

State-Mandated LTC: What You NEED to Know

Planning for long-term care (LTC) is about choosing what works best for your client and their family, and most often, that won't be a state-mandated plan. But as LTC costs continue to rise, states are likely to look for ways to shift expenses back to the consumer.

It's a changing story. Here's what you need to know right now.

WHY CLIENTS SHOULD PREPARE NOW

When Washington mandated LTC, many advisors discussed options with their clients, trying to put a private plan in place before the deadline. The result was carriers became overwhelmed with applications, and many clients were unable to secure coverage in time.

But regardless of whether you have clients in one of the states proposing a state plan, LTC is important. Having a plan can keep your client's income and retirement on track. Not having a plan can derail it faster than almost anything else if there's a need for care.

BENEFITS OF PRIVATE LTC

If the states are going to impose an LTC tax with a one size fits all plan, why not consider putting your own plan in place — one that you can customize to fit your client's needs. And, they'll be able to opt out of the state tax in the process.

- **More options:** Linked benefit, traditional and even life insurance riders are all choices when considering a plan for LTC. These plans offer a wide range of benefits, making it possible to fit most budgets.
- **Better control:** Most private plans offer home and facility care, giving your client flexibility when it comes to where and when they receive care. Providers will be more willing to work with clients with LTC coverage.
- **Premium guarantees:** Linked-benefit plans offered guaranteed premiums, while traditional LTC premiums are guaranteed renewable. This means premiums can't be changed when your client's health changes. And many policies waive premiums when a client goes on claim.
- **Inflation protection:** Many plans offer the ability to increase benefits in an effort to keep up with inflation.

LONG-TERM CARE. MADE SIMPLE.

From having the conversation and identifying clients to comparing solutions and finding funding, your Palladium Group team can help simplify the LTC industry. We can create customized solutions for individual clients and individual situations. When you have questions or concerns, we're here to help.

LONG-TERM
CARE



These are the states that are the furthest along:

States with approved or proposed legislation:

- California
- New York
- Pennsylvania

States researching a plan:

- Illinois
- Michigan
- Minnesota

Mandated features of Washington state:

- Tax is \$.58 for every \$100 earned
- \$100/day benefit
- Lifetime benefit \$36,000