

The Federal Long Term Care Insurance Program



Sponsored by the U.S. Office of
Personnel Management and Offered
by John Hancock and MetLife

204 Carter Drive • West Chester, PA 19382

**Get the information you need about an important new
insurance program — exclusively for members of the Federal Family!**

FED 00036 (0402)

PROGRAM OVERVIEW

The Federal Long Term Care Insurance Program

- What You Should Know About Long Term Care
- Program Highlights
- How to Get More Information

“Once you’ve read this overview,
I encourage you to request
more information on this
important program!”

Kay Coles James
Director, U.S. Office of Personnel Management



Be Smart

What Is Long Term Care?

Long term care is *ongoing* care for people who need lengthy or even lifelong assistance with daily living due to an illness, injury, or severe cognitive impairment (such as Alzheimer's disease). It may surprise you that the majority of long term care is provided at home. And, long term care can be expensive. In fact, it could be the most expensive type of care you'll ever face.



The average annual cost of at-home care is \$20,000¹ and is expected to jump to \$68,000 by 2030.²



The average annual cost of nursing home care is \$50,000³ and is expected to jump to \$190,600 by 2030.²

These expenses are not covered by traditional medical insurance plans or disability income insurance. Most health care programs, including the FEHB Program, TRICARE, and TRICARE For Life, cover very few long term care expenses, if any! While Medicare covers some care in nursing homes and at home, it does so only for a limited time, subject to restrictions. The Department of Veterans Affairs provides limited long term care services with restrictions on who can receive them.

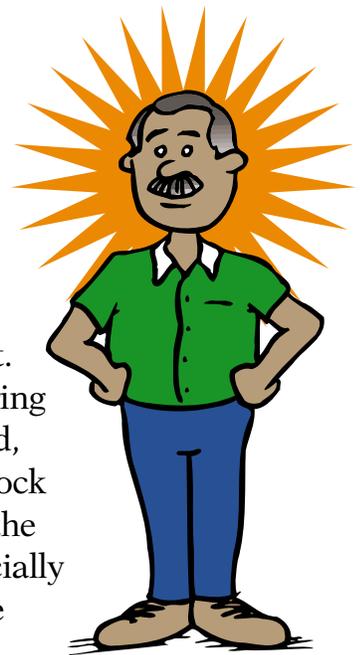
**Now Available Exclusively to
Members of the Federal Family...**

The Federal Long Term Care Insurance Program!

Created solely for members of the Federal Family, the new Federal Long Term Care Insurance Program can help protect you from the potentially high cost of long term care.

What's more, it's coverage you can count on. That's because it's sponsored by the U.S. Office of Personnel Management. After carefully considering the proposals submitted, OPM chose John Hancock and MetLife — two of the largest and most financially stable companies in the insurance industry — to introduce and administer the coverage.

This Program features low group premiums for members of the Federal Family, coverage for informal home care, access to care coordination services for qualified relatives of enrollees, and international benefits.



¹ *Receiving Help at Home: The Interplay of Human and Technological Assistance*, Allen, S., Foster, A. and Berg, K., Journal of Gerontology: Social Sciences Vol. 56B, NO S374-S382, November 2001.

² ACLI Study, "Can Aging Baby Boomers Avoid the Nursing Home?" March 2000.

³ *Who Buys Long-Term Care Insurance in 2000?* Prepared for Health Insurance Association of America by LifePlans, Inc. October 2000.

The Federal Long Term Care Insurance Program

Program Highlights

Open Season

- July 1 - December 31, 2002

Who Is Eligible to Apply

- Federal and Postal employees and annuitants
- Members and retired members of the uniformed services

Qualified Relatives —

- Current spouses and adult children (at least 18 years old, including adopted children and stepchildren) of living members of the groups above
- Parents, parents-in-law and stepparents of living Federal and Postal employees and living members of the uniformed services
- Surviving spouses receiving a survivor annuity



Covered Services Include

Home Care — Care provided at home by a nurse, home health aide, therapist or other authorized provider, as well as adult day care. Benefits are reimbursed up to 75% of the Daily Benefit Amount (DBA). (Home Care is only available with the Comprehensive Plan.)

Facility Care — All levels of nursing home care are covered, including skilled, intermediate, and custodial care. Includes assisted living facility care, and hospice care (whether at home or in a hospice facility). Benefits are reimbursed up to 100% of the DBA.

You Choose These Plan Features

Plan Design

Choice of these two options:

- **Comprehensive Plan** covers care at home, in adult day care centers, in assisted living facilities, in nursing homes and hospice care.
- **Facilities Only Plan** covers care in assisted living facilities, nursing homes and inpatient hospice care.

Maximum Benefit Amount

Choose your Daily Benefit Amount (DBA):
\$50 - \$300 in \$25 increments

You can choose to have your benefits reimbursed on a daily basis or on a weekly basis (7 times your DBA) for greater flexibility.

Benefit Period

Choice of 3 years, 5 years, or unlimited

Waiting Period

Choice of 30 days or 90 days

Inflation Protection

Choice of these two options:

- **The Automatic Compound Inflation Option** automatically increases your daily benefit amount by 5% compounded every year with NO corresponding increase in your premium.
- **The Future Purchase Option** lets you increase your daily benefit amount every two years based on increases in the Medical Consumer Price Index. Your premium will increase each time you buy additional coverage.



Built-In Plan Features

Informal Care — Unlike many other plans, the Federal Long Term Care Insurance Program covers care provided in the home by friends, family members, and other non-licensed caregivers who don't normally live in your home. When informal care is provided by family members, it is covered for up to 365 days in your lifetime.

Care Coordination Services — Our long term care coordinators (all registered nurses) can arrange for discounted services, monitor the care you're receiving, and assist with altering your plan of care as your needs change. Access to care coordination services is also available for qualified relatives of enrollees.

Alternate Plan of Care — Under certain circumstances, our long term care coordinators can authorize benefits for services that are not specifically covered under this program (for example, making your home wheelchair-accessible). These services must meet your needs and may be a cost-effective alternative to covered plan services.

International Benefits — This program provides coverage for those who may require care in a country outside the U.S.

Waiver of Premium — You do not pay premiums while you are receiving benefits.

Guaranteed Renewable — We will not cancel your coverage as long as you pay your premiums on time. It cannot be canceled due to your individual age or a change in your health. We can only change your premium with OPM's approval on a group, not an individual basis.

Low Group Premiums — Thanks to negotiations on your behalf by OPM, you are entitled to the low group premiums of the Federal Long Term Care Insurance Program.

Be Smart

Find out more about the new Federal Long Term Care Insurance Program!

**Call 1-800-LTC-FEDS
(1-800-582-3337)**

**Hearing Impaired (TDD),
call 1-800-843-3557
or visit our web site at
www.LTCFEDS.com**

Also...

Be sure to tell your eligible friends and family members about the Federal Long Term Care Insurance Program!

The Federal Long Term Care Insurance Program



Sponsored by the U.S. Office of Personnel Management and Offered by John Hancock and MetLife

The Federal Long Term Care Insurance Program is administered by Long Term Care Partners, LLC, and offered by: John Hancock Life Insurance Company, Boston, MA 02117 Metropolitan Life Insurance Company, New York, NY 10010

John Hancock

MetLife[®]

Group Policy Numbers: 900-001;900-002