



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

Number: 01-905

Date: November 8, 2001

Subject: The Federal Employees Health Benefits (FEHB) Open Season for 2002 and the Federal Long Term Care Insurance Program (FLTCIP)

As you know, the FEHB open season for 2002 runs from November 12 to December 10, 2001. The 2002 FEHB plan guides (RI 70-1, RI 70-5, etc.) and health plan brochures contain a one-page announcement about the new Federal Long Term Care Insurance Program. A copy of that announcement is attached to this BAL. The format looks slightly different, but the content is the same. The 2002 FEHB open season webpage (www.opm.gov/insure/02) contains a link to this announcement (www.opm.gov/insure/ltc/about/index.htm).

As your employees review the guides and brochures, they may have questions about this announcement and the FLTCIP. So we prepared a short list of frequently asked questions that also appears on the web (www.opm.gov/insure/ltc/about/faq.htm), with a link from the announcement page. A copy of these questions and answers is attached to this BAL. Again, the format looks slightly different, but the content is the same. We will also link to the announcement directly from the FLTCIP page (www.opm.gov/insure/ltc).

The announcement says the FLTCIP will be effective in October 2002. That's because when we drafted it, we had not yet received proposals from insurance companies. We didn't know then if it could be available sooner. Yes, it can be! We will have an early enrollment/acceptance opportunity some time in early 2002, when eligible individuals who already know about long term care insurance and don't need our educational materials can apply for the insurance. We will hold a regular open season sometime around late summer/early fall 2002, following extensive education and marketing.

As always, we appreciate your help as we gear-up to launch this exciting new program. If you have any questions, please call Laura Lawrence at 202-606-1433.

A handwritten signature in black ink, appearing to read "Frank D. Titus".

Frank D. Titus
Assistant Director for Long Term Care

Attachments

*Civil Service
Retirement
System*

*Federal Employees'
Group Life
Insurance Program*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

*Federal Long
Term Care
Insurance
Program*

**U.S. Office of Personnel Management
Federal Long Term Care Insurance Program
(FLTCIP)**

Long Term Care Insurance Is Coming Later in 2002!

- | | | |
|--|---|---|
| <p>→ Many FEHB enrollees think that their health plan and/or Medicare will cover their long term care needs -- Unfortunately, they are WRONG!</p> | <p>→ How are YOU planning to pay for the future custodial or chronic care you may need?</p> | <p>→ You should consider buying long term care insurance.</p> |
|--|---|---|

The Office of Personnel Management (OPM) will sponsor a high-quality long term care insurance program effective in October 2002. As part of its educational effort, OPM asks you to consider these questions:

What is long term care (LTC) insurance?

- It's insurance to help pay for long term care services you may need if you can't take care of yourself because of an extended illness or injury, or an age-related disease such as Alzheimer's.
- LTC insurance can provide broad, flexible benefits for nursing home care, care in an assisted living facility, care in your home, adult day care, hospice care, and more. ***LTC insurance can supplement care provided by family members, reducing the burden you place on them.***

I'm healthy. I won't need long term care. Or, will I?

- ***Welcome to the club!*** 76% of Americans believe they will never need long term care, but the facts are that about half of them will. And it's not just the old folks. About 40% of people needing long term care are under age 65. They may need chronic care due to a serious accident, a stroke, or developing multiple sclerosis, etc.
- We hope you will never need long term care, but everyone should have a plan just in case. ***Many people now consider long term care insurance to be vital to their financial and retirement planning.***

Is long term care expensive?

- Yes, it can be very expensive. A year in a nursing home can exceed \$50,000. Home care for only three 8- hour shifts a week can exceed \$20,000 a year. And that's before inflation!

Attachment to BAL 01-905

- Long term care can easily exhaust your savings. ***Long term care insurance can protect your savings.***

But won't my FEHB plan, Medicare or Medicaid cover my long term care?

- Not FEHB. Look at the "Not covered" blocks in sections 5(a) and 5(c) of your FEHB brochure. Health plans don't cover custodial care, a stay in an assisted living facility, or a continuing need for a home health aide to help you with other activities of daily living. Limited stays in skilled nursing facilities can be covered in some circumstances.
- Medicare only covers skilled nursing home care (the highest level of nursing care) after a hospitalization for those who are blind, age 65 or older or fully disabled. It also has a 100 day limit.
- Medicaid covers long term care for those who meet their state's poverty guidelines, but has restrictions on covered services and where they can be received. ***Long term care insurance can provide choices of care and preserve your independence.***

When will I get more information on how to apply for this new insurance coverage?

- Employees will get more information from their agencies during the LTC open enrollment period in the late summer/early fall of 2002.
- Retirees will receive information at home.

How can I find out more about the program NOW?

- Our toll-free teleservice center will begin in mid-2002. In the meantime, you can learn more about the program on our web site at www.opm.gov/insure/ltc.

LINK to Frequently Asked Questions on this Fact Sheet

**U. S. Office of Personnel Management
FEHB Open Season Guides and Brochures
and the
Federal Long Term Care Insurance Program**

Frequently Asked Questions

Q. Is the Federal Long Term Care Insurance Program (FLTCIP) part of the Federal Employees Health Benefits Program (FEHBP)?

A. No. It is an entirely separate, unrelated program.

Q. Why is this page in my health benefits brochure? How does it relate to the long term care benefit that my plan or other organization (unions, etc.) offers outside of the FEHB Program?

A. In general, people eligible to enroll in the FEHB Program will be eligible to apply for coverage under the FLTCIP (except District of Columbia employees and retirees. They are not eligible for the FLTCIP). So OPM thought that FEHB brochures and open season materials were natural vehicles for beginning to get the word out about an important new benefit that is coming later in 2002. The FLTCIP has no relationship to long term care insurance policies that may be sponsored or sold by organizations associated with the FEHB Program, or any other organization for that matter.

Q. Do I need to be enrolled in the FEHB Program in order to sign up for the new FLTCIP?

A. No.

Q. Should I cancel my FEHB enrollment if I'm enrolling in the FLTCIP?

A. No. It is a separate program providing separate benefits. Your FEHB enrollment doesn't cover long term care services. That's what the FLTCIP covers. Conversely, the FLTCIP isn't designed to cover health care costs - it provides reimbursement for chronic care services.

Q. Can I choose a self-and-family option for the FLTCIP?

A. No. Self-and-family has meaning in the FEHB program, but not in the FLTCIP. In the new FLTCIP program, you apply for your own coverage and any of your eligible family members apply for their own individual coverage separately. Any of your eligible family members can apply for coverage even if you don't. Also, unlike the FEHB Program, the FLTCIP doesn't cover minor children but eligible adult (age 18 or over) "children" can apply for coverage.

Q. Can my spouse sign-up separately?

A. Yes. He/she can apply for coverage even if you don't. Your spouse must answer the applicable underwriting (health-related) questions. You cannot apply for his/her coverage yourself.

Q. Can I sign up for the FLTCIP now, during the current FEHB open season?

A. No. The program won't be available by the current FEHB open season (November 12 - December 10, 2001).

Q. When will this new program be available?

A. The FLTCIP will definitely be available by October 2002, and we sure hope significantly before then. We will have an early enrollment period sometime during the first half of 2002. People who don't need the benefits of an educational and marketing campaign can apply for the coverage and if they pass the underwriting (health questions), their coverage will be effective. And we will have an open season sometime during the second half of 2002. As soon as we have more details we will post them on the web and also communicate them through agency FLTCIP implementation coordinators and Federal retirement programs.

Q. Do I have to be enrolled in the new FLTCIP for the 5 years immediately before my retirement (or from my first opportunity to enroll), just like with FEHB, in order to have the coverage in retirement?

A. No. The coverage is fully portable. That means that if you quit your job or retire, you still have the long term care insurance coverage, as long as you continue to pay the premiums.

Q. What insurance company is offering the long term care insurance coverage under this program?

A. We will publicize this information as soon as we've finalized a contract.

Q. Does that insurance company have a toll-free number to call about the new Program and/or a website?

A. We will publicize the FLTCIP contractor's toll free number and website on the OPM website and through Federal agencies and retirement programs as soon as the number is set up.

Q. How can I find out more about the FLTCIP?

A. Visit our website at www.opm.gov/insure/ltc. Be sure to click on the [Frequently Asked Questions](#). And even if you don't have Internet access, you'll still find out more about our program because we will also publicize the FLTCIP contractor's toll free number through Federal agencies and retirement programs as soon as we have established the number to call.

Links to:

Federal Long Term Care Insurance Home Page | OPM Web Site Index | OPM Home Page