

Senior Insurance Training Services

Long-Term Care Insurance Success!



Continuing Education & Sales Training

All Along the Watchtower—Part III

(800) 460-7487

See Inside:

- New Innovations in LTC on the Horizon Part 3
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In this, the last of a series, we introduce a new risk evaluation resource available to individuals and organizations, and analyze its potential role relative to the decision to purchase LTC insurance.

In our previous two articles, we referred to a small company in Southern California capable of detecting and treating LTCI's single greatest source of claim expense, Alzheimer's Disease and related senile dementia (ADRD). That company, Medical Care Corporation (MCC), now has a publicly available, internet-based test that provides individuals the ability to detect, at a very early stage, the presence of this disease. It is simple, can be taken for oneself or on behalf of a loved one, takes 20 to 30 minutes, costs \$29.95 (a high level result is free, but the valuable details cost money) and can be found at www.mccare.com.

Alzheimer's Disease first establishes itself in the brain 30 years before symptoms, giving it one of longest and slowest pathologies of any major chronic disease. It is this prolonged pathology, however, that has created the opportunity for early detection and treatment. What distinguishes MCC's approach is that, at a fraction of the cost of highly invasive medical procedures (such as spinal fluid taps), their test is able to detect the disease when symptoms first begin to differ from those of normal aging. And it does so with accuracy greater than or equal to that of the medical procedures.

In addition to its detection capabilities, the company has also developed an entire internet-based prevention, treatment and monitoring protocol that interfaces with the individual and his or her physician to provide a comprehensive program to delay the effects of ADRD. This program, if followed in its entirety,

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Host Your Own Private CE/Sales Workshop and receive free copies of the New 2002 (Edition II) California Rate & Consumer Guides

Tom Orr, President of Senior Insurance Training Services, will conduct a one-day 8-hour LTC Sales Workshop, LTC/CTQ or California Partnership seminar for your group. With 15+ years of LTC Insurance home office, agent training and field selling experience, Tom's in-depth knowledge will empower your group to expand their opportunities in the LTC Insurance field.

Group discounts are available as well as customized programs focused on your specific products. Minimum class sizes are required. Call today to reserve a date for your agency to increase their LTC Insurance results and satisfy their LTC CE requirements.

Special Note: New course material covering the Federal LTCI program, AARP's LTCI offering and a new California LTC provider cost survey.

Summer School Special

Issue 24

July 2002

All Summer classes in July and August are \$75 per class, 10% off our regular cost. See page 5 to register.

All Along the Watchtower—Part II

continued

has the potential of reducing the need for nursing home placement by 3 to 6 years and more, without extending life expectancy, and therefore extending productive life by an equal period. The entire program, due out later this year, will market for around \$1,000. A small amount to pay for even one additional year of life, much less 3 to 6.

The public availability of this technology has the potential to redefine the LTCI landscape in two rather interesting ways, neither of which favors today's traditional, reactive product model.

The first, and most direct consequence, is that individuals now have another alternative when facing the issue of ADRD in particular, and long term care in general. Previously, the options were two:

1. Do nothing and hope for the best. This is certainly the cheapest approach, but only works if the best comes to pass. If the worst comes to pass, it carries an expense of \$500,000 or more and the prospect of spending up to ten years in isolation and slow death.
2. Buy long term care insurance. This has a lifetime cost of between \$15,000 and \$30,000 and deals with the unbearable expense issue, but does nothing for the quality of life issue.

There is now a third choice:

3. Deal with the issue before it becomes an issue. The lifetime expense of this option is around \$1,000 plus annual treatment costs of around \$1,200, if ADRD is diagnosed. Since more than half of all LTCI claim dollars are paid out on ADRD claims, this offers an inexpensive approach that deals with half the risk, while adding years of productive life.

In fairness, this option doesn't deal with the other half of the LTC risk, but it does provide an intriguing counterpart to the insurance model, while dealing with the most potentially catastrophic loss covered by the insurance.

The second, more insidious, consequence of the detection service is that it will allow individuals to detect ADRD much earlier than the standard tools used by LTCI underwriters. This is because the test, as demonstrated in clinical evaluations, is three to four times more sensitive than industry standards like the DWR, FAQ or the widely-used Minnesota Cognitive Acuity Screen (MCAS).

This creates some interesting possibilities relative to the decision of *whether*, and more importantly *when*, to purchase insurance. Someone who tests "clean" today would potentially be spending more than twice what the insurance is worth relative to their current risk. Furthermore, as long as they keep up with the recommended annual testing, they will always be in a position to purchase insurance "just in time", as there will be a period from the time they test positive and when the MCAS (or other equivalent tool) picks them up. And, since the MCC test is a totally private internet service and involves no advice from a doctor, it does not qualify as medical advice and will never appear on medical records.

It will be interesting, to say the least, to see how this all plays out. We will keep you posted.

See Rod Shankle, the Founder of Medical Care Corporation, on National TV .

On Monday, June 24th, Dr. Shankle will appear on the Today Show to discuss MCC's Alzheimer's program and how individuals can use his company's technology to assess and manage their own long term care risk.

FEDERAL GOVERNMENT LAUNCHES LTCI PROGRAM

Back in November 2000 (Issue 19) SITS informed you that the federal LTC insurance bill, H.R. 4040 which established a private LTC Insurance program for federal employees including the military and retirees became public law 106-265.

UPDATE

- The Federal Government's Office of Personnel Management (OPM) awarded the Federal Long-Term Care Insurance Program on December 18, 2001 to a joint undertaking by John Hancock and MetLife.
- The new joint venture Company is called LTC Partners and will be based in Portsmouth, New Hampshire. LTC Partners will be governed by a Management Committee with Joyce Ruddock, of MetLife, as Chairman of the committee. Paul Forte of John Hancock will be the CEO of LTC Partners.
- This new Federal Program will be available to most federal employees and their families and is expected to be the largest employer-sponsored long-term care insurance program in the United States. Total population for solicitation could exceed 20 million lives.
- The Program provides a "Group Plan" (individual certificates) to the Federal employees. Premium payments are on a voluntary basis. There will be an early enrollment beginning in March of 2002 with Open Season taking place through December 31, 2002.

Benefit Design of Federal LTC Plans

The Federal Program provides reimbursement for the following covered services, as long as they are part of an approved written plan of care, up to the percentage of the daily benefit amount listed next to the covered service:

<u>Covered Services</u>	<u>Reimbursement Up To</u>
Nursing home, hospice facility, or assisted living facility	100% of your daily benefit amount
Hospice care at home	100% of your daily benefit amount
Home care provided by a formal caregiver	75% of your daily benefit amount
Informal caregiver services**	75% of your daily benefit amount
Adult day care center	75% of your daily benefit amount
Respite services**	100% of your daily benefit amount
Caregiver training**	100% of your daily benefit amount
Bed reservations**	100% of your daily benefit amount

**See the *Benefit Maximums* section that follows.

International Benefits: The Program provides benefits for covered services received outside the United States, its territories and possessions. The policy pays benefits for such services up to 80% of the amounts listed above. Only 80% of the maximum lifetime benefit can be used for covered services received internationally; the other 20% is available only for covered services received in the United States, its territories and possessions.

Alternate Plan of Care: The Program provides a benefit for an alternate plan of care. Under certain circumstances, the long term care coordinator assigned to the policyholder can authorize benefits for services that are not specifically defined as covered services under the Program (for example, making a home wheelchair accessible).

Benefit Maximums: Specific lifetime or calendar year limitations apply to certain benefits as follows:

- Informal caregiver services provided by family members: benefits limited to 365 days in a lifetime.
- Caregiver training: benefits limited to 7 days times the daily benefit amount in a lifetime.
- Respite services: benefits limited to 30 days times the daily benefit amount per calendar year.
- Bed reservations: benefits limited to 30 days per calendar year.

How to get more information:

- For up-to-date plan and rate information on the Federal LTC Plan, check out the Office of Personnel Management websites on LTCI at www.ltcfeds.com and www.opm.gov/insure/ltc. Starting in July, this and much more will be discussed and included into SITS new CTQ course material.

Seminar Calendar 2002



CALIFORNIA LONG-TERM CARE (CTQ-CALIFORNIA TAX-QUALIFIED) - COURSE #83363

	July		August		September		October
9	Costa Mesa	1	Ontario	10	San Francisco	1	Oxnard
9	San Francisco	6	Costa Mesa	11	Costa Mesa	2	Pasadena
10	Fresno	8	Woodland Hills	12	Fresno	4	San Rafael
16	San Bernardino	13	Pasadena	17	San Bernardino	8	Ontario
16	Walnut Creek	14	San Jose	17	San Jose	15	Costa Mesa
17	San Jose	20	Sacramento	18	Sacramento	15	San Francisco
23	Sacramento	21	San Rafael	24	San Rafael	16	Sacramento
24	San Rafael	27	Walnut Creek	24	Woodland Hills	22	Woodland Hills
25	Woodland Hills			25	Walnut Creek	23	Fresno
						25	San Jose
						29	Walnut Creek

All Long-Term Care class attendees will receive a free "California Department of Insurance Long-Term Care Insurance Company Rate & History Guide" - New 2002 Version



CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE - COURSE #85943

	July		August		September		October
11	Fresno	2	Ontario	12	San Francisco	3	Oxnard
11	San Francisco	7	Costa Mesa	13	Costa Mesa	9	Ontario
12	Costa Mesa	9	Woodland Hills	13	Fresno	10	San Rafael
18	San Bernardino	15	Pasadena	19	San Bernardino	11	Pasadena
18	Walnut Creek	16	San Jose	19	San Jose	17	Costa Mesa
19	San Jose	22	Sacramento	20	Sacramento	17	San Francisco
26	Sacramento	23	San Rafael	26	San Rafael	18	Sacramento
30	Woodland Hills	28	Walnut Creek	26	Woodland Hills	24	Fresno
31	San Rafael			27	Walnut Creek	24	Woodland Hills
						30	Walnut Creek
						31	San Jose

All Partnership Class attendees will receive a free "California Department of Insurance Consumer Guide" - New 2002 Version

Minimum of 10 paid enrollees are required to hold a class

All courses 8:30am - 4:30pm

Long-Term Care & Partnership courses cost \$85 each, sign-up for both and save \$20!

Long-Term Care Correspondence cost is \$58.75

8 Hours of CE credit per course

MORE THAN JUST CE. IT'S INFORMATION YOU CAN USE.

Senior Insurance Training Services Registration Form Seminar Descriptions & Fees



California LTC/CTQ Seminar

(new course # 83363 as of 7/7/00)

8:30 AM - 4:30 PM 8 hours of CE credit

\$85 per seminar - \$100 at door

CFP Approved for 8 hours

California LTC/CTQ CORRESPONDENCE

(new course # 83364 as of 7/7/00)

8 hours of CE credit

\$58.75

CFP Approved for 6 hours

California CPR/TQ Seminar

(new course # 85943 as of 10/6/00)

8:30 AM - 4:30 PM 8 hours of CE credit

\$85 per seminar - \$100 at door

CFP Approved for 7 hours



\$20 DISCOUNT!

**REGISTER AND ATTEND
BOTH SEMINARS AND
SAVE \$20** (does not include
LTC Correspondence).

4 Ways to Register for Seminars:

1. CALL (800) 460-7487
 2. FAX REGISTRATION
FORM TO (707) 939-9599
 3. WEBSITE www.LTCCE.com
 4. MAIL REGISTRATION
FORM WITH PAYMENT
- VISIT OUR WEBSITE
WWW.LTCCE.COM
TO REGISTER, VIEW OUR
SEMINAR CALENDAR AND
GET LTC INFORMATION**

Minimum of 10 paid enrollees are required in order to hold a class.

NAME: _____ PHONE: _____

ADDRESS: _____ FAX: _____

CITY / STATE / ZIP: _____

EMAIL: _____

SSN: _____ LICENSE: _____ EXP DATE: _____

COURSE (circle one): LTC CORRESPONDENCE 8HR LTC SEMINAR 8HR PARTNERSHIP SEMINAR

DATE / LOCATION: _____ Payment Type: CHECK VISA M/C DISCOVER
American Express Not Accepted

Credit Card #: _____ Exp. Date: _____

Signature: _____

**72-HOUR CANCELLATION NOTICE REQUIRED FOR REFUND
NON-CANCELLATION IS FORFEITURE OF TUITION**

Medicare to Cover Alzheimer's Disease?

The following represents a condensed version of an actual story in the *New York Times*.

“WASHINGTON, March 30, 2002 - The Bush administration, in a major change, has authorized Medicare coverage for the treatment of Alzheimer's disease, which afflicts nearly four million Americans and is expected to grow to epidemic proportions with the aging of the population.

“The new policy means that Medicare beneficiaries can no longer be denied reimbursement for the costs of mental health services, hospice care or home health care just because they have Alzheimer's.

“In the past, many claims were automatically denied on the assumption that treatment was futile because people with Alzheimer's were incapable of any medical improvement. Now, federal officials say, new studies show that people with Alzheimer's can often benefit from psychotherapy, physical and occupational therapy and other services.” . . .

“Neither federal officials nor advocates for the elderly provided estimates of the cost of the new policy. Experts said the direct cost to Medicare could be several billion dollars a year.” . . .

“The policy is set forth in a memorandum sent late last year from the government to the companies that review and pay Medicare claims. These companies have just begun to put the change into practice.

“The government gave no public notice of the new policy, but it has already made a difference in the lives of some people with Alzheimer's. Some patients have received benefits that were once denied, and some medical practitioners have secured payment for services that Medicare once refused to cover.

“Mr. [Stephen R.] McConnell of the Alzheimer's Association estimated that 10 percent of people over 65 and nearly half of those over 85 had Alzheimer's, a brain disorder that causes loss of memory, changes in personality and behavior, and a decline in thinking abilities.

LTC COMMENT: Medicare coverage of health conditions incidental to Alzheimer's Disease is big news and good news. Unfortunately, this news is not as big or good as most people will think. If misunderstood, it could hurt more people than Medicare helps. Here's why:

Despite the impression given by the headlines and the story itself, Medicare is not going to cover any more kinds of services than it did before. The only difference is that Medicare carriers will no longer be allowed to deny the same covered services to beneficiaries based on a diagnosis of Alzheimer's Disease. Medicare beneficiaries will still have to jump through all the other, severely restrictive eligibility hoops that limit access to Medicare's home health care benefit. Medicare still won't pay for long-term custodial home health, assisted living or nursing home care, the single biggest financial risks seniors face.

As we all know, Medicare covers only rehabilitative care, not long-term custodial care. That fact is not changing. If Medicare were truly going to cover the enormous care costs incidental to Alzheimer's Disease, the extra expenditures would not be “several billion dollars a year” but rather, hundreds of billions of dollars per year. And where is Medicare going to find even a few extra billions? Congress is planning to chop Medicare costs, not augment them: “A scheduled 17% reduction in Medicare reimbursement rates for nursing homes could have a ‘significant’ impact on quality of care at those facilities, according to a new study released March 25 by the American Health Care Association and the Alliance for Quality Nursing Home Care (Wheeler, Gannett News Service/Asbury Park Press, 3/24).”

If the public interprets Medicare's “coverage” of Alzheimer's Disease as one more reason to ignore the financial risk of long-term care, they may be even less likely than they already are to prepare for that risk. Even before this latest news, many studies showed that an alarming percentage of the public already believed that Medicare covered long-term care. Will more people fail to plan early and save, invest or insure for long-term care because they believe, mistakenly, that Medicare covers that cost? Will seniors all across America be cancelling their appointments with financial planners and insurance agents on Monday, April 1? If so, it will be one of the biggest and most damaging April Fools jokes ever perpetrated on the American consumer. Our advice to LTC insurance producers and other senior advisers is:

- (1) expect the objection that “Medicare will cover me” to become even more common than it already is,
- (2) re-arm yourself with all the facts about limitations on Medicare coverage,
- (3) tell your prospects and clients the hard truth, but without using “scare tactics,”
- (4) remember that even though Medicare does not provide “long-term care” coverage, Medicaid often does, and
- (5) be prepared to warn people about Medicaid's problems of access, quality, reimbursement, discrimination and institutional bias as you advise them against the temptation of Medicaid estate planning.

Senior Insurance Training Services Offers:

CLTC Master Class – 2002 Fall Schedule

Northern CA Location
Walnut Creek, CA

Southern CA Location
Costa Mesa

October 28, 29
Golden Gate University,
801 Ygnacio Valley Road
Walnut Creek, CA 94596
925/945-7132

October 17, 18
National University,
3390 Harbor Blvd.
Costa Mesa, CA 92626
714/429-5100

CLTC: Industry's premier professional designation dedicated to the Long Term Care market
Offered by: Corporation for Long-Term Care Certification
Endorsed by: College for Financial Planning Major Insurance Carriers
The Master Class: 2-day pre-certification class preparing you for the CLTC exam, conducted by Tom Orr

- ◆ Proven sales & marketing ideas
- ◆ Comprehensive training on LTC issues
- ◆ Multi-disciplinary approach, linking LTC to financial planning, tax law, elder law, other services

Cost of Master Class: \$920.00, for Met Life & Prudential agents, \$995 for all others (includes all course materials and exam fee).

How to register or get more information? Visit the CLTC website: www.ltc-cltc.com or call (877) 771-2582

Why should I get my CLTC designation? CLTC graduates praise the CLTC Program for giving them the knowledge and confidence needed to be successful in the LTC insurance market and with effectively meeting their clients' needs. As a CLTC graduate, you are entitled to ongoing valuable benefits, including regular legislative and industry updates and newsletters—which will enable you to provide ongoing value to your clients.

How do I get the CLTC designation? After completing the Master Class or self-study materials, you schedule an examination with a local Prometric office. (Formerly Sylvan Learning Center.) Upon passing the 100-question exam (70% is required), you will receive the CLTC designation.

How many CE credits will I get? CE credits will vary between 12 and 28 hours, depending on your state.

Who has participated in the CLTC Program to date? Over 4500 financial and insurance professionals have participated since the launch of the Program in July 1999.

What does it cost? Normally the cost of the Master Class is \$1195 and the cost of the self-study course is \$870. Your special rate is \$995 for the Master Class and \$770 for the self-study course materials. You can pay it in 4 equal monthly installments on your credit card.

What if I cannot attend this Master Class? You should consider the self-study program or call CLTC to put your name on the waiting list for the next Master Class to be held in your area.

Become a CLTC (Certified in Long-term Care) & elevate your career to the next level!



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The Most Advanced LTCI Selling System Available Soon

Senior Insurance Training Services is pleased to announce the availability of an entirely new comprehensive selling system. This system is the result of 25 years of experience in the long term care insurance industry and reflects years of development and testing. Included within the system are modules covering:

- Pre Training on the basics of LTCI and its environment that also qualifies for CE credits
- Thorough sales training grounded in proven techniques that have transformed rookies into national sales leaders
- A personal development program designed to heighten individual effectiveness
- Individual and agency business aids that help you create the most efficient organization
- Telephone scripts, objection handlers, evidentiary material, group programs, reference guides, underwriting aides, rate and comparison software and more . . . all available on CD, audio and video.

This system is the result of an exclusive collaboration between SITS and the nation's most successful seller of long term care insurance. Look for details in our next newsletter.