



# Commonwealth of Virginia Voluntary Group Long Term Care Insurance Underwritten by Genworth Life Insurance Company | FAQs

This FAQ document provides information for Benefit Administrators who support individuals with a long term care insurance certificate through Genworth Life.

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## About Long Term Care Services

### What is Long Term Care?

Long term care is the kind of help you require for taking care of your personal needs, such as bathing, dressing, eating, continence, toileting and transferring. These needs are commonly referred to as “Activities of Daily Living” or ADLs. You might need this kind of help because of a chronic medical or physical condition. Frequently, people with Alzheimer’s disease or other health conditions may need ongoing supervision as well because of cognitive impairment. Long term care covers a broad range of needs and services. Services to meet those needs include care at home or in a community program like adult daycare, as well as assisted living facilities (residential care facilities in CA) or nursing home care.

### Will I need Long Term Care?

Anyone at any age may need long term care. An accident or a sudden, serious illness can create a need for care, as can the slow progression of chronic diseases such as multiple sclerosis, rheumatoid arthritis, Alzheimer’s disease or Parkinson’s disease. When we age, we may need help due to frailty, especially since we are living longer, leading healthier lifestyles and have better medical technology. It is not surprising that about half of Americans will need high levels of long term services and support after age 65 to help them with everyday activities. *(Source: How Much Could Financing Reforms for Long Term Services and Supports Reduce Medicaid Costs? Melissa M. Favreault, Howard Gleckman, and Richard W. Johnson, February 2016).*

### What would I need to pay for Long Term Care services if I don’t have Long Term Care Insurance?

Costs for long term care services will vary by where you live, the level of care you need and where you are receiving services – such as at home, in the community or in a facility. You can reference Genworth’s annual survey of care costs throughout the country at the CoV Long Term Care Insurance website. This information will help show you what it costs in the area in which you live or expect to retire. Below is a screenshot example of the costs for Virginia followed by the national medical costs.

You may be interested to learn that based on Genworth claims data (through 12.31.2017), 68% of benefits are being provided to people receiving services in their own homes.

SELECT STATE: **Virginia** | SELECT METRO REGION: **State Median** | [Compare Location](#)

SELECT COST BY PERIOD: **HOURLY** | **DAILY** | **MONTHLY** | **ANNUAL**

CALCULATE FUTURE COST: 2018 | 2028 | 2038 | 2048

[Return to National View](#)

INTERACTIVE MAP

## Annual Costs: Virginia - State Median<sup>1</sup> (2018)<sup>1a</sup>

Home Health Care	Adult Day Health Care	Assisted Living Facility	Nursing Home Care
<b>Homemaker Services<sup>1</sup></b> 2018 Cost: <b>\$45,760</b> 5-yr Annual Growth <sup>2</sup> : <b>3%</b>	<b>Adult Day Health Care<sup>3</sup></b> 2018 Cost: <b>\$18,200</b> 5-yr Annual Growth <sup>2</sup> : <b>3%</b>	<b>Assisted Living Facility<sup>4</sup></b> 2018 Cost: <b>\$53,415</b> 5-yr Annual Growth <sup>2</sup> : <b>3%</b>	<b>Semi-Private Room<sup>5</sup></b> 2018 Cost: <b>\$89,425</b> 5-yr Annual Growth <sup>2</sup> : <b>4%</b>
<b>Home Health Aide<sup>1</sup></b> 2018 Cost: <b>\$48,048</b> 5-yr Annual Growth <sup>2</sup> : <b>3%</b>			<b>Private Room<sup>5</sup></b> 2018 Cost: <b>\$102,200</b> 5-yr Annual Growth <sup>2</sup> : <b>4%</b>

### NATIONAL MEDIAN

**Home Health Aide**  
 \$50,336 / year

**Adult Day Health Care**  
 \$18,720 / year

**Assisted Living Facility – Private Room**  
 \$48,000 / year

**Nursing Home – Private Room**  
 \$100,375 / year

## **About Long Term Care Insurance**

### **What is Long Term Care Insurance?**

Long term care insurance is designed to help you pay for the care you may need if you are chronically ill. That could include:

- ✓ Help with some of the everyday activities we often take for granted (like eating, bathing or dressing)
- ✓ Nursing home or residential care facility fees
- ✓ Benefits that can help you receive care in your own home

### **Why should I consider Long Term Care Insurance?**

These are some reasons why people buy long term care insurance:

- ✓ It will cover care expenses over several years so you don't drain your hard-earned savings and retirement income
- ✓ It gives you options to determine where you receive care and the quality of that care
- ✓ It protects your assets and retirement income so your loved ones maintain their lifestyle
- ✓ It enables your loved ones to supervise your care rather than provide the care
- ✓ Health insurance does not pay for long term care

### **Should I wait until I'm older to buy Long Term Care Insurance?**

Long term care insurance premiums are based on your age when you apply. Typically, the younger you are, the lower your premiums will be. You can wait to apply at an older age, but since it is a medically underwritten program, you may need to provide evidence of good health to qualify. People tend to associate long term care with older age, but an accident or illness requiring long term care services could happen at any time. Enrolling in long term care now can help ensure you're covered for the unexpected.

### **What is medical underwriting?**

Insurance companies screen people for medical conditions when they apply for long term care insurance. You will be asked a series of health questions on the application and will be required to sign a release of your medical records so the insurance company can examine them. Some companies will call or send someone to interview applicants to verify their physical and cognitive condition. A few companies will accept you if you have certain chronic conditions, but your premiums are likely to be higher.

Companies selling this insurance will screen people for existing medical conditions when they apply for coverage. However, people who are actively employed and apply through an employer group may be accepted with little health screening, or only be refused coverage when they have a serious health condition. To learn about the underwriting requirements for the CoV program, see "CoV's Program" in the next section.

### **What is the difference between Long Term Disability and Long Term Care Insurance?**

Many confuse Long Term Disability and Long Term Care Insurance. Both are triggered by health-related causes, but these two insurance plans serve vastly different purposes. Long Term Disability Insurance is to help protect your future earnings. It is designed to replace a portion of your income when you are not able to work due to a debilitating illness or disability accident.

Long Term Care Insurance pays a daily or monthly (CoV's plan is a Monthly Benefit Amount) benefit toward the cost of services from a nursing facility, assisted living facility, adult daycare, or home assistance when you can no longer take care of yourself for the activities of daily living, such as bathing, dressing or eating.

### **Doesn't our health / medical insurance cover Long Term Care?**

Health insurance is designed to cover short-term, acute care such as hospital stays, operations, prescription drugs and doctor visits. It usually pays little toward long term care costs.

### **Doesn't Medicare cover Long Term Care?**

Many Americans believe Medicare pays for long term care services, yet Medicare is designed as health insurance. It will pay for limited long term care services. For example, Medicare only pays for nursing home care if there is a prior qualifying hospital stay of at least three days and skilled nursing or rehabilitative care is needed every day. The Medicare benefit for nursing home care will only last for a maximum of 100 days and, in most cases, far fewer days.

## **About CoV's Program**

### **What coverage choices do I have under this plan and how do I learn more about the program?**

For information about coverage options under this plan, go to this website: [www.genworth.com/cov](http://www.genworth.com/cov). Note, this website will not be live until the program launches on September 16, 2019.

The website has a *Learning Center* and a *Get A Quote* section that include interactive tools to provide you with more information about long term care, the insurance, and to help you understand the coverage options that are available. You can also call 1.800.416.3624 (*Monday – Friday, 8am – 8pm ET*) toll free to speak to a Genworth program expert.

### **How much does Long Term Care Insurance cost?**

Premiums are based on the age that you apply and your plan options. Once the program launches on September 16, 2019, go to the [website](#) to *Get A Quote*. In the *Get A Quote* section, you can select the different options and the monthly premiums costs. You will also have access to interactive tools that will provide more information about your plan options.

### **Do my premiums increase as I age?**

Your premium will not change due to a change in your age, health or claims status.

### **When is the coverage effective?**

The coverage is effective the first of the month after your application has been processed and approved by Genworth Life. If you apply during the initial enrollment period, the soonest effective date is December 1, 2019.

### **Do I continue to pay when I'm receiving benefits?**

No. Premium payments will be waived while you are receiving benefits in a facility, at home or in the community.

### **How do I receive benefits?**

When you receive your certificate of coverage, you will receive a toll free number to contact Genworth Life. Should the need for a claim arise, you or your representative should call that number. After speaking with an intake analyst, you will be contacted by a member of the Care Coordination team. The Genworth Care Coordination team can help in developing your plan of care, providing information on available long term care resources in your area and may set up a face-to-face meeting and conduct a needs assessment.

### **When will this program start to pay benefits?**

Benefits become payable under this program when:

- ✓ You need help with at least two "activities of daily living" and will likely need it for at least 90 days, OR
- ✓ You are diagnosed with a cognitive impairment that requires supervision, AND

- ✓ A medically licensed healthcare practitioner certifies that your condition qualifies you as being “chronically ill”
  - The activities of daily living that are eating, dressing, continence, transferring, bathing and toileting

In addition, the elimination period (also known as a “waiting period”) must be satisfied, and you must be receiving covered services under a plan of care.

### **What is an “elimination or waiting period” and how does it work for this program?**

Once you qualify for benefits, a “waiting period” of 90 calendar days starts on the first day you receive care and continues for 90 calendar days while you remain chronically ill. You are not required to receive services during these 90 days. Once the elimination period is satisfied, benefits for covered services become payable. You only have to satisfy one elimination period in a lifetime.

### **How does the CoV Group Long Term Care Insurance Program (LTCI) “Coordination of Benefits” work with other programs?**

- ✓ If you apply for and are issued coverage from Genworth Life and have other group coverages for Long Term Care services, whether health or Long Term Care insurance, Genworth Life will coordinate benefits, where required or allowed, with your other coverages. Genworth Life will consider Long Term Care coverage to be group or individual that provides nursing facility, residential care facility or home health care benefits. This applies whether those benefits are payable on an expense reimbursement, indemnity, cash payment or other basis.
- ✓ Why is this important? Most long term care insurance coverages, including the Genworth Life Insurance plan, are tax-qualified. Benefits that an insured receives as reimbursement for Long Term Care expenses will not be taxed as income. Plans that do not coordinate benefits may provide for benefits in excess of the expenses incurred, creating a potentially taxable event.
- ✓ Who pays first? In Virginia, any of your group Long Term Care Coverages that does not have a coordination of coverage provision should pay first, without any reduction in its benefits. For this and all other group Long Term Care Coverage, the coverage with the earliest effective date will be deemed to be first to pay, and the later coverage(s) secondary, in order of effective date, from the earliest to the latest.
- ✓ See below for examples. In the examples, we are assuming the insurance has group coverage with both the ABC Company LTCI plan and Genworth group LTCI plan, meets the eligibility criteria for all plans, incurs qualified long term care services and has satisfied his/her 90 Calendar Day Elimination Period:
  - Order of payment based on the plan of coverage effective date:
    - First to pay – ABC Company Group LTCI Plan
    - Second to pay – Genworth Group LTCI Plan

#### **EXAMPLE 1**

- Insured is receiving Home Health Care 7 days per week at a cost of \$125 per day.
- Assume a 30-day month, so total monthly cost is \$3,750
- Insured is enrolled in:
  - ABC Company LTCI Plan \$100 per day plan, without inflation rider, which equals a monthly benefit of \$3,000;
  - Genworth \$3,000 per month plan without inflation rider
- Benefit payments would be as follows:
  - \$3,000 from ABC Company LTCI Plan (\$750 left to be reimbursed)
  - \$750 from Genworth LTCI Plan (\$2,250 left to be reimbursed)

- \$3,750 total benefits paid (expense covered in full from both sources)

#### EXAMPLE 2

- Insured is receiving care in a private room in a skilled nursing facility at a cost of \$300 per day.
- Assume a 30-day month, so total monthly cost is \$9,000
  
- Insured is enrolled in:
  - ABC Company LTCI Plan \$100 per day plan, without inflation rider, which equals a monthly benefit of \$3,000;
  - Genworth \$3,000 per month plan without inflation rider
  
- Benefit payments would be as follows:
  - \$3,000 from ABC Company LTCI Plan (\$6,000 left to be reimbursed)
  - \$3,000 from Genworth LTCI Plan (\$3,000 left to be reimbursed)
  - \$6,000 total benefits paid

Total benefit payment from each plan would be subject to the overall maximum available benefit based on the plan in which you are enrolled with ABC Company and Genworth.

*Examples are for illustrative purposes only.*

*Benefits and limitations, including benefit coordination, may vary by the state where your coverage is issued, and the types of coverages you have that provide the same or similar benefits. For more information about the benefits limitations and exclusions of this long term care insurance, please carefully read your outline of coverage, available at [www.genworth.com/cov](http://www.genworth.com/cov).*

#### **What happens to my coverage if I leave CoV, or when I retire?**

The program is portable and Guaranteed Renewable. If you leave CoV, or retire, coverage will remain in force as long as the required premium is paid and you have not exhausted the Maximum Lifetime Benefit. Coverage will not be canceled as long as premiums are paid on time and cannot be canceled due to your age or because of a change in health. Premiums can only be changed with the Virginia Department of Insurance's approval and only on a group, not an individual, basis.

So, if you leave CoV you can still continue your long term care coverage as long as you pay your premiums on time. Your coverage stays the same and your premiums stay the same.

#### **What happens to my coverage if I move to a different state?**

If you move, your coverage continues at your current rate and coverage level. Benefits are payable in the United States and any territory or possession of the United States. Also included in your coverage is an International Nursing Facility Benefit.

#### **What are the payment options?**

When you apply, you will have a few choices to pay for your coverage:

1. Direct Bill on a quarterly, semi-annual or annual basis
2. Electronic Funds Transfer from your checking or savings on a monthly basis



### **If my family members apply, do I pay for their coverage?**

No, when your family members apply, they will choose their payment option.

### **Can I pay for my Long Term Care Insurance premiums from a Health Savings Account (HSA)?**

You can use your HSA money to pay premiums for an eligible long-term-care insurance policy, but the amount you can withdraw tax-free each year is based on your age. The older you are, the more you can withdraw tax-free. The amount increases slightly every year, and the limits are per person.

In 2019, here are the amounts you can withdraw from your HSA tax-free, to pay for your long term care insurance premiums:

<b>Age</b>	<b>Annual Tax-Free Amount that can be Withdrawn from Your HSA</b>
40 or younger	\$420
41 – 50	\$790
51 – 60	\$1,580
61 – 70	\$4,220
71 or older	\$5,270

### **Can I deduct my premiums from my taxes?**

If you don't have a Health Savings Account (HSA) or you don't use HSA money for these expenses, your long term care insurance premiums may be tax deductible up to the same limits listed in the below question (can I pay for my long term care insurance premiums from my Health Savings Account).

To qualify for the medical expense deduction in 2019, you must itemize, and your eligible medical expenses are deductible only to the extent that they exceed 10% of your adjusted gross income. Your state may offer an additional break from your state income taxes for qualified long term care insurance premiums.

The CoV program is a federally qualified long term care insurance contract. Benefits paid for qualified long term care expenses are not taxable as income.

### **Where can I find more information about tax qualification and long term care insurance?**

For more information about tax qualified long term care insurance and the tax treatment of medical and dental expenses, consult [IRS Publication 502](#).

Everyone's financial plan is different. So, as always, when you are making decisions regarding taxes, it is recommended that you consult with your tax advisor and/or financial planner.

### **What happens if I miss a premium payment or can't pay the full amount?**

If you are not able to pay your full premiums on time there is an initial grace period of 31 days. If your premium has not been paid by the end of that period, you will receive notice explaining that a payment was missed and your coverage is in danger of lapsing. The notice will provide an additional 35 days to pay the unpaid premiums beginning on the date the notice is mailed.

### **Can I cancel my coverage at any time?**

Yes, you can cancel your coverage at any time by notifying Genworth in writing.

### **Can I increase my coverage?**

Yes, within the plan options available and with full medical underwriting. Please note there are benefit increase options you may choose to increase your coverage automatically on an annual basis, or on a periodic basis with Future Purchase Options from Genworth. You can find these plan options at the *Get A Quote* section of [www.Genworth.com/cov](http://www.Genworth.com/cov), and in your Outline of Coverage at the *Learning Center* of [www.Genworth.com/cov](http://www.Genworth.com/cov). The website will be available when CoV's program launches on September 16, 2019.

### **Can premiums go up in the future?**

Under certain circumstances, as set forth in long term care insurance contracts, a rate increase is warranted. Carriers need rate increases to help manage costs as claims experience emerges. The potential for rate increases is disclosed on the first page of Genworth Life's certificates. No one likes rate increases, but they are necessary to ensure carriers' ability to pay claims in the future. Please keep in mind Genworth has been in the Large Employer Group business since 2005 and thus far has not raised rates for any employer group plan issued after that time. Genworth has been offering this Group LTCI policy series since 2011.

As with all tax-qualified long term care insurance plans, premium will not change due to a change in an individual insured's age or health. Genworth reserves the right to increase premium rates and it is possible that rates may have to be increased in the future. Genworth Life may change premiums either on a Group Policy or class basis; but only if we change premium for all similar Certificates issues under the Group Policy in the same State. Any increase will be implemented in accordance with the state of Virginia requirements and may occur only once during any 12-month period.

Genworth remains committed to the long term care insurance business, even as dozens of carriers have exited, as well as to our more than 1 million long term care insurance policyholders, who depend on their coverage to help shoulder the potentially large financial burden of long term care.

## **Applying for the CoV Program**

### **Who is eligible to apply\* for Long Term Care Insurance coverage?**

The long term care insurance program is available to:

- ✓ Actively at Work full-time or part-time Commonwealth of Virginia employees who work at least 20 hours per week.
- ✓ Actively at Work full-time or part-time employees and faculty (including adjunct) of a Virginia Public Institution of Higher Education who work at least 20 hours per week.
- ✓ Actively at Work full-time, part-time, or other employees as determined and defined by any participating Virginia school division, city, county, town, or political subdivision.
- ✓ Family members of an eligible employee or retiree who are between the ages of 18 and 75, including:
  - Spouses and Surviving Spouses
  - Adult children
  - Siblings
  - Parents, parents-in-law, step-parents, step parents-in-law
  - Grandparents, grandparents-in-law, step grandparents and step grandparents-in-law
- ✓ Retirees and Spouses of Retirees under age 75 who have retired under the Commonwealth of Virginia retirement plan, satisfy the appropriate plan's age and service requirements, and are former employees of:
  - The Commonwealth of Virginia

- Virginia Public Institutions of Higher Education
- Any school division, city, county, town, or political subdivision that participates in one of the retirement plans administered by VRS
- Any school division, city, county, town, or political subdivision that does not participate in any of the retirement plans administered by VRS but has elected to participate in the Commonwealth of Virginia Group Long Term Care Insurance Program
- ✓ Terminated employees of any employer participating in a retirement plan administered by the Virginia Retirement System who:
  - Have five or more years of service
  - Are not active employees or retirees of any local government or school system in the Commonwealth of Virginia

All applicants must maintain a permanent U.S. residence and have a valid Social Security Number or Tax Identification Number.

\* Please note once you apply and are approved for coverage, your coverage continues as long as you pay your premiums.

**Do I need to apply in order for my eligible family members to apply?**

No, you do not need to apply in order for your eligible family members to apply.

**If age 75 is the oldest age for a family member to apply, does the program end at age 75?**

No, this program will continue as long as you continue to pay your premiums, or when your pool of benefits (Total Coverage Amount) is exhausted.

**Why should I consider applying now?**

Benefit-eligible, actively-at-work employees under age 66, may apply with Modified Guaranteed Issue from September 16, 2019 – October 11, 2019. If you wait to apply after the initial enrollment period ends, or if you are an employee older than age 65, you may apply with full medical underwriting.

*What is Modified Guaranteed Issue Comprehensive?*

- Two disqualifying health questions
- Height / weight parameters
- Pre-existing conditions\* limitation applies

*\* Pre-existing Conditions Limitation: Genworth Life will not pay for Covered Expenses incurred for any care or confinement that is a result of a Pre-Existing Condition when the care or confinement begins within six months following the initial certificate effective date. A pre-existing condition means a condition for which medical advice or treatment was recommended by, or received from, a provider of health care services within six months prior to the initial certificate effective date. For certificates issued in Virginia, Benefits will be paid for Covered Expenses incurred for any such loss or confinement that occurs after the six (6) month period, regardless of when such loss or confinement began.*

**What are the medical underwriting requirements for the CoV program?**

If you are:	You will use this process to apply:
<ul style="list-style-type: none"> <li>• Eligible employees and new hires up to and including age 65 during initial enrollment and new hire period</li> </ul>	<p><b>Modified Guarantee Issue Comprehensive</b></p> <ul style="list-style-type: none"> <li>• Two question form</li> <li>• Height / weight parameters</li> <li>• Pre-existing Conditions Limitation applies</li> </ul>
<ul style="list-style-type: none"> <li>• Eligible employees and new hires ages 66 and above during initial enrollment and during new hire period</li> <li>• Spouses / domestic partners of employees ages 18 through 75 during initial enrollment and new hire period</li> <li>• All other applicants</li> </ul>	<p><b>Long Form</b></p> <ul style="list-style-type: none"> <li>• Health Questionnaire</li> <li>• Medical records are requested</li> <li>• Full medical underwriting which may include:               <ul style="list-style-type: none"> <li>○ Paramedical exam</li> <li>○ Functional / Cognitive assessment</li> <li>○ Phone health interview</li> </ul> </li> </ul>

If you're eligible and age 65 or younger, you can take advantage of a streamlined application process by:

- ✓ Online: Visit [www.Genworth.com/cov](http://www.Genworth.com/cov) during CoV's initial enrollment period of September 16, 2019 – October 11, 2019.
- ✓ Via phone: Call **1.800.416.3624 (Monday through Friday, 8am – 8pm ET)** toll-free to speak with a Genworth program expert, or order a printed information kit that contains important disclosures as well as applications you can fill out, sign and mail.
  - Newly-hired, benefit-eligible employees age 65 and younger have 60 days to enroll in the plan after they become benefit-eligible to take advantage of this streamlined application process.
  - Employees who are age 66 and older will need to go through full medical underwriting.
  - Family members (spouses, parents, parents-in-law, grandparents, grandparents-in-law, siblings and adult children) of a benefit-eligible employee that are between the ages of 18 and 75 can apply with full medical underwriting.
  - After the initial enrollment period is over, anyone that is eligible can apply at **any time** with full medical underwriting.