



Nationwide®

Long-term care

# Understanding your options



## What is long-term care?





# Redefining long-term care

Long-term care (LTC) is a range of services and supports you may need to receive personal care such as bathing, dressing or transferring. This support may be provided informally by friends or family members or by professionals in a home-based setting or residential setting.

Today, most long-term care takes place in the home.<sup>1</sup>

Chances are you'll need long-term care in your lifetime, and planning now can ensure that your care preferences are carried out in the future.<sup>2</sup>

<sup>1</sup> American Association for Long-Term Care Insurance (January 2022).

<sup>2</sup> "Understanding Long-Term Care," LongTermCare.gov (Aug. 2, 2021).

# Understanding long-term care

## What qualifies as long-term care?

Under federal regulations, to qualify for long-term care benefits, a U.S.-licensed health care practitioner<sup>3</sup> must certify either:

### Severe cognitive impairment

Lack of memory; orientation; sense of person, place or time; abstract reasoning; or judgment relating to safety (dementias, including Alzheimer's, would qualify)

OR

### Inability to perform 2 activities of daily living (ADLs)

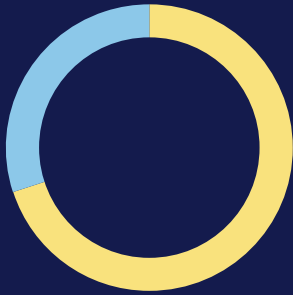
The 6 ADLs are bathing, continence, dressing, eating, transferring (out of bed, chair or wheelchair), using the toilet

<sup>3</sup> A U.S.-licensed health care practitioner is defined as a medical doctor (MD), a doctor of osteopathy (DO), a registered nurse (RN) or a licensed social worker (LSW). Any of these professionals must be assessing the patient within their scope of practice.



# Understanding long-term care

Most long-term care takes place in the home.<sup>4</sup>



## Home care

Home care dominates the majority of long-term care insurance claims.



<sup>4</sup> "Home Care Dominates the Majority of Long-Term Care Insurance Claims," quote from Jesse Slome of the American Association for Long-Term Care Insurance in this article by the Insurance Forums Staff. (Nov. 10, 2020).





# Understanding long-term care

**LTC is expensive — and the cost continues to grow<sup>5</sup>**

The expenses associated with long-term care are expected to increase significantly over the next 20 years.

<sup>5</sup> Nationwide Cost of Care Estimator, [nationwidefinancialltdmap.hvsfinancial.com](http://nationwidefinancialltdmap.hvsfinancial.com).



## Understanding long-term care

**LTC is likely to be informal and from unpaid caregivers**

Long-term care coverage helps protect a spouse's health and a family's finances.

# Understanding long-term care

## Informal LTC is physically and financially demanding for women

- Most women survive men by at least 5 years<sup>6</sup>
- 67% of unpaid caregivers are women<sup>7</sup>
- Women tend to receive long-term care benefits (or LTC benefits) 68% longer than men<sup>8</sup>

<sup>6</sup> "The life expectancy of older couples and surviving spouses," Janice Compton and Robert A. Pollak, PLOS ONE 16(5): e0250564 (May 14, 2021).

<sup>7</sup> "Drained: The Plight of Unpaid Caregivers," U.S. News & World Report (April 12, 2023).

<sup>8</sup> "How Much Care Will You Need?" LongTermCare.gov (Feb. 18, 2020).





# Understanding long-term care

## Medicaid and Medicare are not realistic solutions

### Medicaid

- Must show proof of impoverishment at time of claim
- Assets must be less than \$2,000 (varies by state)
- 5-year look-back on assets to qualify
- Options for care might be limited

### Medicare

- Pays benefits for a maximum of 100 days plus there's a daily co-pay after 20 days
- Begins after 3rd consecutive day in the hospital under treatment
- Covers skilled care only, not chronic

**Long-term care coverage can help provide for options and resources not typically available through these programs.**



# Understanding long-term care

## LTC benefit payout options

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	Reimbursement	Cash indemnity <sup>9</sup>
1	Bills need to be submitted each month.	No bills or receipts are required to be submitted once a claim is established.
2	Wait to see which services are covered; the insurance company sends a check for only what's covered (with a maximum of the LTC benefit amount).	You can elect to receive up to 100% of the available monthly benefit amount and use it without policy restrictions.
3	You'll need to pay out of pocket for uncovered services and you won't have any leftover benefits to pay for "uncovered" costs.	If your actual current expenses are less than the available benefit amount, you can choose to take a lower amount to preserve the death benefit or extend the period over which LTC benefits will be available; or you can bank any amount not currently needed or you can bank any amount not currently needed and use it to pay future expenses.

<sup>9</sup> Under certain circumstances, LTC benefits received may be taxable. Please consult with your tax advisor.

# Preparing for long-term care

## Creating a plan to address LTC costs

1. Talk to a trusted financial professional.
2. Get an LTC cost estimate.
3. Consider your coverage options.
4. Consider potential sources of funding options.





# Nationwide's foundation for shared success

Driven by long-standing core values

## Keeping up with our customers' needs since the beginning

Our roots extend back to 1926, when we began as a small, regional mutual insurer helping farmers get the best value they could for auto insurance. Through the years, we've grown and expanded the solutions and services we provide to our customers while staying true to our On Your Side® promise: We exist to protect people, businesses and futures with extraordinary care. Today, we're a Fortune 100 company and one of America's most diversified insurance and financial services organizations.

Fortune  
**100**  
company  
since 2012

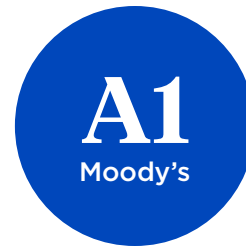
## Top 10 life insurer

Based on total premiums, LIMRA (YE 2022).

Nationwide® has been providing innovative long-term care solutions for nearly 25 years.



received: 10/17/02; affirmed: 12/1/22



received: 3/10/09; affirmed: 5/27/20



received: 12/22/08; affirmed: 5/16/23

These ratings and rankings reflect rating agency assessment of financial strength and claims-paying ability of Nationwide Life Insurance Company and are subject to change at any time. They are not intended to reflect the investment experience or financial strength of any variable account, which is subject to market risk. Because the dates are updated only when there's a change in the ratings, the dates reflect the most recent ratings we have received.



**Questions?**



Please keep in mind that there is no guarantee this product will cover the entire cost for long-term care, as expenses vary with the needs of each individual. A long-term care policy may have exclusions, limitations, reductions of benefits and terms under which the policy may be continued in force or discontinued. For more details on cost and coverage options, work with your insurance professional.

The insurance professional or company may contact you in response to your request for additional information.

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