

## **South Dakota State Employee Plan LONG TERM CARE (LTC) Insurance Frequently Asked Questions**

### **Who is the State of South Dakota's Long Term Care Carrier?**

The State of South Dakota's Long Term Carrier is Unum Insurance in Portland, Maine.

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

Long Term Care is the type of care received at home or in a facility when someone needs assistance with at least two (out of the six) Activities of Daily Living (ADL).

### **What are the six ADLs?**

Bathing, Dressing, Toileting, Transfer, Eating and Continence

### **What if I have already lost one or more ADL?**

The contract stipulates that an insured individual must lose *at least two* ADLs *after* the inception date of an employee's coverage. Any loss of ADL prior to the inception date is not eligible for consideration.

### **Who's eligible for Long Term Care?**

- Active benefit eligible State employees enrolled in the State Supplemental Life Insurance;
  - Family members of active employees;
    - Includes spouses, adult children, siblings, parents (in-law), and grandparents (in-law) ages 18 to 80
- Retirees
  - Spouses of Retirees
- An employee or retiree must be on the contract for family members to be eligible.

### **How do I apply for the State Supplemental Life Insurance coverage?**

**New Hires** may enroll in the State Supplemental Life Insurance within the first 30 days from date of hire by enrolling at:

- <https://www.state.sd.us/applications/EB07Login/eb07newhire.aspx>

**Existing employees** may enroll in the State Supplemental Life Insurance anytime during the Plan Year by enrolling at:

- <https://www.state.sd.us/applications/EB07Login/eb07newhire.aspx> **AND**
- Completing the Evidence of Insurability Form  
<https://www.bopweb.com/uploadedFiles/EVIDENCE%20OF%20INSURABILITY%202008-1.pdf>

### **When can I apply for Long Term Care?**

Employees can apply for LTC anytime during the plan year if approved for supplemental life. Retirees can apply anytime during the plan year. Family member can apply if the employee or retiree is already on contract.

**Does the State of South Dakota pay for a portion of my benefit?**

Yes. There is a State funded contract for State employees who qualify for LTC.

**What is the free State funded benefit given to me by the State of South Dakota?**

As a qualified employee, the State of South Dakota will give you a base benefit of \$1,500 per month coverage with two-year duration. If you go to a nursing facility, benefits are paid at 100%; assisted living benefits are paid at 60%; and home care benefits are paid at 50%.

**Where can care be received?**

- A Long Term Nursing facility;
  - The contract will pay 100% of the benefit amount you selected for care in a Long Term Care facility.
- An Assisted Living facility; and
  - The contract will pay 60% of the benefit amount you selected for care in an Assisted Living facility.
- An individual's home.
  - The contract will pay 50% of the benefit amount you selected for care at home by a home care professional.

**Can a family member or friend care for me?**

Yes. You have the ability to change "Professional Home Care" to "Total Home Care" at an additional cost. Total Home Care means the contract will pay 50% of the benefit amount when a family member or a friend is used.

**Can I purchase additional coverage, over the \$1,500 State funded benefit?**

Yes. The contract allows members to add coverage in \$1,000 per month increments ranging from \$2,000 to \$8,000 per month at an additional cost.

**Can I increase the benefit duration, over the two year State funded duration?**

Yes. The duration can be extended to either six years or Unlimited at an additional cost.

**Can I purchase a LTC plan with compound inflation?**

Yes. You may choose a plan with 5% compound inflation at an additional cost. This option will increase the benefit amount you have selected by 5% compound on an annual basis.

**What is the South Dakota Partnership Long Term Care Program?**

The Partnership program is administered by the SD Department of Social Services and the Division of Insurance. This plan allows an insured employee, retiree and/or family member to maintain their personal assets at a value equal to their LTC benefits. For example, an employee has \$3,000 a month benefit with a 6 year duration ( $\$3,000 \times 12 \times 6 \text{ years} = \$216,000$ ). That member may retain an amount equal to the lifetime benefit of \$216,000 in personal assets and still qualify for Medicaid. This is called "asset protection".

**Do all of the State of South Dakota Plans meet the Partnership qualification?**

No. There are limits for a plan to be Partnership Qualified. To qualify, the benefit must be at least \$2,000 per month, carry a 2 year duration, and provide 5% compound inflation. Applicants over the age of 76 do not require the inflation option. Note: This criterion is based on the design of the State of South Dakota sponsored plan.

**Is this an individual contract?**

No. The State of South Dakota contract with UNUM is a group contract. This means there is one master contract held by the State of South Dakota. Because this is written on a group basis, the underwriting is much more liberal than most individual contracts, and pricing is usually much better.

**Can I take the Long Term Care coverage with me when I retire or leave State employment?**

Yes. The plan is fully portable. Once you leave State employment, the portion being paid by the State of South Dakota, and any portion payroll deducted will be transferred over to a private pay arrangement between you and UNUM Insurance. Rates will remain the same, provided you do not change or alter coverage after you leave employment with the State.

**Will the rates *ever* change?**

It is possible for rates to change, but they will never change based on your age or because you leave employment with the State.

**Can I be declined coverage?**

New employees who meet the eligibility requirements and apply within 30 days of hire will be granted guaranteed issue (with the exception of the unlimited duration option). Guaranteed Issue means there are no health questions, and you cannot be declined due to health issues. Existing employees, retirees, and family members must complete Evidence of Insurability and may be declined based on current health conditions.

**Does Medicare provide Long Term Care Benefits?**

Yes, but there are limits. Medicare will only pay Long Term Care expenses following a 3 day hospital stay. The Long Term Care assistance must be for the same condition in which you were hospitalized. If you qualify, the first 20 days are paid at 100%. Any following days are covered at a reduced payment to a maximum of 100 days.

**What is the average nursing home cost in South Dakota?**

The average nursing home cost in South Dakota is \$143 per day or \$52,850 per year. The average stay in South Dakota is 2.5 years, but nationally it is 4 years.

**Is Long Term Care Coverage just for old people?**

No. Of those receiving Long Term Care or requiring some living assistance, 25% are under the age of 65.

**Is most Long Term Care delivered in a nursing home?**

No. Only 18% of those currently receiving Long Term Care are in a nursing facility. Two percent are in an assisted living facility and 80% are receiving home care.

**Additional questions or concerns:**

You may contact Unum's local representative, Risty Benefits, Inc at 605.338.1489 or e-mail [risty@risty-benefits.com](mailto:risty@risty-benefits.com).

*As Plan Administrator, Unum has final authority to make determinations on eligibility, enrollment and issues not specifically addresses in the Long Term Care information provided on this document and the information provided on <http://benefits.sd.gov>. The contract between Unum and the South Dakota State Employee Health Plan is the binding document and in case of any discrepancies the contract would rule.*