Long-Term Care Plans

Division of Retirement and Benefits

Slide Deck Revision August 2025

What is Long-Term Care?

- Long-term care (LTC) involves a variety of services designed to meet personal care needs. These services help people live as independently and safely as possible when they can no longer perform everyday activities on their own.
- The most common type of long-term care is getting help with everyday activities, also called "activities of daily living“ or ADLs. Examples of these activities include bathing, dressing, toileting, and eating.
- These activities are considered “custodial” in nature. An example of the type of assistance that may be needed by someone using their long-term care benefits is getting out of bed and into a chair.
- Custodial care expenses associated with activities of daily living are typically not covered by Medicare or the AlaskaCare Retiree Health Plan.
- Long-term care plans can help defray part of the costs of covered benefits.

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Before we get into how the plan works, we’ll review the plan options available to retirees and how to elect coverage.

Available AlaskaCare Long-Term Care Plans

- **Bronze Plan** - This option was only available to benefit recipients who retired prior to February 1, 2000.
- **Silver, Gold & Platinum plans** - These options are available only to benefit recipients who retired after December 31, 1999, or those who applied for and were approved for coverage during the open enrollment period in 2000.

- Members must elect one of these plans before appointment to their first benefit from any retirement system. Unfortunately, members that did not elect coverage at retirement, permanently and irrevocably waived their right to elect long-term care coverage.

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Coverage for New Spouses & Survivors

- If you choose coverage for yourself only because you are not married when you retire or if you remarry following a divorce or death of your spouse, you may request to cover your new spouse under the Silver, Gold, or Platinum option.
- Your request must be postmarked or received by the Division within 120 days of your marriage.
- Your new spouse will be required to provide information on his or her health and will be subject to approval or denial by the claims administrator (underwriting). If your spouse's coverage is approved, he or she can be covered on the first of the month following the approval, assuming the premium is paid.
- Survivors may elect coverage due to appointment to survivor/death benefits and coverage will start on the date of their appointment, assuming the premium is paid.
- Members can only have one AlaskaCare long-term care plan.
- AlaskaCare long-term care plans will coordinate with a non-AlaskaCare long-term care plans. The AlaskaCare benefit payment cannot exceed 100% of the AlaskaCare daily benefit maximum including the non-AlaskaCare plan payment.

Can I Change My Long-Term Care Coverage?

- You may decrease your coverage, from Platinum to Gold for example, or drop coverage. Subscribers can drop coverage for their spouses.
  - However, the subscriber cannot drop their coverage **AND** keep their spouse's coverage.

- Members can never increase the level of coverage they elected at retirement or increase it again after decreasing it.

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Cost of Services vs. Plan Reimbursements

- The purpose of a long-term care plan is to assist in paying for long-term care expenses for yourself or a loved one.

- The AlaskaCare long-term care reimbursements are based on the plan that the member selected at retirement.
  - The benefit maximums do not increase with the cost of living or the cost of goods and services over time.
  - The benefit maximums are not impacted by the patient's needs or conditions.

- The plan reimbursements are independent from the prevailing cost of long-term care expenses.
  - Members should select the best value for their anticipated needs. They should consider:
    - Maximum lifetime benefit
    - Maximum daily benefit
    - Consider the potential for increased benefits available from Gold or Platinum plans with simple or compound interest

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AlaskaCare Options for Assistance with LTC Expenses

- The State of Alaska is the plan administrator for the AlaskaCare Long-Term Care (LTC) Plans.
- The Silver, Gold, and Platinum plans **start** at the same daily benefit level for covered expenses.
  - The Bronze plan benefits are lower than the Silver, Gold and Platinum plans.
    - Bronze & Silver – No inflation protection
    - Gold – Simple 5% interest accrues annually
    - Platinum – 5% compounded interest accrues annually
    - Inflation protection stops at age 85. The lifetime and daily benefit amounts reached by that date are locked in for the life of the policy.
- Wellcove by CHCS Services is the AlaskaCare long-term care claims administrator.
  - Members can contact Wellcove at **(888) 287-7116** to ask questions, start the intake process or initiate a claim.
- Wellcove has an online portal where members may view the plan they are in enrolled in, review plan booklets, and obtain a claim submission packet. Members can also use the portal to view claims and receive messages from Wellcove. https://soa.chcsmemberportal.com/

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Reference Slide: Long-Term Care Benefit Summary & Comparison

	Bronze Option	Silver Option	Gold Option	Platinum Option
Benefit Eligibility	Inability to perform 2 of 5 activities of daily living	Inability to perform 2 of 6 activities of daily living or severe cognitive impairment	Inability to perform 2 of 6 activities of daily living or severe cognitive impairment	Inability to perform 2 of 6 activities of daily living or severe cognitive impairment
Lifetime Maximum	**$200,000** all services **$50,000** home health care *(included in $200K lifetime max.)*	**$400,000** all services	**$300,000** all services to start	**$300,000** all services to start
Inflation Protection	None	None	Simple at 5% of original benefit each year. Applies to all daily and lifetime maximums	Compound at 5% of prior year's benefit each year. Applies to all daily and lifetime maximums.
Deductible	90 days of covered long-term care	90 days of covered long-term care	90 days of covered long-term care	90 days of covered long-term care

This information is only intended to be a summary of coverages provided. Please refer to the booklet for additional information or exclusions.

Reference Slide: Long-Term Care Benefit Summary & Comparison
cont'd

	Bronze Option	Silver Option	Gold Option	Platinum Option
Nursing Care Facility Daily Benefit	**$125** in Alaska **$75** outside Alaska	$200	**$200**	$200
Assisted Living Facility Daily Benefit	Covered in lieu of other services if approved	$150	**$150**	$150
Home Health Care Daily Benefit	**$75** in Alaska **$40** outside Alaska	$125	**$125**	$125
Hospice Care Daily Benefit	Not covered	$125	**$125**	$125
Respite Care Daily Benefit	Not Covered	Up to **$200**, maximum of 14 days per calendar year	Up to **$200**, maximum of 14 days per calendar year	Up to **$200**, maximum of 14 days per calendar year

This information is only intended to be a summary of coverages provided. Please refer to the booklet for additional information or exclusions.

Reference Slide: Inflation Protection - Example

Gold Option	Platinum Option
5% Simple	5% Compound

	Nursing Facility Daily Benefit		Lifetime Maximum Benefit	
Year	**Simple (Gold)**	**Compound (Platinum)**	**Simple (Gold)**	**Compound (Platinum)**
Start	$200	$200	$300,000	$300,000
5	$250	$255	$375,000	$382,884
10	$300	$326	$450,000	$488,668
15	$350	$416	$525,000	$623,678
20	$400	$531	$600,000	$795,989
25	$450	$677	$675,000	$1,015,906
30	$500	$711	$750,000	$1,296,583

Accessing Long-Term Care Benefits

- To start the intake process, members or their representative should call the claims administrator's toll-free number and let them know that they need to use their long-term care benefits. The claim administrator is Wellcove and their telephone number is: **(888) 287-7116**.

- Members should identify themselves as AlaskaCare retirees and be prepared to provide their Alaska Retirement Identification Number (RIN), which is your LTC policy number. If you don't know your RIN, you can call the DRB Member Education Center for help at (800) 821-2251. You may also locate your RIN on your monthly direct deposit confirmations located in myRnB.alaska.gov.

- If you are representing someone else, you will need to submit proper legal documents before the claims administrator (Wellcove) or the Division of Retirement & Benefits will recognize your right to access sensitive information or make decisions.

- Members should be ready to share detailed information regarding their condition and the "Activities of Daily Living" (ADLs) that they need assistance with. The section of the plan booklets that explains activities of daily living starts on page 9 of the booklets.

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Accessing Long-Term Care Benefits cont'd

- The claims administrator will need to schedule an "assessment" to help determine what ADLs you need assistance with. (Sometimes a medical records review may be performed instead of an in-person assessment.)
  - Wellcove will schedule an appointment for someone to come to your home and meet with you to help assess what ADLs you need assistance with.
  - It is important to be candid regarding the type of assistance you need.

- The claims administrator will send you an intake package that both you and your doctor must fill out and return.
  - You typically have 30 days to complete the package and return it to Wellcove. It's no problem if you need additional time – just call Wellcove and let them know.

- If the claims administrator requires additional information, they may contact you, your representative, your physician or another person familiar with your condition. You may be required to provide access to your medical records.

Reference Slide: Activities of Daily Living (ADLs)

- To qualify for benefits, the **Bronze** plan requires that you are incapable of performing **two** of the following **five** Activities of Daily Living (ADLs):
  - **Eating** – your ability to feed yourself
  - **Dressing** – your ability to put on or take of your clothes, fasten buttons or zippers
  - **Toileting** – your ability to get safely to and from the toilet and perform basic personal hygiene
  - **Transferring** – your ability to move in and out of a bed or chair
  - **Walking** – your ability to walk without someone's assistance

- The **Silver, Gold, and Platinum** plans require that you be incapable of performing **two** of the following **six** ADLs:
  - **Eating** – your ability to feed yourself
  - **Dressing** – your ability to put on or take of your clothes, fasten buttons or zippers
  - **Toileting** – your ability to get safely to and from the toilet and perform basic personal hygiene
  - **Transferring** – your ability to move in and out of a bed or chair
  - **Continence** – your ability to maintain control of bowel and bladder functions or if unable, the ability to perform associated personal hygiene (i.e., caring for a catheter or colostomy bag)
  - **Bathing** – your ability to wash yourself in a tub, shower or by sponge bath
- The Silver, Gold, and Platinum plans also provide benefits for **cognitive impairment** (which includes conditions such as Alzheimer's), which requires that you be supervised in order to perform the ADLs.
- Certification of medical necessity from a physician is required under all plans.

How is the Benefit Administered?

- The patient's licensed healthcare practitioner must order the needed care.
- The Plan provides benefits for covered custodial care expenses when received from an authorized service provider in connection with a "Covered Program of Care".
- The benefit amount is based on where services are received and the level of **license** the service provider/facility has.
  - For example: a facility licensed as an "Assisted Living Facility" will be reimbursed up to the daily benefit maximum for assisted living facilities while a facility licensed as a "Nursing Home" will be reimbursed up to the daily benefit maximum for nursing homes.
- For benefits to be paid, the long-term care provider must submit documentation that services for at least two activities of daily living were provided per the "Covered Program of Care". (An additional document that details the services provided is submitted with each invoice.)

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What is a "Program of Care"?

- A "Covered Program of Care" is a written program of care that one or more licensed healthcare practitioners prescribe for qualified long-term care services.

- Covered Programs of Care are considered continuous even if the covered member moves from one facility or level of care to another or changes healthcare practitioners.

- The Covered Program of Care must include one or more of the following services:
  - Registered nursing;
  - Licensed practical nursing;
  - Home health aides (provided through a home health care agency);
  - Physical therapy;
  - Occupational therapy; or
  - Speech therapy.

How Long-Term Care Benefits are Paid

- **When Does the Benefit Period Start:** A benefit period begins on the first day of a Covered Program of Care.
  - The claims administrator will process the intake package and approve a start date for the covered program of care.
- **Deductible:** The deductible is the LTC expenses incurred for the first 90-days of a covered program of care.
  - Members must pay for the first 90 days of covered long-term care expenses before the plan begins to pay any benefits.
  - Only one deductible period applies during any one continuous benefit period.
  - A new deductible period will apply, if additional care starts or resumes more than 30-days (Bronze) or 90-days (Silver, Gold & Platinum) following the end of a previous benefit period.
- **When Do Benefit Periods End**: A benefit period ends either 30-days (Bronze) or 90-days (Silver, Gold, Platinum) after the Covered Program of Care is no longer necessary.
  - A Covered Program of Care is no longer necessary when the covered member no longer meets the benefit eligibility described in the appropriate booklet. This is evidenced by the absence of covered claims for more than 30-days.
- **100% Coinsurance:** The Plan pays the daily plan benefit for the plan you purchased. (After you meet the deductible)
  - The plan does not pay more than the actual charges for the covered long-term care services.

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Filing Claims

- Claims must include documentation that services consistent with the approved "program of care", which includes two ADLs, were provided.
- Be sure to report claims promptly. The deadline for filing a claim for benefits is 90 days after the start of a Covered Program of Care.
  - If, through no fault of your own, you are unable to meet the deadline for filing a claim, your claim will be accepted if you file as soon as reasonably possible, but not later than one year after the deadline unless you are legally incapacitated. Otherwise, late claims will not be covered.
- Members have the AlaskaCare appeal rights explained in the appropriate booklet if:
  - A claim is denied in whole or in part,
  - Benefits covered by the Plan have been denied; or,
  - The reimbursement is lower than the Plan provides (100% of the daily benefit or the actual charges – whichever is less).

What Types of Facilities or Providers are Covered?

- The plans cover care provided by licensed nursing homes, assisted living facilities, home health care provided by a licensed home health care agency, and adult day care.
    - The Bronze Plan added coverage for assisted living facilities in 2012.

- The Silver, Gold and Platinum plans cover hospice and respite care.

Note: Only care provided in the United States is covered.

This includes most U.S. territories where Medicare coverage is available.

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Are There Exclusions for Pre-Existing Conditions?

- A pre-existing condition is any that was diagnosed or treated during the three months before coverage started.
- No benefits are payable for any Covered Program of Care that was begun prior to the effective date of your coverage.
- The long-term care plans exclude benefits related to a pre-existing condition during the first 12 months of coverage.
- If you have a pre-existing condition; but need care in the first 12 months of coverage due to something other than the pre-existing condition, covered benefits are available per the normal plan provisions in the appropriate plan booklet.

Tax Qualification and Reassessments

- The Plan is intended to be a qualified long-term care plan under section 7702(B) of the Internal Revenue Code of 1986 as amended. This means that long-term care benefits paid to you by the AlaskaCare plans are not considered taxable income.

- To maintain the tax-qualified status of benefits under IRS rules, members must complete an **annual** reassessment.

- We understand that you or your loved one's condition may be permanent, and we understand that the annual assessment requirement may be inconvenient.

- **Complying with IRS rules for an annual reassessment is the only way to avoid benefit payments becoming taxable income.**
  - There is no way to stay on claim if an annual reassessment is not completed.

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Can Premiums Change?

- Premiums are based on the plan you selected and your age at retirement.
  - The amount of the monthly premium may change due to a rate change on a class basis.
- If you elected coverage for your spouse, you pay a separate premium for your spouse.
  - Your spouse's premium was based on the plan you selected for them and their age when you retired.
- Premiums are subject to annual review. Long-term care premiums may be increased at any time if the assets in the long-term care fund are determined to be insufficient to pay the expected claim costs.

  Note: Premiums have not changed since the inception of the plan.

Resources

- AlaskaCare Long-Term Care Plan booklets are located on the Division of Retirement and Benefits webpage: alaskacare.gov/ltc
- Wellcove is the claims administrator.
  - You may contact them at **(888) 287-7116**.
- Wellcove has a member internet portal where members may view which plan they are enrolled in, review plan benefits, and obtain a claim submission packet. Members can also use the portal to view claims and receive messages from Wellcove. https://soa.chcsmemberportal.com/
- Please send questions to drbtownhall@alaska.gov

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