



Long Term Care

Evaluating Private Insurers Offerings with Eldercare Resources

Long Term Care (LTC) has recently been in the spotlight as the Community Living Assistance Services and Support Act (CLASS Act) of the Healthcare Reform has brought to light a new federally subsidized LTC plan. Employers will have the option to participate in the federal plan and will be required to payroll deduct the premiums if they do elect to participate. For this reason we strongly recommend reviewing LTC plans from private insurers, as they allow for greater flexibility, provide stronger contracts, have distinct tax advantages, and can be coupled with valuable Eldercare education for the entire employee population.

Employer sponsored LTC plans can be established three ways:

- **100% Employer Funded** - an affordable base plan can be provided to all employees and they have the option to enhance their coverage on a guarantee issue basis. (employer cost is approximately \$8 per employee per month)
- **100% Employee Funded** - employer sponsored voluntary enrollment. This can be offered guaranteed issue with 10% employee participation.
- **Carve-out Class** - there are few discrimination rules to LTC, therefore employers can offer a selected class the coverage. Most carriers require at least 10 employees in the defined class. Employers can then offer the coverage on a voluntary, employee-funded, basis to the rest of the employees.

Beyond the flexible funding arrangements, LTC premiums can also be deducted by the employer and the benefits under tax-qualified LTC policies are always tax-free. This provides added incentive for implementing an employer sponsored plan.

Currently eldercare and care giving responsibilities cost U.S. businesses \$33.6 billion, as more and more employees deal with caring for a loved one. Our team has successfully partnered with Long Term Care providers and eldercare resources to assist employees with recognizing care giving challenges early, thus reducing the negative impact in productivity and healthcare costs for our clients. Through a robust communication campaign and educational seminars, employees are exposed to eldercare resources such as early warning signs of care giving, local professional home care providers, and steps to take when faced with an eldercare situation. Employees also have the ability to protect themselves and their families financially, through purchasing Long Term Care Insurance.

Employees will be hearing more about the CLASS Act and the federal Long Term Care plans, so it's important to review all of your options. WGA is committed to assisting companies with the analysis of Long Term Care plans and what program would work best for the organization.

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William Gallagher Associates is a leading provider of insurance brokerage, risk management and employee benefits services to firms with complex risks, within industries that include technology, life sciences, financial risks, health care, aviation, energy, and environmental services. WGA has offices in Boston, MA; New York, NY; Hartford, CT; Princeton, NJ; Columbia, MD; and Atlanta, GA.



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