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Reference Guide

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Federal Long Term Care Insurance Program (FLTCIP)

A Guide for Human Resources Specialists

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Federal Long Term Care Insurance

The Long Term Care (LTC) Security Act was signed into law on September 19, 2000, under Public Law 106-265. This Public Law gave the Office of Personnel Management (OPM) the authority to contract with one or more insurance companies to offer the Long Term Care Insurance Program (LTCIP) to Federal employees, military service members, retirees, and eligible family members. The LTCIP is administered by John Hancock Life & Health Insurance Company.

What is LTC Insurance (LTCI)?

LTC insurance 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, LTC insurance helps pay for home health care, adult day care, or for nursing home or assisted living facility costs. An individual may need LTC benefits for an incapacity resulting from an accident or illness that requires assistance with two or more activities of daily living, such as eating, dressing, bathing, etc. Benefits are also payable in cases of significant cognitive impairment such as Alzheimer's disease.

What is the cost for LTCI?

LTC premiums are based on the applicant's age and options that are selected at the time LTC Partners receives the application. The cost is also associated with a variety of options and amounts of coverage selected to include the daily benefit amount, duration of LTC coverage, and inflation protection. Employees may use the LTC calculator to determine the cost of coverage. The calculator can be found at https://www.ltcfeds.com.

Who pays for LTCI?

The applicant pays for LTCI. There are no government contributions towards LTC premiums. Premium payments can be made by payroll or annuity deduction, uniformed services retirement pay deduction, by pre-authorized debit, or by direct billing.

Who is eligible to apply for coverage in the LTCIP?

Federal civilian and Postal employees are eligible to apply for LTC coverage if they are in positions that convey eligibility for Federal Employees Health Benefits (FEHB) coverage. An employee does not need to be enrolled in FEHB, just eligible to enroll. A complete listing of these positions may be found in the FEHB Handbook at http://www.opm.gov/insure/health/reference/handbook/FEHBhandbook.pdf.

There are two exceptions: Tennessee Valley Authority (TVA) employees and retirees **are** eligible to apply for LTC coverage, even though they may not be eligible for FEHB. District of Columbia (DC) Government employees and retirees who were hired prior to

October 1, 1987 **are** eligible. Employees of the DC courts are also eligible to apply. (Note: The information shown in the FEHB Handbook about TVA employees and DC Government employees is **not applicable** to the LTC Program.)

Employees must be assigned to positions that convey eligibility for FEHB coverage at the time they apply for LTC coverage (excluding the exceptions above). If an employee has FEHB coverage due to previous eligibility and continuity of coverage provisions, but the employee's current position does not convey FEHB eligibility, the employee is **not** eligible to apply for LTC coverage.

Temporary employees are eligible to apply for LTC coverage under the same rules as FEHB. Once a temporary employee has completed one year of continuous current employment, they are eligible to apply for coverage using the Abbreviated Underwriting Application within 60 days from the date of first eligibility.

Nonappropriated Fund (NAF) employees are eligible to apply for LTC coverage when the Secretary of Defense grants such eligibility for the NAF instrumentality that employs them.

Members of the uniformed services are eligible to apply when they are on active duty or full-time National Guard duty for more than a 30-day period. Members of the Selected Reserve **are** eligible to apply; however, members of the Individual Ready Reserve are **not** eligible to apply.

Federal civilian annuitants (including postponed FERS MRA + 10 annuitants), surviving spouses, deferred annuitants, and compensationers are eligible to apply for LTC coverage.

Retired members of the uniformed services are eligible to apply for LTC coverage when they are entitled to retired or retainer pay (including disability retirement pay). Retired reservists currently receiving retirement pay and "grey" reservists, even if they are not receiving retirement pay, are eligible to apply for coverage.

The current spouse of an eligible Federal employee or annuitant may apply; however, a former spouse is **not** eligible even though they may be eligible for FEHB coverage under the Spouse Equity Provisions.

The parents, parents-in-law, and stepparents of living employees or living members of the uniformed services are eligible to apply, but those of annuitants and retired members of the uniformed services are not eligible. Parents-in-law include the parents of a deceased spouse, as long as the employee or member of the uniformed services has not remarried. A stepparent is defined as the person who is currently married to the employee's parent, or if the parent is dead, the person who was married to the employee's parent at the time of their parent's death.

Adult children (age 18 or over) of living employees, living annuitants, or living members or living retired members of the uniformed services are eligible to apply for LTC coverage. This includes biological children, adopted children, and stepchildren. Foster children are **not** eligible.

Qualified relatives may apply for LTC coverage even if the employee to whom they are related does not apply or is not approved for coverage.

Title 5 of the Code of Federal Regulations, Section 875.213 has been revised to include same-sex domestic partners (SSDP) of eligible Federal and U.S. Postal Service employees and annuitants as qualified relatives under the LTCIP. Like most qualified relatives, SSDP will be subjected to full underwriting.

Before an employee or person identified as a SSDP submits an application for coverage under the FLTCIP, he or she is required to complete the Declaration of Domestic Partnership Form certifying that he/she meets the definition of a domestic partnership. The declaration form should be submitted directly to the employing agency if you are eligible because your partner is a Federal employee. If you are eligible because your partner is an annuitant, the declaration form should be submitted to the annuitant's retirement system. In most cases, this will be the Office of Personnel Management (OPM).

When the employee retires, a copy of form should be submitted to OPM along with their other retirement documents. For more information on SSDM, please visit http://www.ltcfeds.com/eligibility/ssdp.html.

Frequently Asked LTC Questions

What is underwriting?
Underwriting is the process of reviewing medical and health-related information furnished in an insurance application process to determine if the applicant presents an acceptable level of risk and is insurable.

What is Abbreviated Underwriting?
Abbreviated Underwriting is the process in which the applicant must respond to fewer health-related questions designed to determine who may be immediately eligible for benefits, or likely to be eligible for benefits within a relatively short period of time. Employees and members of the uniformed services who apply for insurance coverage will answer seven questions and their spouses who apply will answer nine questions. It may include a review of medical records and perhaps an interview with a nurse. Eligible individuals have 60 days from the date the individual becomes eligible to apply using the Abbreviated Underwriting Application. After the 60-day initial opportunity, the individual must use the full underwriting application to enroll in LTC.

What is Full Underwriting?
In this type of underwriting, there are many more health-related questions. It may include a review of medical records and perhaps an interview with a nurse. This is the same level of underwriting that those who purchase individual policies in the private market undergo.

Will there be annual open season?
No, there will not be annual open seasons to enroll in the LTCIP. However, OPM has announced that an open season will occur for the LTCIP from April 24 through June 24, 2011.

Can enrollment in the LTCIP be made outside an open season?
Yes, new employees, employees in newly eligible positions, and their spouses can apply using the Abbreviated Underwriting Application within 60 days of becoming eligible to apply. After the expiration of the 60 days, individual applications are subject to Full Underwriting. Eligible family members can enroll at any time subject to Full Underwriting.

Can an employee in nonpay status apply for LTC?
An employee should not apply for LTC coverage while in a nonpay status. Coverage will not become effective as long as the employee is in a nonpay status. The application may no longer be valid by the time the employee returns to a pay status, because health and eligibility may have changed.

How to apply for LTC coverage?
Each person **must** submit their own application and pass underwriting on their own. LTC Partners will accept Full Underwriting Applications from eligible individuals at any time. Applications are located on the LTC Partners website at www.ltcfeds.com or call 1-800-582-3337 (TDD for the hearing impaired: 1-800-843-3557).

When will LTC coverage become effective?
Once the LTC Partners approves an application for coverage, they will send notice of the approval to the applicant and provide an effective date of coverage. An employee or member of the uniformed services must be actively at work on the original effective date shown on your schedule of benefits. If your original effective date falls on a weekend or holiday, you must be actively at work on the last work-day before your original effective date. For employees working an alternative work schedule (AWS), the regularly scheduled day off counts as a day that you are actively at work.

Who makes insurability decisions?
The LTC Partners make all insurability decisions, and those decisions cannot be appealed to OPM. However, an applicant may ask the LTC Partners to reconsider its decision.

When will LTCI terminate?
The insurance will terminate on the earliest of the following dates:
(a) the date the employee specifies;
(b) the date of the individual's death;
(c) the end of the pay period covered by the last premium payment; or
(d) the date the maximum lifetime benefit has been exhausted.

Is LTCI portable?
Yes, LTC coverage is portable once it is effective. An enrollee may continue coverage as long as the premiums are paid and the maximum lifetime benefit has not been exhausted. The premiums do not change once an employee separates from Federal service.

What is my role as a Human Resources Specialist in respect to the LTCIP?
Human Resources Specialists are not expected to become experts in the LTCIP details. They should assist employees with eligibility, in locating the forms on the LTC website, and explain the time limits for applying using the Abbreviated Underwriting Application.

For additional information on the most recent changes to the LTC program and any associated timeframes for these changes, please visit the FLTCIP website, https://www.ltcfeds.com.