



***Retirement and Insurance Service
Benefits Administration Letter***

Number: 01-901

Date: March 9, 2001

Subject: The New Long Term Care Insurance Program

Welcome to a brand-new series of Benefits Administration Letters (Series 900), dealing exclusively with the new Long Term Care Insurance (LTCI) Program.

As you may know, Public Law 106-265, the Long Term Care (LTC) Security Act, authorized the Office of Personnel Management (OPM) to contract with one or more insurance companies to offer a new LTCI program for Federal and military employees and retirees, and eligible family members. The insurance program will be available by October 2002. It is the largest program ever offered by OPM, with an eligible population of some 20 million individuals.

New Office

OPM created the Office for Long Term Care Implementation to oversee the myriad of activities that will be necessary to start up this major new program. Our office is in Room 2H24 of the main OPM building, 1900 E St. NW, Washington, DC, 20415, phone 202-606-1413, fax 606-2023.

Website

Please visit our website, www.opm.gov/insure/ltc. We update it regularly and will appreciate your comments. The Frequently Asked Questions (FAQs) contain a wealth of information to help you and your employees. If you have a question not addressed on the web, send it to us at ltc@opm.gov. We'll add it to the FAQs if it's of general interest. And of course we'll reply directly to you whether it's of general interest or more narrowly focused.

We will use our website as the major vehicle to pass on LTCI information to you and your employees. If field offices don't have Internet access, they should ask their headquarters to print out the FAQs, monthly updates, and other important information found only on our website.

What IS long term care insurance?

It's insurance that pays benefits toward the cost of covered services that individuals receive because they are unable to care for themselves due to a chronic mental or physical condition. For example, it could help pay for home health care, adult day care, or residence in a nursing home or an assisted living facility. You may need LTC if you get in an accident or have an illness that requires you to receive substantial help with two or more activities of daily living (ADLs). Benefits are also payable in cases of significant cognitive impairment such as Alzheimer's. LTCI can help pay for the care that most of us will need at some point in our lives.

What are ADLs?

Visit our web page for the answer to this and a host of related questions.

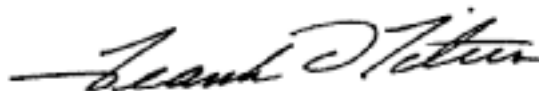
What role will human resources professionals have under the long term care program?

One of the major keys to successful employer-sponsored LTCI programs is the active support of the sponsoring employer. While we won't expect you to become an expert on LTCI, we will ask you to help distribute informational and promotional materials. We need your help in the roll-out of this important new program in other ways too, such as supporting employee meetings, etc. Our roll-out and open season strategies won't be fully developed until after we select our LTCI partner(s) this October.

You probably won't have an active role to play until we approach the LTCI open season in the fall of 2002. While it's too soon to tell, it is possible that the operation of the LTCI Program will look a lot different than the health and life insurance programs. For example, LTCI enrollment and premium procedures will likely be focused at the carrier(s) rather than at payroll and personnel offices. There may be far fewer ongoing administrative tasks for agencies undertake.

Stay tuned!

We'll continue to issue BALs about the new LTCI Program. Please continue to visit the website and send us your questions. Thanks.



Frank D. Titus
Assistant Director
for Long Term Care