

## The CalPERS Long-Term Care Program by the Numbers:

128,276 total active participants

\$4.4 bil fund balance

\$2.2 bil total benefits paid since program began

\$293 mil benefits paid in 2016

\$306 mil total premiums received in 2016

\$2,583 average annual premium

*Numbers rounded, current as of June 30, 2017*

## Long-Term Care and Your Federal Taxes

Did you know that you may be able to deduct your CalPERS Long-Term Care Program premium - or at least part of it - as a medical expense on your federal income taxes?

For long-term care premiums to be tax deductible, you must itemize your taxes and your long-term care policy must be "tax qualified." CalPERS Long-Term Care policies are designed to be tax qualified.

*CalPERS Long-Term Care policies are designed to be tax qualified so they may be tax deductible.*

As of 2017, all individuals may deduct qualified medical expenses, which includes long-term care insurance premiums, that exceed 10 percent of adjusted gross income (AGI) for the year. The maximum amount of

premium which can be included as a medical expense varies based on the taxpayer's age. Benefits paid as reimbursement for eligible long-term care expenses, which is how benefits are paid under the CalPERS Long-Term Care Program, are generally not included as reportable income for tax purposes. Check with your tax preparer or accountant to find out if deducting your CalPERS Long-Term Care Program premiums on your next federal tax filing is right for you.

*Sources:*

*American Association for Long-Term Care Insurance and Bankrate.com*

*Newman Long-Term Care, IRS Issues Long-Term Care Premium Deductibility Limits for 2017*

# Plan Ahead

## Give Someone You Trust Authority to Act for You when You Cannot

The day may come that you need assistance, whether temporarily or long-term, to manage your day-to-day affairs, to make your health care decisions or pay your bills. You may need the assistance whether or not you have become incapacitated. Incapacity can result from a sudden illness or injury, but can result, as well, from a progressive illness over many years.

If you can't act for yourself, you'll certainly want someone you trust to step in. Under a Power of Attorney, that person is referred to as your attorney-in-fact, or agent. Take the time today to talk with your family about this important part of your life plan. If an illness or injury causes you to require long-term care services, having a Power of Attorney in

place will enable the CalPERS Long-Term Care Program staff to work with that person on your behalf to understand your care needs and assist in getting needed services in place.

Keep in mind that state laws vary with regard to the instruments used to grant others the authority to act on your behalf. While it's possible to draft your own Power of Attorney document using a standardized form, the advice of a professional, either an attorney or certified financial planner, is recommended. Here are some thoughts to guide your discussion:

- Consider who you want to represent you, and consider naming a secondary, or alternate agent in the event that your primary agent is unavailable or unable to act for you.
- Make sure the person(s) you've selected knows you have done so and is willing to accept the responsibility as your agent.
- Be clear on the scope of authority you want your agent(s) to have. For example, you may want to designate one person to handle your financial matters and another to talk to your

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doctors and insurance companies and also to make health care decisions for you.

- Review your Power of Attorney with your family to ensure they understand your wishes. Also, it is important for you to provide copies to your agent(s).
- Update your Power of Attorney, as needed, such as when you marry, divorce or your agent(s) dies.

### Here are some helpful definitions:

#### General Power of Attorney

Grants broad powers to your agent, including handling financial matters, managing claims, hiring professional help, etc., and may become invalid if you become incapacitated.

#### Special Power of Attorney

Grants authority for a specific purpose, such as selling property, handling a specific business transaction or managing a claim.

#### Health Care Power of Attorney, Living Will, Advanced Health Care Directive

Grants your agent the authority to make medical decisions for you if you are unable to do so yourself and/or documents your wishes about end-of-life care. These documents may also grant your agents the ability to discuss your health and care with your doctors and your insurance companies. States vary in their requirements for granting this type of authority.

#### Durable Power of Attorney

Grants authority to your agent even if you become incapacitated.



## We Have a New Name!

Starting with the next issue (Spring 2018) this publication will be called *CalPERS Long-Term Care Program Newsletter* (instead of *CalPERS Long-Term Care Program Update*). The new name will make it easier to distinguish between the Program updates to the CalPERS Board and this newsletter, especially for our online readers.

# Preventing Injuries from Trips and Falls



All of us, regardless of age, are at risk of injury every day just by getting out of bed. Injuries often happen because of our own carelessness or that of others, defective equipment, neglect of public or private property or even the weather.

Even if we don't like to admit it, the older we get, the more susceptible we are to injury, often from falling.

According to the Centers for Disease Control, from 2012-13, 55 percent of all unintentional injury deaths among adults aged 65 and over were due to falls. From 2000 through 2013, the age-adjusted fall injury death rate among adults aged 65 and over nearly doubled from 29.6 per 100,000 to 56.7 per 100,000. While we can't prevent every trip or fall in our homes, there are things we can do to prevent many of them.

**Exercise!** People who do weight-bearing or even seated exercises have better balance and stability than those who are avoidably sedentary.



**Keep your home well lit,** including motion-detecting nightlights so that you can see where you are walking when you get up at night.



**If you use a cane or walker, make sure it is in good shape and fits your height** - it may be cheaper to borrow someone's walker or cane, but it can be dangerous if it is not the right size for you.

Ask your doctor for a referral to an occupational therapist who can help you with selecting and sizing devices such as canes and walkers, and with recommendations if you are struggling with daily activities like bathing, dressing and transferring.

**Wear comfortable, well-fitting shoes with low heels and good tread.** Keep laces tied securely. If you have difficulty with laces, consider footwear with Velcro® straps.

Avoid open-back shoes because of their insecure fit and resulting instability. Select shoes with low profiles, low heels and wider designs that have more contact with the ground.



**Make sure all stairways have secure, easy-to-grip handrails.** If the stairs are not carpeted, have a professional install grip tape or traction tape on each stair tread.

If you have height variations in different parts of your floor, use color-contrasted strips to mark the changes in levels.

**Take care of your vision** – if you wear glasses, ensure your prescription is current and your glasses are clean. Some eye conditions such as cataracts, glaucoma and macular degeneration can affect depth perception, making going down stairs especially dangerous.

Use hand rails, take your time and always wear your glasses or contacts when moving around the house day and night!



**Install an easily accessible emergency alert system**, if necessary. Subscribe to a personal alert system and wear the necklace or bracelet at all times. Many companies now offer devices that work both at home and away.



**If you travel or live in a cold weather area, be especially careful when walking on ice and snow.**

If the area hasn't been shoveled, sanded or salted, avoid it! Watch out for "black ice" and avoid icy walkways and stairs whenever possible.

**Have a professional install grab bars** in your tub, around the toilet, and near stairways, making sure the wall is strong enough to hold the bar in place and support your weight.

Install a raised toilet seat, if necessary. A raised toilet seat will make it easier to transfer off the toilet.



**Remove clutter and extension cords** that could cause a trip and fall when moving through a room. Extension cords are notorious causes of falls.

Arrange furniture to provide a clear path from room to room.



**Avoid ladders** with more than one or two steps when you're alone at home. Buy a reaching device to retrieve lightweight things above your shoulders or on the floor.

**Keep a lamp or other light source near your bedside** and be sure to turn on the light as you get out of bed for any reason.

**Throw rugs are trip hazards.** Remove those that you don't need. Rugs at doorways, in the kitchen and in bathroom should be rubber-backed with tapered edges so that your toes are less likely to catch them and cause you to trip. Use a non-skid bath mat in your tub and shower.

If, despite your best efforts to avoid them, you do fall, your doctor might suggest that an occupational therapist, physical therapist, or nurse visit your home. These health care providers can assess your home's safety and advise you about making additional changes to prevent falls. Stay safe!

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#### References

Centers for Disease Control, "Deaths From Unintentional Injury Among Adults Aged 65 and Over: United States, 2000–2013" Online September 2016: <https://www.cdc.gov/nchs/data/databriefs/db199.pdf>

"Helping Seniors Keep Their Footing" Online January 2017 <http://www.healthyfeetblog.com/fall-prevention-information-helping-seniors-keep-their-footing>

National Institutes of Health, "Fall Proofing Your Home" Online January 2017: <https://nihseniorhealth.gov/falls/homesafety/01.html>

# Are Your Family Members Prepared for Their Long-Term Care Needs?

You understand the importance of long-term care programs and have already chosen to obtain coverage. What about your family members? Protecting one's assets or taking a burden off one's children are just some of the reasons people consider long-term care. This information might help your loved ones decide if long-term care coverage is right for them.

## Did you know that you have a 70 percent chance of needing long-term care at some point in your life?

The likelihood of needing LTC rises as you age. During the year you turn 50, there is a 1 to 2 percent chance of needing long-term care services. During the year you turn 85, probability increases to 10 to 15 percent. Overall, there is approximately a 70 percent probability that if you are 35-years-old today, you will need long-term care services at some point your life.

## How long will you need long-term care?

On average, people 65 and older require long-term care services for reasons other than acute events, requiring care for 90 or fewer days. The average length of long-term care services received is 2.5 to 4 years for conditions such as dementia, stroke and arthritis. Women, because they live longer, receive more long-term care services than men — 3.7 years for women compared to 2.2 years for men. The CalPERS Long-Term Care Program has an average length of claim of 3.4 years.

## How much does long-term care cost?

The monthly cost of long-term care in California ranges from \$4,945 per month for an assisted living facility to over \$11,000 per month for a nursing home. Additionally, home health care averages \$24 per hour; at four hours per day that is more than \$2,800 per month. All costs across all LTC services are rising at the rate of 2 to 4 percent per year.

To date, the CalPERS Long-Term Care Program has paid out more than \$2.2 billion in LTC claims.

## How can you learn more about the CalPERS Long-Term Care Program?

To learn more about CalPERS Long-Term Care Program, just visit our website at [www.calperslongtermcare.com](http://www.calperslongtermcare.com). There you can learn more about long-term care, the costs of care in various regions through the United States, get a quote, and even apply online. You can also contact us at (800) 908-9119.

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### References

U.S. Department of Health and Human Services (HHS), "Long-Term Care: Start Planning" Online June 2017: <https://longtermcare.acl.gov/the-basics/>

LTCG Cost of LTC Care Survey. January 2017. Market Survey of Long-Term Care Costs. Available online at <http://www.ltcg.com/our-services/cost-of-care/>

## You know the value of long-term care, why not share that with others?

Even more members of your family can find the peace of mind available with CalPERS Long-Term Care (LTC). Eligibility for CalPERS LTC coverage has expanded to include many more of your relatives, and not just the immediate family members. Anyone in the categories below who are related to a current or former California public employee may apply for CalPERS LTC:

- Family members such as spouses, siblings, and adult children (including step)

- Grandparents
- Grandchildren
- Nieces and nephews
- Aunts and uncles
- Sons and daughters-in-law
- Brothers and sisters-in-law

If your family members have any questions about applying for coverage, please call the CalPERS Long-Term Care Program toll free at (800) 908-9119, Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific Time, or visit our website anytime at [www.calperslongtermcare.com](http://www.calperslongtermcare.com).

We have resources to help you plan and manage your long-term care needs, stay informed about changes in our Long-Term Care Program, and information about long-term care in general.

## Contact the CalPERS LTC Program

The CalPERS Long-Term Care Program is administered by LTCG.

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### CalPERS Long-Term Care Program

[www.CalPERSLongTermCare.com](http://www.CalPERSLongTermCare.com)

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#### Email

[CalPERSLTC@ltcg.com](mailto:CalPERSLTC@ltcg.com)

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#### Telephone

Monday through Friday, 8:00 a.m.—5:00 p.m. PT

Current participants: (800) 982-1775

Prospective applicants: (800) 908-9119

Provider services: (888) 396-5824

Employers: (800) 845-8427

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#### Fax

Customer service: (952) 833-5417

Claims: (866) 294-6967

Participant services: (866) 294-6966

Prospective applicants: (952) 918-5089

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#### Mail

General correspondence:

CalPERS Long-Term Care Program

P.O. Box 64902

St. Paul, MN 55164-0902

Overnight mail:

CalPERS Long-Term Care Program

7805 Hudson Road, Suite 180

Woodbury, MN 55125-1591

Premium payments:

CalPERS Long-Term Care Program

Department LA 21217

Pasadena, CA 91185-1217

## Online Resources

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California Department of Aging

[www.aging.ca.gov](http://www.aging.ca.gov)

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National Association of Area Agencies on Aging

[www.n4a.org](http://www.n4a.org)

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National Institute on Aging Information Center

[www.nia.nih.gov](http://www.nia.nih.gov)

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U.S. Department of Health and Human Services

Long-Term Care

[www.longtermcare.gov](http://www.longtermcare.gov)

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Family Caregiver Alliance

[www.caregiver.org](http://www.caregiver.org)

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American Association for Long-Term

Care Insurance

[www.aaltci.org](http://www.aaltci.org)

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National Alliance for Caregiving

[www.caregiving.org](http://www.caregiving.org)

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Caregiver Action Network

[www.caregiveraction.org](http://www.caregiveraction.org)

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Well Spouse Association

[www.wellspouse.org](http://www.wellspouse.org)

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Alzheimer's Association

[www.alz.org](http://www.alz.org)

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Alzheimer information from U.S. Department

of Health and Human Services

[www.alzheimers.gov](http://www.alzheimers.gov)

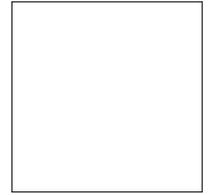
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Silver Brick Road

[www.SilverBrick.com](http://www.SilverBrick.com)



CalPERS Long-Term Care Program Administrator  
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St. Paul, MN 55164-0902



# CalPERS Long-Term Care Program Update

Fall 2017

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