a lake, with trees and hills in the distance under a bright sky.

There is no wrong time  
to make the right move

*“John’s mother Audrey was considering long-term care coverage when she was a teacher in California. I said to John, ‘Let’s buy CalPERS too.’ We both thought it would be a good plan.*

*We were married, with no children, and we were not thinking about needing it right now for ourselves. We saw it as something we may need later, when we were in our 70s.*

*Two years later, I had a stroke after the birth of my son and boy, what a wonderful, wonderful plan it turned out to be. I am so grateful to CalPERS and I think the world of CalPERS. I can almost not speak about them without getting emotional.*

*After the stroke, when I came home after the hospital and adult residence center, I was in a wheelchair and I couldn’t speak. For about three years, it was very difficult for me and my husband.*

*But I was so grateful for CalPERS. It was unbelievable how kind they were to me.*

*Long-term care coverage has been a tremendous benefit for our family. This was the right choice. Absolutely.”*

— Brita del Corral, a CalPERS  
Long-Term Care Program participant



## Glossary

This alphabetical glossary contains many of the terms that are often used to describe long-term care coverage. Please refer to the illustrative Evidence of Coverage for terms used in CalPERS Long-Term Care plans. Terminology between the Comprehensive Plan and the California Partnership Plan may differ slightly.

---

### A

#### **Activities of Daily Living**

Activities of daily living mean the following self-care functions:

- Bathing, which is washing oneself by sponge bath, or in either a tub or shower – including the task of getting into or out of the tub or shower
- Dressing, which is putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs
- Toileting, which is getting to and from the toilet, getting on and off the toilet and performing associated personal hygiene
- Transferring, which is moving into or out of a bed, chair or wheelchair

- Contenance, which is the ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag)
- Eating, which is 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

### **Acute Care**

Usually short term, this is the kind of care that has recovery as its primary goal. It usually requires the services of a physician, nurse or other skilled health care professional and it is typically provided in a doctor's office or a hospital.

### **Administrator**

The entity or organization designated by CalPERS to administer the program on its behalf and in accordance with the rules and procedures it specifies.

### **Adult Day Care Center**

A community-based center for adults where care is provided during the day. Adult day care centers are for people who need assistance or supervision during the day, including help with personal care, but who do not need round-the-clock care.

### **Alzheimer's Disease**

A progressive, degenerative form of dementia that causes severe intellectual deterioration.

### **Application**

An application for coverage under the CalPERS Long-Term Care Program.

### **Assessment**

An evaluation done by CalPERS or its administrator to determine or verify your deficiencies in activities of daily living or your severe cognitive impairment. The assessment uses generally accepted tests and instruments that use objective measures and produce verifiable results. An assessment may be done in your home or a long-term care facility, or may be done by us through a review of objective evidence of your care needs.

### **Assisted Living Facility (also called a Residential Care Facility)**

While the types and sizes of facilities vary (ranging from a small home to a large apartment-style complex), an assisted living facility is a residential living arrangement that provides housing and related services, as well individualized personal care and health services for those who need it. While some people choose to live in this type of a facility before they may need this type of help, many people move to this type of facility when they require some assistance with more than one of the activities of daily living, but do not require the level of care provided in a nursing home.

### **Assignment of Benefits**

Instead of paying long-term care providers and then requesting benefits from the CalPERS Long-Term Care Program, providers are paid directly.

### **Attending Physician's Statement (APS)**

This is a report from a personal physician or from a medical facility that has provided treatment for an individual. The report contains information about an individual's medical history, medications, diagnoses, procedures and treatments.

### **Authorized Individual**

A person that the participant has designated in writing to be able to obtain protected health information regarding the participant. It is not a legal designation. The authorized individual can obtain protected health information but cannot make financial or health care decisions or changes without a legal designation by the participant.

---

## **B**

### **Bathing**

One of six activities of daily living, bathing is defined as washing oneself by sponge bath, or in either a tub or shower. This activity also includes the task of getting into or out of the tub or shower.

## **Bed Reservation**

If you are in a nursing home, assisted living/residential care facility or hospice facility and you leave the facility, CalPERS Long-Term Care Program will pay to hold a space in the facility to enable you to return.

## **Beneficiary**

An individual named to receive Program benefits upon your death.

## **Benefit Increase Option (BIO)**

A form of inflation protection where an individual has the right to increase benefits to reflect increases in the cost of care. These increases can be elected without providing evidence of insurability as long as the individual is not eligible for or receiving benefits at the time. The cost for the additional benefit amount is based on the individual's age at the time they elect to make the increase.

## **Benefits**

This term refers to the reimbursement a person receives from his or her long-term care coverage once it is determined that he or she qualifies for payment of benefits. Benefits can be paid directly to the individual (for costs incurred for care), or care providers can be paid directly.

## **Benefit Eligibility Assessment (also see 'Assessment')**

This term refers to an evaluation done by CalPERS to determine a claimant's deficiencies and establish a Plan of Care for the participant.

## **Built-In Inflation Protection (Automatic Inflation Protection)**

A form of inflation protection that automatically increases all coverage amounts annually, by the percent elected and using either a simple or compound calculation based on an individual's specific plan. The individual does not pay an additional premium cost each time the coverage amounts are increased, since the cost of the inflation protection is already included in the initial premium amount that individual is paying. Coverage increases continue even while the individual is eligible for and receiving benefits.

---

## **C**

### **California Partnership for Long-Term Care**

Long-Term Care coverage authorized by Section 22000, et seq. of the California Welfare and Institutions Code, between the State of California and CalPERS Long-Term Care Program that offers long-term care coverage, and provides Medi-Cal Asset Protection, that is approved as a Partnership Plan.

### **Caregiver**

The person providing care to a person with a chronic illness or disability, in home or community. This individual can be unpaid (family, friend, or volunteer) or paid for their services.

### **Care Advisor**

A person who is qualified by training and experience to assess and coordinate the overall functional, cognitive and social needs of a person who suffers from a long-term functional or cognitive disability and who is employed by or under contract to a care advisory services agency designated by CalPERS to provide care advisory services.

### **Care Advisory Services**

Services that help an individual and their family identify care needs and arrange for services. The care advisor, usually a nurse or social worker specially trained in the long-term care field, will also help monitor and coordinate care needs as they may change over time.

### **Care Advisory Services Plan**

A written individualized plan of services approved by a care advisory services agency designated by CalPERS, which specifies your long-term care needs and the type, frequency and providers of the services appropriate to meet those needs, as well as the costs, if any, of those services. A Care Advisory Services Plan is modified as required to reflect changes in your medical or social situation; your functional, behavioral or cognitive abilities and your service needs.

### **Care Management Provider Agency**

A Care Management Provider Agency is an agency or other entity that provides care management/care coordination for Partnership plans.

### **Chronically Ill**

A term used in a tax-qualified long-term care coverage to describe a person who needs long-term care services. For example, if you are unable to perform (without substantial assistance from another individual) at least two activities of daily living for a period of at least 90 days due to a loss of functional capacity, and/or require substantial supervision to protect yourself from threats to health and safety due to severe cognitive impairment.

### **Cognitive Impairment**

A deficiency in a person's short or long-term memory; orientation as 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-Based Services**

Services like adult day care or Meals On Wheels, designed to help older or disabled people stay independent and in their own homes.

### **Continence**

The ability to maintain control of bowel and bladder function; or when unable to maintain control of these functions, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag).

### **Coverage Effective Date**

The date that your coverage first becomes effective under the Agreement issued to you under the CalPERS Long-Term Care Program. Your coverage effective date is shown on your Schedule of Benefits.

### **Covered Services**

Qualified long-term care services listed in the "Covered Services" section for which coverage is provided under the CalPERS Long-Term Care Program.

---

## **D**

### **Daily Benefit Amount**

A specified dollar amount that is the maximum amount to be paid per day for covered services.

### **Dementia**

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

### **Dressing**

Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.

### **Domestic Partner**

The person with whom you are joined in a relationship legally recognized under state law as entitled to the same rights and benefits of married persons. If the state in which you reside does not legally recognize such relationships, the person with whom you live in a committed domestic relationship. Neither you nor your domestic partner may be joined to anyone else by either marriage or a domestic relationship legally recognized under state law. Domestic partner excludes anyone who is your blood relative or your adopted, in-law or step-relative. You may only have one spouse or domestic partner for purposes of this coverage. CalPERS has the right to ask you to submit documentation that explains your domestic partner status.

### **Durable Medical Equipment**

Equipment that you rent or purchase that is designed to be used in your home to treat a medical condition or assist you in performing activities of daily living. Examples of durable medical equipment include walkers, hospital-style beds, crutches and wheelchairs. Durable medical equipment does not include prescription drugs, athletic equipment, equipment placed in your body or items commonly found in a household.

---

## 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.

### **Elimination Period**

The elimination period (also known as the waiting period) is the total number of calendar days during which you must be eligible for benefits before CalPERS will pay for benefits.

---

## F

### **Formal Caregiver**

Any of the following providers that are paid to provide covered services in your home: home health agency, home health aide, homemaker, therapist or nurse. A formal caregiver can also include persons you hire directly, if approved by us, to provide the care you need as outlined in your plan of care.

### **Formal Long-Term Care Services**

Long-term care services for which a care provider is paid.

### **Fraudulent**

Intentionally executing or attempting to execute a scheme or committing an act intended to defraud the CalPERS Long-Term Care Program; by means of false or fraudulent pretenses, representations or promises, to obtain any of the money or property owned by, or under the custody or control of, the CalPERS Long-Term Care Program. Fraud may be committed by covered individuals, their relatives and legal representatives, and providers of service, singularly or in any combination.

### **Free-Look**

A 30-day period following receipt of your coverage during which time you may cancel it for any reason for a full refund of any premiums you have paid.

---

## G

### **Guaranteed Renewable**

We cannot cancel or refuse to renew your coverage until benefits have been exhausted as long as you pay premiums on time. Your premiums will never increase due solely to a change in your age or health. CalPERS can, however, change your premiums, but only if we change the premium schedule on an issue-age basis for all similar coverage issued in your state on the same form as this coverage. We must give you at least 60 days written notice before we change your premiums. The premiums for any increases in coverage, which you voluntarily elect, will be based on your age at the time you elect the increase.

---

## H

### **Hands-On Assistance**

Physical assistance from another person, which is essential in order for an individual to be able to perform various activities of daily living.

### **Health Insurance Portability and Accountability Act (HIPAA)**

Federal health insurance legislation passed in 1996 that allows long-term care policies to be qualified for certain tax benefits, under specified conditions. The CalPERS Long-Term Care Program is a federally tax-qualified long-term care program.

### **Home**

The place where you maintain independent residence. Home does not include a hospital, nursing home or assisted living/residential care facility.

### **Home Health Agency**

An organization that is licensed or certified under the laws of the jurisdiction in which it is located, where required, to provide home care services; or is recognized as a Certified Home Health Care Agency by Medicare. A Home Health Agency must also satisfy all of the following: develops and periodically reviews long-term care service plans at appropriate intervals; uses Home Health Aides trained or certified to provide maintenance or personal care

consistent with laws applicable to the provision of such care; provides on-site supervision of Home Health Aides by a nurse or social worker; provides on-call availability of a nurse or a physician in the event of a medical emergency during the hours that the Home Health Aide is in the client's home; maintains a written record of services provided to each client.

### **Home Health Aide**

A person whose services are arranged and supervised by a home health agency and whose main function is to provide assistance with activities of daily living. The person must be appropriately licensed or certified in the jurisdiction where services are to be performed if that jurisdiction requires such licensure or certification.

### **Home Health Care**

A broad range of services delivered in the home, including: skilled nursing services; speech, occupational, physical and respiratory therapies; nutrition and medical services; administering of medication; custodial/personal care (help with activities of daily living); and chore and homemaker services.

### **Homemaker Services**

Basic services provided at home to help a person with a chronic illness or disability to be as independent as possible. These services often include housekeeping, laundry, meal preparation, transportation and shopping.

### **Hospice**

A facility, unit of a facility, public or private agency, or unit of a public or private agency that meets federal certification requirements as a hospice, or is comparably licensed under applicable laws to provide care or management of the terminally ill.

### **Hospice Care**

Short-term, supportive care for the terminally ill that focuses on pain management, 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. A terminally ill person has a life expectancy of six months or less.

### **Hospital**

A facility that is licensed as a hospital and that provides a broad range of medical and surgical services for sick and injured persons 24 hours a day, by or under the supervision of a staff of physicians, and that provides nursing care 24 hours a day.

---

## **I**

### **Immediate Family Member**

Your spouse, child (natural, step or adopted), domestic partner, parent, parent-in-law, sibling, sibling-in-law, or your grandchild or step-grandchild. Immediate family member also means the spouse or domestic partner of any of the individuals listed above.

### **Inflation Protection**

A provision that allows benefits to increase over time, either automatically or periodically at the option of the covered person, to help coverage keep pace with inflation increases in the cost of care.

### **Informal Care**

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

### **Informal Caregiver**

A person who provides you with care on an unpaid basis in your home. An informal caregiver may be your primary caregiver or may augment the formal long-term care services you receive.

### **Informal Caregiver Training**

The training of an informal caregiver to perform maintenance or personal care services for you at home.

---

## **L**

### **Lapse**

Termination of coverage when premiums are not paid when they are due.

### **Licensed Health Care Practitioner**

A physician, a registered professional nurse, a licensed social worker, or other person who meets such requirements as may be prescribed by the U.S. Secretary of the Treasury.

### **Long-Term Care**

Long-term care describes a wide range of supportive, medical, personal and social services for people that have difficulty managing the activities of daily living due to illness, injury, disability, cognitive disorder or aging. The purpose of long-term care is to maintain or promote well-being and one's ability to care for oneself.

### **Long-Term Care Coverage**

A specific type of insurance or other coverage designed to offer financial support in paying for specified long-term care services rendered in a variety of settings.

---

## **M**

### **Maintenance or Personal Care**

Any care the primary purpose of which is to provide needed assistance with any of the disabilities as a result of which a participant is a chronically ill individual (including the protection from threats to health and safety due to severe cognitive impairment).

### **Medi-Cal (called Medicaid outside of California)**

This is the name of California's public assistance (welfare) program for financing health care for the poor. Medi-Cal is jointly financed and administered by federal, state and local government. It pays for health care services for those with low incomes or who have very high medical bills in relation to their income and assets.

### **Medicare**

Federal program organized under the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965. Medicare provides hospital and medical expense benefits for those individuals ages 65 or older or those meeting specific disability standards. It may provide benefits for some care at home or in a nursing home, but only for skilled care and only on a very limited basis.

### **Misrepresentation**

A statement or omission of information material to your insurability that occurred with or without your knowledge of the facts as shown in your medical records.

### **Monthly Benefit Amount**

The maximum CalPERS will pay for covered services per calendar month for non-facility care (services received at home or in an adult day care center, including hospice care and respite services at home). Your monthly benefit amount is shown on your Schedule of Benefits.

---

## **N**

### **Nonforfeiture Benefits**

Generally, an optional feature that can be added to your coverage for an additional premium cost. This benefit provides a limited amount of coverage if your coverage lapses due to non-payment of premiums as due.

### **Nurse**

A registered professional nurse (RN), licensed practical nurse (LPN) or licensed vocational nurse (LVN) who is currently licensed in the jurisdiction in which the services are provided.

### **Nursing Care**

Services requiring the professional skills of a nurse, which are provided by or under the supervision of a nurse working under the orders of a physician for the purpose of improving or maintaining your health.

### **Nursing Home**

A licensed facility that provides general nursing care and personal care assistance to those who are chronically ill or unable to take care of their activities of daily living like bathing, dressing or using the toilet. May also be referred to as a long-term care facility or convalescent care facility.

---

## **O**

### **Original Issue Age**

Your age at the time CalPERS receives your application.

## Outline of Coverage

This is a description of the benefits, exclusions and major provisions of your long-term care coverage. The Outline of Coverage must be provided to a prospective applicant before the application is taken.

---

## P

### Participant

A member of the CalPERS Long-Term Care Program.

### Physician

A person licensed as a medical doctor (MD) or doctor of osteopathy (DO) practicing within the scope of his or her license issued by the jurisdiction in which the services are provided.

### Plan of Care

A plan that is prescribed by a licensed health care practitioner that identifies ways of meeting your needs for qualified long-term care services if you are determined to be a chronically ill individual.

### Pre-Existing Condition

A 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 coverage (e.g., six–12 months).

---

## R

### Rescind

When the CalPERS Long-Term Care Program voids (cancels) coverage. If an individual's application for coverage includes answers that are misstated or untrue, the CalPERS Long-Term Care Program has the right to refuse benefits or to rescind their coverage.

### Residential Care Facility

This term defines a facility licensed as a residential care facility for the elderly or a residential care facility as defined in the California Health and Safety Code. Outside California, eligible providers are facilities licensed

or certified by the appropriate state agency to provide ongoing care and related services to support needs resulting from an inability to perform activities of daily living or severe cognitive impairment, or if no licensure or certification is required, facilities engaged primarily in providing on-going care and related services sufficient to support needs resulting from an inability to perform activities of daily living or severe cognitive impairment.

### Respite Services

The supervision and care of persons with deficiencies in activities of daily living or a severe cognitive impairment, in the home or out of the home, while the informal caregiver(s) who normally provide unpaid care on a daily basis take short-term leave or rest that provides them with temporary relief from the responsibilities of caregiving.

---

## S

### Schedule of Benefits

The customized listing of your coverage under the CalPERS Long-Term Care Program.

### Severe Cognitive Impairment

A loss or deterioration in intellectual capacity that is comparable to and includes Alzheimer's disease and similar forms of irreversible dementia and is measured by clinical evidence and standardized tests that reliably measure impairment in the individual's short-term or long-term memory; orientation as to people, places or time; and deductive or abstract reasoning.

### Skilled Care

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

### Spend Down

This is the requirement that individuals use up most of their assets before they can satisfy Medi-Cal's eligibility requirements.

### **Stand-By Assistance**

The presence of another person, nearby and within arm's reach, which is needed to prevent you from physical injury while performing activities of daily living.

### **Substantial Assistance**

Hands-on or stand-by assistance required to help you safely perform activities of daily living.

### **Substantial Supervision**

The presence of a person directing and watching over an individual with a cognitive impairment.

### **Supervisory Care**

This type of long-term care is sometimes needed because of problems with memory or orientation such as Alzheimer's disease. These types of problems are also known as cognitive impairment. Supervision is required to ensure that you do not harm yourself or others because your memory, reasoning and orientation to person, place or time are impaired.

---

## **T**

### **Tax-Qualified Long-Term Care Plan**

A plan that conforms to certain standards in federal law and offers certain federal tax advantages. The CalPERS Long-Term Care Program is a federally tax-qualified plan.

### **Terminal Illness (or Terminally III)**

An illness or injury determined by a physician to be likely to result in your death within six months.

### **Therapist**

A person who is licensed or certified to provide therapy services in the jurisdiction in which the services are provided.

### **Therapy Services**

Physical, respiratory, speech or occupational therapy services provided by a therapist. Therapy services does not include massage therapy or outpatient therapy services.

### **Toileting**

Getting to and from, and on and off the toilet, and performing associated personal hygiene.

### **Total Coverage Amount**

The total dollar amount of benefits available to be paid for covered services over the entire lifetime of an agreement.

### **Transferring**

Moving into and out of a bed, chair or wheelchair.

---

## **U**

### **Underwriting**

This is the process of determining those people who can receive coverage and those who cannot. The purpose of underwriting is to balance the risks of needing long-term care across a typical group of people by excluding from the CalPERS Long-Term Care 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.

---

## **V**

### **Void**

To retroactively cancel your coverage as if it has never been issued, in which case CalPERS will return all the premiums you paid.

---

## **W**

### **Waiver of Premium**

Common coverage provision in long-term care that suspends premium payment when you begin to receive benefits (or after some other specified period of time during you are receiving benefits.) You do not have to resume paying premiums until you no longer are receiving benefits.

## Notice of Privacy Practices

We are committed to protecting the privacy of both the applicants for CalPERS Long-Term Care coverage and existing CalPERS Long-Term Care Program participants. The manner in which we handle Protected Health Information is detailed in our Notice of Privacy Practices. This document can be found at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The Notice of Privacy Practices defines how we may use and disclose Protected Health Information for: treatment, payment or healthcare operations, and other purposes required by law. Univita serves as CalPERS Third-Party Administrator for the CalPERS Long-Term Care Program. As such, they are considered a Business Associate under the Health Information Technology for Economic and Clinical Health Act. Univita is accountable for complying with Health Insurance Portability and Accountability Act Privacy requirements. Univita will honor the appropriate requirements under CalPERS Notice of Privacy Practices regarding use and disclosure of Protected Health Information.

## Additional Resources

The CalPERS Long-Term Care Program does not endorse the information provided by other agencies or organizations. These information resources are provided as courtesy only.

- **California Department of Aging**

The California Department of Aging has a consumer's guide to long-term care, which is included in your application kit. You may also request one online at [www.aging.ca.gov/AboutCDA/Publications/Taking\\_Care\\_of\\_Tomorrow\\_English/](http://www.aging.ca.gov/AboutCDA/Publications/Taking_Care_of_Tomorrow_English/) or by calling (916) 419-7500.

- **CalCareNet**

The State of California Care Network is a comprehensive, easy-to-use, accessible website for consumers, caregivers, family participants and providers seeking information about long-term care services. [www.calcarenet.ca.gov](http://www.calcarenet.ca.gov)

- **California Health Advocates – Health Insurance Counseling and Advocacy Program (HICAP)**

HICAP provides free information and counseling about Medicare. (800) 434-0222 [www.cahealthadvocates.org/HICAP/](http://www.cahealthadvocates.org/HICAP/)

- **Guide to Health Insurance for People with Medicare**

[www.medicare.gov](http://www.medicare.gov)

- **U.S. Department of Health and Human Services**

[www.longtermcare.gov](http://www.longtermcare.gov)

- **American Association of Long-Term Care Insurance**

[www.aaltci.org](http://www.aaltci.org)



---

California Public Employees' Retirement System  
400 Q Street  
P.O. Box 942701  
Sacramento, CA 94229-2701  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

Produced by CalPERS External Affairs Branch & CalPERS Long-Term Care Program  
January 2014.01.2