

# *Transitions*<sup>TM</sup>

Short Term Recovery Care Insurance



I'd like to spend a few minutes going over what may be the answer to some of the questions you have about your health care options, discuss some things that may affect your planning and talk about an opportunity.

One of the fun things about my job is that I don't have to charge my clients to educate them on great opportunities.

And I know this opportunity isn't something everybody might want to take advantage of, so when I'm done, if this isn't something of value to you, that's ok.

Just let me know, and we'll shake hands and part ways as friends.

Is that alright with you?

# Health Care

We all want it.

We know we'll need it.

We know it's expensive.

We know it's complicated.



If there's any topic we hear way too much about it's health care.

But even though we're on information overload, amidst all the surrounding health care confusion, complication, and expense, what's crystal clear is that we all want the best health care, because we know we're going to need it, right?

And even if your health insurance offers great coverage, there's still the question of what will be covered and what will come out of your pocket.

When you factor in deductibles, co-insurance and exclusions, understanding how much you will have to pay is difficult, don't you agree?

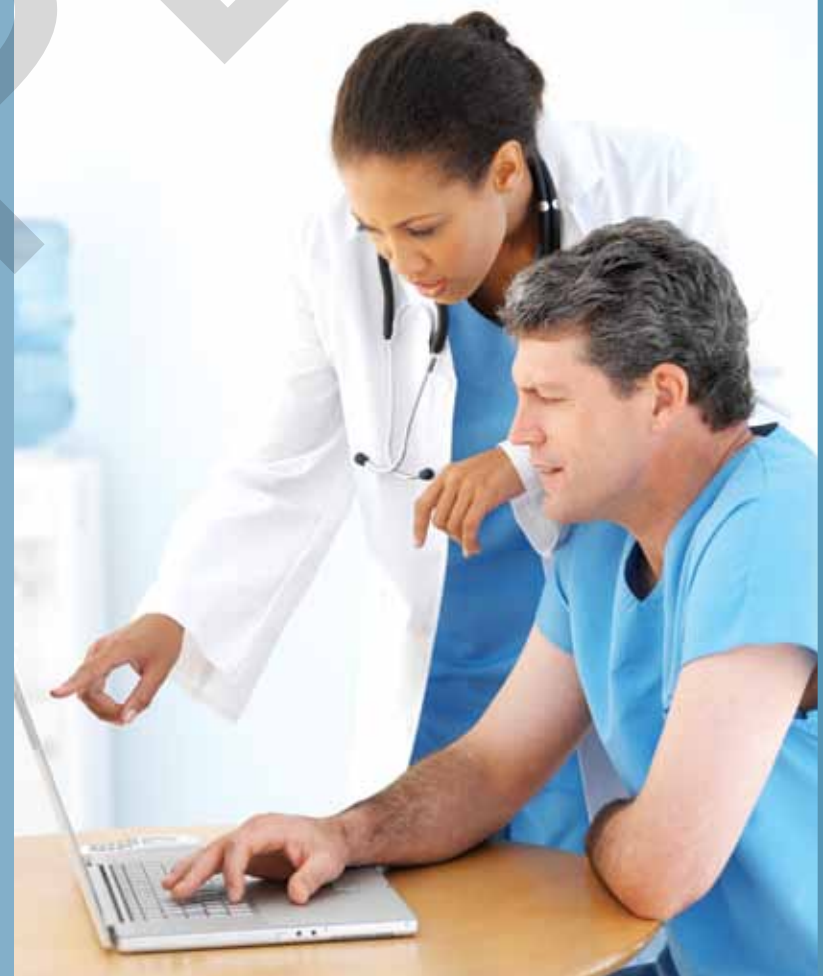
# Evolving Health Care System

Shorter Hospital Stays

Limited Doctor Availability

New Places

Old Places Used in New Ways



Not only can health care be complicated, but the entire health care delivery system has evolved over the years.

Think about it. Remember when a doctor would spend more than 10 minutes with you and knew all about your kids, your hobbies, even your pets?

Remember when people died because of their first heart attack, or because of many forms of cancer that are now curable?

Today, we don't spend days recovering in a hospital — at rates of thousands of dollars a day it's no wonder why everybody rushes to send you home. \$20 is a lot to pay for a box of Kleenex, isn't it?

We now have special centers for surgery, cancer treatment, and all manner of things that used to be handled exclusively in hospitals.

And nursing homes are being used immediately following hospitalization, or for rehabilitation treatment for people of all ages. Caregivers come to people's homes so they don't have to stay in a facility.

Do you think things are going to keep changing?

What percentage  
of nursing home stays  
last less than 1 year?<sup>1</sup>

- A. 5%
- B. 13%
- C. 32%
- D. 44%

<sup>1</sup> Vital and Health Statistics, Series 13, Number 167, The National Nursing Home Survey: 2004 Overview, U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, June 2009.



Answer: D

While we're talking about the way things have changed, let's take a little quiz. What percentage of nursing home stays do you think last for less than one year?

A. 5%    B. 13%    C. 32%    or    **D. 44%**

That's right!

*or*

Actually...

44% of nursing home stays last less than one year because rather than serving primarily as a residence for the elderly, they are now being used as place to transition from the hospital back to your home.

They provide the level of care you need without all of the overhead expense of a hospital.

Unlike common belief, in today's world, nursing homes are often a place people go to get better and are filled with folks of all ages.



# After a stay in a hospital or a nursing home:

- A. You are ready to get back to your normal activities.
- B. You may need some additional help getting through your day.
- C. Your family and friends will care for you.



Now, let's do another quick quiz. Which of these statements do you believe to be true:

After a stay in a hospital or nursing home:

- A. You are ready to get back to your normal activities
- B. You may need some additional help getting through your day
- C. Your family and friends will care for you

Well, let's explore each of these answers a little bit.

Sure, you are probably emotionally and intellectually ready to get back to normal, but you'll probably need some time and help getting back on your feet.

And yes, your family and friends may be there to help care for you, but that is a lot of stress for both you and them. They may not be equipped to give you the help, like therapy, that you may need.

In many instances you may need the services of a nurse or a home health aide to get you through the day.

Don't you think that it would be better to rely on professional help so you can get better as quickly as possible?

Sometimes  
things change,  
and when  
they do, we  
may have to  
change too.



Of course, it's human nature to want to deny that anything bad could ever happen to us.

But the unfortunate reality is that sometimes, life throws us a curve ball.

Sometimes, we experience an unexpected illness or accident that forces us to change our lifestyle — either for a little while, or permanently.

Sometimes we don't fully recover and sometimes we do.

But either way, these are times when we may need some of the services we talked about.

These are times when we may need some wiggle room to adjust our finances and lifestyle during this transition period.

Wouldn't it be nice to be able to make decisions about lifestyle changes without having to worry about the cost of getting better?

# Monthly Cost of Care<sup>2</sup>

Home Health Aide: \$5,040<sup>3</sup>

Homemaker Services: \$4,110<sup>3</sup>

Nursing Home:

Semi-private room: \$5,940

Private room: \$6,570

Assisted Living: \$3,131

<sup>2</sup> National Clearinghouse for Long-Term Care Information, U.S. Department of Health & Human Services, [www.longtermcare.gov](http://www.longtermcare.gov), May 2010. Monthly calculation based on average daily rate times 30 days.

<sup>3</sup> Calculation includes 8 hours of care per day for 30 days, based on national average hourly rate.



To give you some perspective, let's talk a little about what it might cost to get the care you need should your life change tomorrow.

If you wanted to receive care at home while you recovered, hiring a home health aide would cost you around \$21 an hour. That's the national average. Homemaker services run about \$19 an hour.

Think about this. If you needed care at home for 8 hours a day, 7 days a week, that quickly adds up to \$5,040 a month for a home health aid and \$4,110 a month for homemaker services. That's a lot of money isn't it?

And, if it's a better fit for you to recover in a facility, the national average cost for a semi-private room in a nursing home is \$5,940. For a private room, you're looking at around \$6,570 a month.

Assisted living facilities average over \$3,000 a month, and can be significantly more expensive depending on where you live.

Locally, the cost is \$\_\_\_\_\_ in the \_\_\_\_\_ home down the street.

Pretty expensive, isn't it? Even one month of care would add up pretty quickly wouldn't it?

# Good News & Bad News

## Care Options Help Transition:

- To Recovery
- To Lifestyle Changes

**Health Insurance:** Gap in Coverage Doesn't Pay for These Services

**Medicare:** Limited Coverage

**Medicaid:** Spend Down Assets to Access Benefits





Well, there's good news and bad news. The good news is that these services can help you transition from an illness or accident back to your old life, or serve as a bridge to making some lifestyle changes.

The bad news is that most of these services aren't covered by private health insurance or most government programs.

Medicare may pay for some services, but only when skilled care is required, and then only for a limited time.

Medicaid is help for the impoverished, and you need to go broke and/or give up the choice of where to get care.

Personally, I think it's important to retain control over where and from whom I get care, don't you?



# What about Long Term Care Insurance?

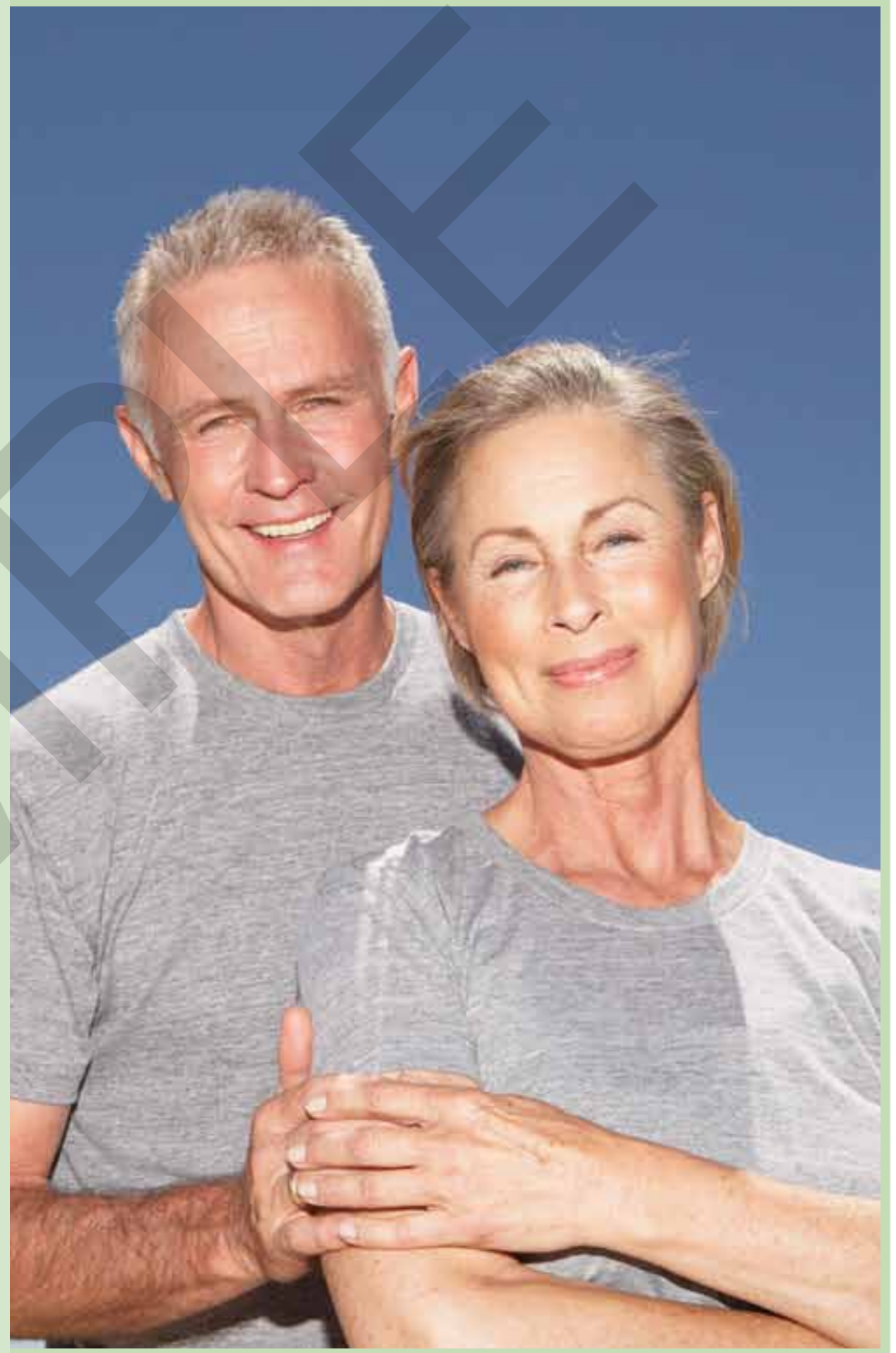
Smart Decision

Great for Long Term Need

May Not Cover Shorter Care Needs

What About the Elimination Period?

Expenses Add Up Quickly



Do you own a long term care insurance policy?

**If no>>**Well, a long term care policy may be worth considering, but that's not the opportunity I am here for today, so let's move on. *(Skip to next slide)*

**If yes>>**Great! That was a really wise decision. *(Continue reading slide)*

A long term care policy could pay for these services for several years. But today, I want to talk about the financial risk you face even with that long term care policy.

Did you know that most long term care policies must meet a federal requirement that you must be expected to need care for 90 days or more in order for benefits to be payable?

This means your long term care policy may not pay for the average hip fracture or knee replacement, even if you meet the other benefit eligibility requirements. 85 days at \$200 a day is \$17,000 worth of expenses.

That's a lot of money to pay out of pocket, don't you think?

Also, many long term care policies have an elimination period, often 90 or 100 days. This is the period of time you must wait before your benefits kick in. Again, that is a lot of time to run up care expenses isn't it?

# So, we've agreed:

Care can be really expensive.

A lot of supportive care is not covered under private medical plans or government programs.

While you can rely on family and friends for some help, you are better off using professionals during your transition to get the best results, and recover as quickly as possible.



I think we've agreed that care can be really expensive; that a lot of supportive care is not covered under private medical plans or government programs; and that while you can rely on family and friends for some help, you are probably better off using professionals during your transition to get the best results and recover as quickly as possible. Right?

I think we've also identified that there are probably some holes in your planning safety net.

If I could show you a program that could mend these holes and provide you with the funds and time you need to make it through a period of transition for less than the cost of a monthly cable or phone bill, would that be of interest to you?

# How Much Does It Pay?

Choose Benefit: \$50-\$300/day

Pays a Minimum of 100, 200,  
or 360 days

Pool of Money design means  
policy can pay benefits much  
longer than 360 days!

Example: If you buy a \$100/  
day policy for 360 days, you've  
purchased \$36,000 of benefits.  
You keep getting benefits until  
you spend the whole \$36,000,  
even if it takes 2 years or more!

The logo for Transitions Short Term Recovery Care Policy. It features the word "Transitions" in a large, green, italicized serif font. Below it, the words "Short Term Recovery Care Policy" are written in a smaller, blue, sans-serif font. A green swoosh underline is positioned beneath the word "Transitions".

*Transitions*<sup>TM</sup>  
Short Term Recovery Care Policy

Let me introduce you to Transitions. A Transitions policy works a lot like a savings account.

When you purchase a policy, you select how much you want in your account or pool of money by choosing a daily benefit amount and the number of days you wish to receive that benefit.

Once you are benefit eligible, you are essentially drawing on that pool of money to pay for services when you need care.

Let me give you an example.

Let's say you purchased a Transitions policy with a \$100 daily benefit for 360 days.

That means you have \$36,000 of benefits in your account.

If you had an accident and needed care that cost \$50 a day, you could get paid for 720 days — almost two years. We only use the 360 days to calculate your benefit. Once we do that, the entire pool of money is yours to use for care, regardless of how long care is needed.

So this protection can help for even longer than you may think. Isn't that a really neat feature?



# When do benefits start?

Choose an elimination period of 20, 30 or 60 **calendar days**.

You receive credit toward your elimination period for each day you need care, regardless of whether you obtain services every day.



Many policies have elimination periods that only count days on which you receive services.

For example, let's say a person breaks their hip, and after they leave the hospital, they need therapy twice a week.

If they bought a policy with a 20 service day elimination period, that person would end up waiting 10 weeks before their policy starting paying benefits.

But with a Transitions policy, you tick off the days on the calendar starting with the day you qualify.

For example, with a 20 day elimination period, if you qualify on January 1, and you only need services once a week, you start getting paid on the first service day after January 20th.

Don't you think that's another really neat and honest approach?

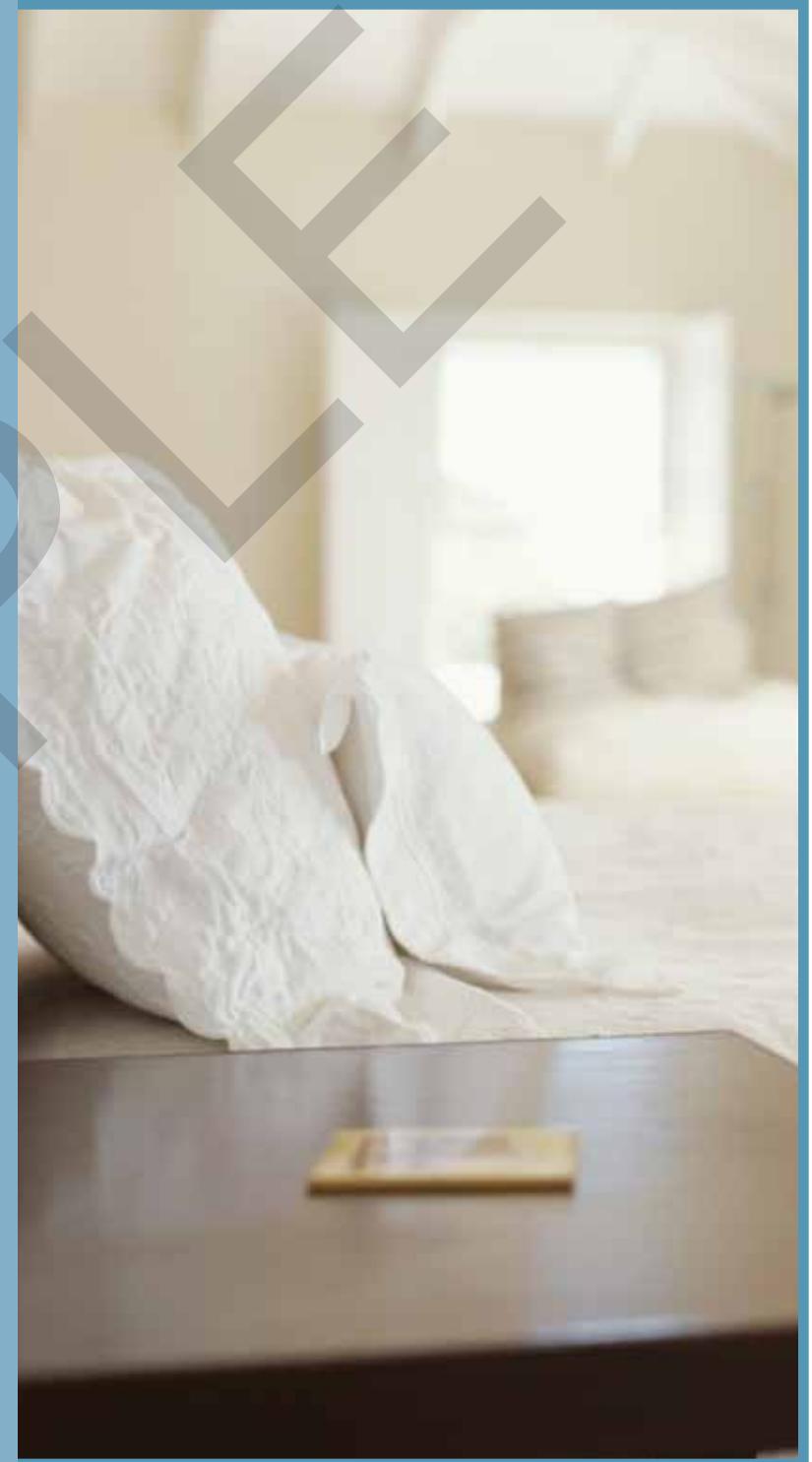


# How do I qualify for benefits?

Think about the first 6 things you do each morning. If you can't do 2 of them, benefits are payable.

- Contenance
- Toileting
- Bathing
- Transferring
- Dressing
- Eating

Benefits also payable for cognitive impairments due to trauma, or issues that develop over time.



Ok, so we've explored some of the interesting features of this product. Now let's talk a little about how you would qualify for benefits.

Basically, if you think about the first six things you do every morning and are in a situation where you can't do two of them, then you would qualify for benefits. Let me explain.

The first ADL, or Activity of Daily Living, is continence, so when you open your eyes in the morning, if you have retained control of your bowel and bladder you have continence.

Next, you get out of bed (getting out of bed or getting up from a chair is called transferring).

You head to the bathroom — toileting.

You undress — putting on or taking off clothes is called dressing.

You shower or bathe — bathing.

You head to the kitchen for breakfast — eating.

You can also qualify if you suffer from a cognitive impairment, which may be caused by trauma to the head, or may develop over time like Alzheimer's Disease.

# But Costs Will Continue to Rise

Consider Optional  
Inflation Protection:

Daily Benefit Limit and  
Pool of Money increase  
5% from the original  
amount each year.



Any questions so far?

Ok. Now we all know that no matter what happens, costs for anything and everything continue to rise year after year with inflation.

That's why this program offers optional inflation protection to help keep up with the expected rise in costs.

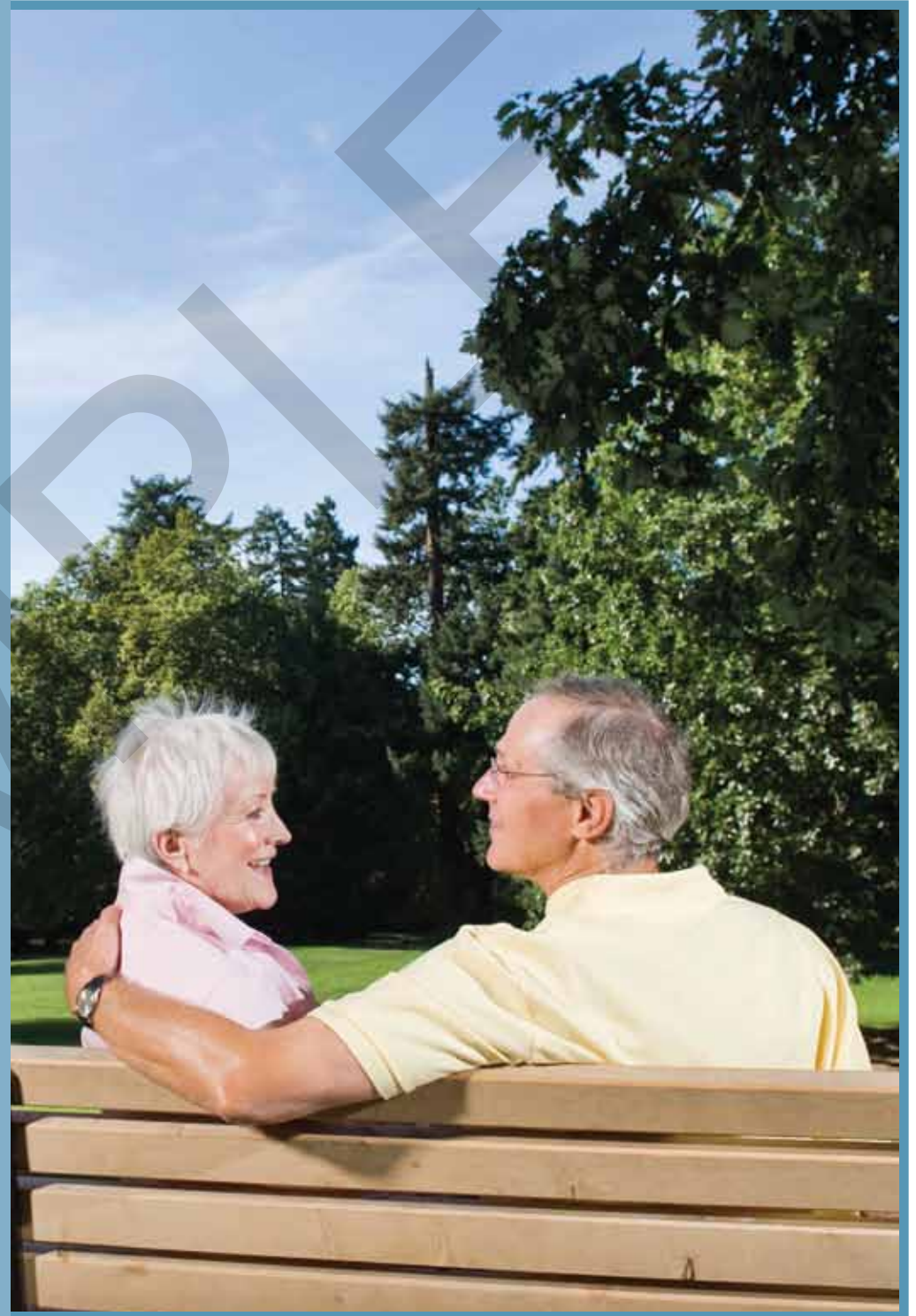
You can choose to have your Daily Benefit Limit and your Pool of Money go up 5% from the original amount each and every year.

When we look at premiums, I can give you more information on that.

Do you like the idea of inflation protection?

# Other Features Provided at ***NO EXTRA COST!***

- Restoration of Benefits
- Waiver of Premium
- Respite Care
- 10% Couples Discount



I just briefly want to touch on a couple of other features available through this policy at no extra cost. Remember, the meat of the program is in the things we've talked about — paying for the care you need if something unexpected happens. That said, I really like these extras and think it's important to talk to you about them.

First, let's talk about Restoration of Benefits. Remember that \$36,000 Pool of Money we talked about? Well, if you were in an accident and used \$18,000 of your benefits, but then you got well and stayed well for 6 months without qualifying for benefits, your entire \$36,000 Pool of Money would be restored! This can occur once at any time in the life of your policy. This feature helps make sure your assets will be protected so you don't have to burden your family. Isn't that a great way to help give you some peace of mind?

Waiver of Premium is another great feature. It simply means that if you are receiving benefits, you don't have to pay premium. Wouldn't it ease your mind to know that if you were in this situation, you would be able to get benefits to help pay for your care, AND your family wouldn't have to worry about the expense of paying your premiums?

Respite care is another great feature to have, especially if a family member is helping you out, but needs a rest. This benefit will pay for someone to come in and perform eligible services for up to 14 days.

And last, the policy offers a 10% discount that applies to each partner in a couple. Aren't these all really nice benefits to have?



# Let's Review

- Expensive Care
- Safety Net Hole
- Provides Benefits & Time
- Gives You Control



Now let's take a moment to review. We've identified that care is expensive, that you may have a hole in your safety net, and that having this program in place could provide you with benefits that will give you the time you need to decide what your next steps will be.

Keep in mind, not only will this program help fill that hole in your safety net, but it also gives you control over the care you receive. It can help you preserve the independence you have today for as long as possible.

After our discussion, don't you agree that it would be wise to consider a plan that can pay for those unexpected bills and give you time — a little wiggle room — to decide what your next steps will be if you need care?

I know you are interested in cost, but first you need to know not everybody will qualify for Transitions, so let's discuss the underwriting process and determine if this program is a good fit for you, ok?



# What to Expect

- 10 Questions
- Phone Call
- Pharmacy Check



Qualifying for this program is pretty simple. First I will ask you 10 questions. If you answer yes to any of them, you don't qualify.

If you can answer all 10 questions no, then we can submit an application for you.

After we submit your application, you will receive a phone call from the company to verify your answers.

If you are 50 or older, the company will do a cognitive screening which is straightforward and only takes a few minutes.

If you are over 75, they will come to your home to do the screening.

**It is important that you make yourself available for this process.**

Lastly, the company will get a prescription profile. Basically, this is a record of the medicines you take or have taken. All information is kept private in accordance with the laws on privacy.

After the company has had a chance to review your information, they'll let us know if you qualify within 5 or 6 days. Is that clear?

# Next Steps

- 10 Questions
- Choose a Plan



Before we talk about next steps, do you have any questions?

Like we talked about, the most important part is the 10 questions.

That is the first step and will determine whether or not I can give you a price on a program that's right for you, ok?

Do you use a middle initial?