

# Value in Long-Term Care Insurance Policies

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## OVERVIEW

**An analysis of long-term care insurance (LTCi) policies purchased between 1995 and 2005 estimates that nearly \$800 billion in benefit value is available. Further, buyers' financial profile has shifted over time with purchasers in the 1990s at greater risk of spending down to Medicaid eligibility absent LTCi than more recent purchasers.**

LTCi promises over 7 million policyholders benefit payments for long-term services and supports (LTSS), but potential insolvencies in the marketplace threaten the financial value of policies currently in force. With support from the Anthem Public Policy Institute, ATI Advisory and LeadingAge LTSS Center @UMass Boston analyzed data on private LTCi policyholders who purchased policies between 1995 and 2005. The study quantifies national and state-level in force policy value, buyer demographics, and the likelihood of buyers' Medicaid eligibility in the absence of their LTCi policy.

The findings highlight the importance of policy and regulatory approaches that preserve LTCi benefit value and protect the financial resources of states and consumers.

### Topics

- Value of LTCi policies sold between 1995 and 2000
- Characteristics of LTCi purchasers over time
- Probability of spending down to Medicaid eligibility
- LTCi policy value in select states
- Methodology