

## Long-Term Care

### QUICK QUIZ Answers

**1. D**

Most government programs and insurance plans typically define long-term care as a chronic illness or disability that results in a loss of functional capacity associated with Activities of Daily Living (e.g., bathing, continence, dressing, eating, toileting and transferring). A Severe Cognitive Impairment which requires supervision to protect your health and safety may also be considered a chronic illness or disability.

**2. D**

**3. B**

Source: *Prudential 2010 Cost of Care Study*

**4. A**

Source: U.S. Department of Health & Human Services ([www.medicare.gov](http://www.medicare.gov))

**5. A**

Home health care costs increased 13% from 2008-2010 to an average daily rate of \$190 (or \$23.75 per hour, assuming an 8-hour day)—nearly three times the 5% growth rate from 2006-2008. The 2010 increase in home health care costs is attributable to a 17% rise in the hourly rates of Licensed Practical Nurses. Source: *Prudential 2010 Cost of Care Study*

**6. A**

A 2009 survey found that 65.7 million people in the United States, or 28.5% of the population, serve as unpaid caregivers to an adult family member, a child with special needs or friend. Source: National Alliance for Caregiving, *Care For The Family Caregiver: A Place To Start*, March 2010 Edition.

**7. C**

The average daily cost of a private nursing home room in 2010 is \$247, or \$90,155 annually. Source: *Prudential 2010 Cost of Care Study*

**8. D**

Since long-term care is not considered medical care, most health insurance plans don't pay for it. Disability insurance is typically designed to replace lost income, but it does not provide payments for long-term care services. Medicare will cover some costs for retirees, but only what is considered "medically necessary."<sup>2</sup> It was not designed to pay for extended long-term care and should not be counted on as a resource to meet this need. Medicaid, which is a Federal-State health insurance program, is designed to pay for nursing home care for those who are very poor. Medicaid dictates the type, amount, and location of care and can only be used in limited cases to pay for an assisted living/residential care facility or home health care.

**9. D**

Medicaid rules discourage the improper transfer of assets to gain eligibility. If you apply for Medicaid coverage for long-term care, the state in which you apply will conduct a review to determine whether you or your spouse transferred assets (e.g., cash gifts to children or real estate) to another person or party for less than fair market value. This "look-back period" is 60 months (five years) prior to the date you applied for Medicaid.

**10. D**

Prudential long-term care insurance policies are designed to provide freedom of choice—giving you greater ability to choose which caregivers you will use and in what setting care will be provided.

**Questions?** To learn more, ask your licensed representative

1. Source: *2010 Prudential Long-Term Care Consumer Awareness & Attitudes Study*

2. Medically necessary is defined as "Services or supplies that are needed for the diagnosis or treatment of your medical condition, meet the standards of good medical practice in the local area, and aren't mainly for the convenience of you or your doctor. Source: Medicare - The official U.S. Government site <http://www.medicare.gov/Glossary/search.asp?Language=English&SelectAlphabet=M>

Long-term care insurance policies are issued by **The Prudential Insurance Company of America**, 751 Broad Street, Newark, NJ 07102 (800-732-0416). This coverage contains benefits, exclusions, limitations, eligibility requirements and specific terms and provisions under which the insurance coverage may be continued in force or discontinued. Prudential is authorized to conduct business in all U.S. states and the District of Columbia. All insurance policies/options may not be available in your state. Coverage is issued under policy number GRP 113096 and 114018 (In Idaho coverage is issued under GRP 113096 and 114345. In Louisiana coverage is issued under GRP 114231 and 114073. In North Carolina coverage is issued under GRP 113598 and 114216; NC Franchise 113640 and 114217. In Oklahoma coverage is issued under GRP 113325 and 114178. In Oregon coverage is issued under GRP 113363. In Pennsylvania coverage is issued under GRP 113172; PA Franchise 113570. In Virginia coverage is issued under GRP 113327.); however, policy numbers may vary by state.

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This is a solicitation for long-term care insurance. An insurance agent may contact you.

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# Long-Term Care Quick Quiz



Test your knowledge about long-term care planning by answering quick 10 questions



# The more you know about long-term care, the better you can plan for your future

Take this Quick Quiz now to test your knowledge...



Seven in ten Americans express concern that they may require long-term care services in the future.<sup>1</sup> In spite of this, many misconceptions exist about the facts surrounding long-term care and the potential role that insurance might play in personal planning.

**Do you have the facts you need to make informed decisions about long-term care?**

This quiz can help you decide. Simply circle your answers to 10 quick questions, then compare your answers to the ones provided on the back cover.

**1** Which of these statements represents the most accurate definition of “long-term care”?

- A. Medical care in a hospital over a long period
- B. Medical care at home over a long period
- C. Ongoing medical treatments occurring over long periods (e.g., dialysis)
- D. Ongoing assistance with daily activities (e.g., bathing or dressing)

**2** A need for long-term care can arise due to:

- A. An accident or stroke
- B. The normal aging process
- C. A loss of mental capacity (e.g., Alzheimer’s)
- D. All of the above

**3** After reaching age 65, the likelihood that you will need some form of long-term care during your lifetime is approximately:

- A. 100%
- B. 70%
- C. 50%
- D. 10%

**4** The majority of people who need long-term care services receive these services in:

- A. Their own homes
- B. An assisted living facility
- C. A nursing home
- D. A hospital

**5** From 2008 to 2010, home health care costs increased by:

- A. 13%
- B. 6%
- C. 2%
- D. 0% (no change)

**6** Approximately how many people in the U.S. currently serve as unpaid caregivers to loved ones?

- A. 1 in 4
- B. 1 in 10
- C. 1 in 20
- D. 1 in 100

**7** The average annual cost of a private nursing home room in 2010 is approximately:

- A. \$30,000
- B. \$60,000
- C. \$90,000
- D. \$120,000

**8** Which of these types of insurance typically cover long-term care services?

- A. Health Insurance
- B. Disability Insurance
- C. Medigap Coverage (Medicare/Medicaid supplement)
- D. None of the above

**9** To qualify for Medicaid, I can always transfer assets to other people.

- A. True
- B. True, but only if I transfer assets to my children
- C. True, but only if I am already receiving long-term care services
- D. False

**10** Long-term care insurance policies issued by The Prudential Insurance Company of America (Prudential) provide coverage for long-term care services received:

- A. At home
- B. In an assisted living community
- C. In a skilled nursing center
- D. All of the above

**Check your answers now**

See the back cover for answers to these questions. To learn more, ask your licensed representative for additional information.