



Elizabeth Rubenstein, 91, with her son Chett at her 90th birthday celebration in 2021. Her long-term care policy covers about half the cost of her assisted living facility in West Babylon.

BY MAURA MCDERMOTT

maura.mcdermott@newsday.com

Judith Dash purchased long-term care insurance more than 20 years ago, to help fund the cost of her care when she got older.

But when Dash developed dementia at age 87 last year, her insurer, John Hancock Life Insurance Co., declined to pay her bills for a Westbury assisted living facility. The insurer said in its denial that Dash could still care for herself and did not qualify for benefits.

Dash's family appealed, sending in a letter from her doctor stating she has "significant cognitive decline and memory loss from dementia" and could not manage her medications or other responsibilities, according to documents they submitted. Still, John Hancock rejected the appeal in December.

The denial came as a shock, her daughter Ricki Dash said.

"Can you imagine somebody who doesn't have family to navigate this?" said Ricki Dash, 66, who grew up in Farmingdale and now lives in Tennessee. "Imagine if she was by herself and didn't have me and my sister and brother to back her up. She wouldn't even know she has this policy, and John Hancock would have been paid for 21 years and not have to pay out what they're supposed to."

Dash, now 88, is not the only New Yorker navigating a complicated long-term care insurance system. Throughout the state, 394,234 people had long-term care policies at the end of 2020, the most recent figures from the state Department of Financial Services show. Such policies are meant to pay for services not covered by most health plans, such as home health care aides or stays in assisted living facilities or nursing homes. Policyholders typically must be healthy to purchase coverage, and they become eligible when they can no longer manage certain tasks such as bathing, dressing and feeding themselves, or when they develop dementia.

Like Dash, many Long Islanders who purchased long-term care insurance policies are reaching the age when they

SENIOR SAFETY NET

Long-term care insurance works best when advocates watch out for policyholders

See **INSURANCE** on A30

PEOPLE ON THE MOVE See who has been hired or promoted on Long Island [newsday.com/onthemove](https://www.newsday.com/onthemove)

SENIOR SAFETY NET

INSURANCE from A29

need its benefits. The region's population is graying, with roughly 217,000 residents age 75 or older in 2020, a 27% increase since 2000, census figures show.

Some seniors with long-term care policies find themselves battling an insurance bureaucracy when they're least equipped to do so, due to cognitive decline or other disabling conditions.

In Dash's case, her daughter Ricki, a retired legal assistant, complained to the New York Department of Financial Services, which regulates insurance providers. John Hancock reversed its stance in January and is now paying Dash's assisting living costs dating back to last March, a letter from the insurer shows. The state agency confirmed that it received the complaint and John Hancock overturned its denial.

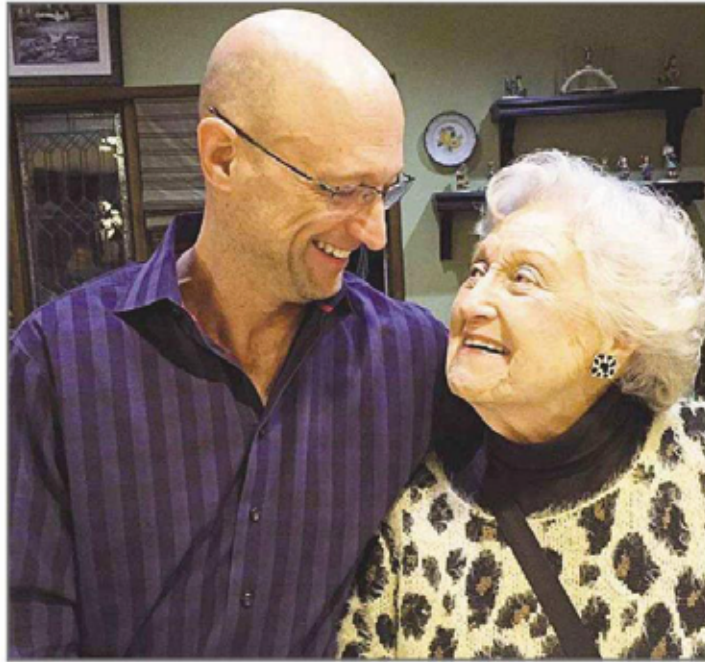
A John Hancock spokeswoman did not respond to questions about the claim.

'It's complicated'

"If you're an older person trying to do this for yourself when you already need care, it's complicated," said Donna Stefans, an attorney with the Woodbury-based Stefans Law Group PC and board member for the Long Island chapter of the Alzheimer's Association. The process is typically straightforward, she said, but for seniors who struggle with daily tasks, "Who's sending in the monthly bills to the long term care insurer? Who's helping you prove [you qualify for benefits], who's helping you get these bills paid?"

Some ailing seniors rely on their adult children or other family members to handle the paperwork. Others get help from attorneys, patient advocates, nonprofit groups or government agencies. If no one can help, some risk missing out on insurance benefits, family members and experts in the field said.

In August, the Department of Financial Services said John Hancock Life & Health Insurance Co. would pay \$21.6 million to New York policyholders and their beneficiaries after the



CHETT RUBENSTEIN

You spent a lifetime building whatever assets you can . . . to spend all of those assets just to cover your care for the last few years of your life . . . just doesn't seem right.'

— Chett Rubenstein, whose 91-year-old mother, Elizabeth, has dementia

agency received a complaint from a consumer and found the company "prematurely terminated" 156 policies, forcing policyholders to improperly pay out-of-pocket or access Medicaid before they needed to. The company reimbursed Medicaid \$2.2 million and paid a \$2.5 million penalty for violating the state's insurance law, the agency said. John Hancock agreed to the agency's findings and signed a consent order, the agency said.

A John Hancock spokeswoman did not respond to questions about the agreement.

Patients and their loved ones

should make sure they understand all the details of their policies since some have provisions such as paying higher benefits if families arrange care through the insurer instead of on their own, said Michael J. Weiner, president of the law firm Glaser & Weiner PC in Melville, who helped his mother get long-term care insurance benefits to cover assisted living.

Handling the process successfully "becomes a question of stamina and persistence," he said.

Policyholders also should designate a contact who would be notified if premiums don't

get paid on time to make sure coverage doesn't lapse, and who would help submit claims paperwork if needed, family members and advisers said.

"You must have an advocate, because the truth is, if you're in your 90s, you can't navigate this, you just can't," said Melissa Lamb Assael, who helped her late mother, Janice Koppel, get long-term care coverage for aides in her Nassau County home. Koppel needed assistance after injuring her back while lifting weights at age 94 and developing mild to moderate dementia, Assael said. She died at 98, Assael said. The

claims process "is really daunting," she said, but "if you can get it to work for you, it's fabulous."

Insurers sometimes require "objective proof of a loss of function," such as a test of cognitive abilities, said Mark P. Scherzer, an attorney based upstate who has helped families whose long-term care claims have been rejected. In one case, an insurer denied a claim because the policyholder's cognitive function fell within normal limits, but it reversed its denial after Scherzer showed the man's score had declined over time, he said.

Families don't always need to hire an attorney if their claim gets denied, Scherzer said. "If your doctors are sufficiently supportive and advocating for you, that may be sufficient," he said.

Even purchasing long-term care insurance has become more difficult. Such policies have had state approval in New York since 1986, though a dwindling number of insurers provide coverage. Five insurers offer individual long-term care policies in New York, down from 11 in 2013, state Department of Financial Services records show. In 2001, 28 insurers offered individual or group policies in New York.

The decline reflects a national phenomenon, the agency said. Many insurers "underpriced" the coverage when it was first offered, relying on inaccurate estimates of how much it would cost to pay for policyholders' care and how



DONNA STEFANS

If you're an older person trying to do this for yourself when you already need care, it's complicated.'

— Donna Stefans, attorney and board member for the Long Island chapter of the Alzheimer's Association



DAVE FRANCIS PHOTOGRAPHY

The disadvantage is, you could pay into long-term care and end up not needing it or passing away too soon.'

— Kaysian Gordon, a Valley Stream-based financial adviser



CHARLES DASH

Judith Dash's family appealed when her long-term care insurer refused to pay for assisted living after her dementia diagnosis.



NEWSDAY / I. CONRAD WILLIAMS JR.

“The system makes you want to give up.”

— Ken Sternfeld, a retired pharmacist who is disabled

many people would drop their policies, among other factors, the agency wrote in a report last year. Since then, premiums “have increased substantially and priced many individuals out of the market,” the agency wrote. In addition, some of the investments insurers make to bolster returns have underperformed in recent years, increasing the companies’ financial challenges, said Jesse Slome, executive director of the American Association for Long-Term Care Insurance.

Insurers paid \$11.6 billion to 325,000 claimants in 2020, up from \$9.23 billion in 2017, according to the association.

Costs of care

The coverage doesn’t come cheap. For a policy that covers \$165,000 in care, a 60-year-old man would pay \$1,200 to \$3,820 a year, and a 60-year-old woman would pay \$1,960 to \$6,800, the American Association for Long-Term Care Insurance reported last year. Women typically pay more because they have longer life expectancies. In many cases, premiums can change over time, and some policyholders have seen premiums increase by 30% or more in a year. Among current New York policyholders, 44%

purchased their policies when they were 55 to 64 years old, while 27% were 45 to 54 years old and 14% were 65 to 74, state figures show.

The state and federal governments offer incentives such as tax credits to encourage people to buy long-term care coverage. However, not everyone finds the policies appealing or affordable.

“The disadvantage is, you could pay into long-term care and end up not needing it or passing away too soon,” said Kaysian Gordon, a Valley Stream-based financial adviser. For some people, the decision comes down to whether they can afford coverage, she said. Others decide to build up their savings instead or plan to rely on Medicaid, which can cover long-term care for people who are eligible based on their income, assets and other factors, she said.

“It’s creating your own safety net, as best as you can,” she said.

Ken Sternfeld, 68, a retired pharmacist who is disabled, said he recently enrolled in a

Medicaid long-term care policy called Elderplan, which funds a part-time home health aide. The certified patient advocate who helped him find the plan, Ruthlyn Noel-Joseph, “saved my life,” said Sternfeld, who lives with his wife and their cat, Mo, in a 55-and-older community in Uniondale.

“The system makes you want to give up,” said Sternfeld, who uses a walker or wheelchair due to lymphedema. “I’m a fairly educated health care professional, worked in the pharmacy profession, understand insurances and understand prior authorizations. I needed to get additional help, because it is so confusing.”

People who are disabled or age 65 and over can qualify for Medicaid long-term care plans that cover home health aides if their income and assets are below certain limits, said Noel-Joseph, who is president of Healthwhiz Solutions, an insurance advisory firm in Baldwin. She said she advises clients to

consult with an attorney and other advisers long before they might need care. “Even if you think you do not qualify for Medicaid, you still want to talk to a professional, because there are many things that they can do to help the individual qualify,” she said.

Despite the high cost and complications of long-term care policies, many financial advisers and elder care attorneys counsel their clients to purchase coverage if they can afford it, since paying for care out-of-pocket can far exceed most seniors’ budgets. In the New York City area, the median annual cost of a full-time home health aide is \$62,400, assisted living costs \$69,000 a year and a private room in a nursing home adds up to \$158,775 a year, a Genworth Financial survey found.

Weighing risk

“With long-term care, the payout could be \$400,000” for a senior who spends more than two years in a nursing home, said Amir Noor, a director of financial planning at United Financial Planning Group LLC in Hauppauge. “You think about, ‘what is the risk of this happening? . . . What is the risk that I’m going to outlive my money in retirement?’ . . . And then you determine, how do you

INFORMATION AND RESOURCES:

AARP: aarp.org/caregiving/long-term-care or 888-687-2277

Alzheimer’s Association, Long Island chapter: alz.org/longisland or 800-272-3900

American Association for Long-Term Care Insurance: aaltci.org or 818-597-3227

New York Department of Financial Services: bit.ly/3ym99cQ or 800-342-3736

United Policyholders: uphelp.org/long-term-care-insurance or email info@uphelp.org

want to address that risk?”

Some insurers offer alternatives such as life insurance policies with long-term care “riders” that allow policyholders to collect death benefits early to fund end-of-life care, he said. And some families get creative. One client could not qualify for long-term care insurance because she was no longer healthy, Noor said. Her four adult children will pay out of pocket for her care, but they purchased a \$400,000 life insurance policy that eventually will reimburse them, Noor said.

For Chett Rubenstein, 60, a technology industry consultant who lives in Bay Shore, the math was clear. Rubenstein’s 91-year-old mother, Elizabeth, has dementia, and her long-tertein said.

The policy “has at least given us four years of relief” from the full cost of assisted living, he said.

m care policy is paying about half the cost of her \$9,000-a-month assisted living facility in West Babylon. The policy covers up to \$219,000 in care over four years, and it will soon hit that ceiling, RubensRubenstein said his mother’s experience and the advice of his attorney, Stefans, convinced him to purchase his own policy. He pays about \$4,500 a year in fixed premiums for “pretty much unlimited coverage,” he said.

“You spent a lifetime building whatever assets you can,” he said. “Then to have to spend all of those assets just to cover your care for the last few years of your life, that just doesn’t seem right.”

MEDIAN ANNUAL COSTS IN THE NYC AREA

A full-time home health aide:

\$62,400

Assisted living:

\$69,000

A private room in a nursing home:

\$158,775

SOURCE: Genworth Financial survey