

# Federal Long Term Care Insurance Program

## Nearly 8 in 10 Feds Have Had an Experience With Long Term Care

Approximately [10,000 baby boomers](#) are reaching retirement age per day – a social shift that holds wide-ranging implications for the aging federal workforce. The subject of long term care is a key part of this increasingly salient conversation on health and retirement – according to the U.S. Department of Health and Human Services (HHS), about [70% of people](#) turning age 65 will need long term care services at some point in their lives. However, long term care is by no means solely applicable to the elderly: nearly [41% of care](#) is provided to people under the age of 65 whose ability to care for themselves is limited by illness, injury, chronic disability, and other complications.

In an effort to learn more about federal employees' perspectives on long term care, Government Business Council conducted a flash poll on the following question:

**Which best describes your experience with long term care, including when a loved one requires home care or a nursing home?**

**51%** Been, am, or expect to be a caregiver

**24%** Never been a caregiver, but know people who have needed long term care

**4%** Don't know anyone who has needed long term care, but I've known caregivers

**22%** Never had an experience with long term care

GBC received responses from 156 federal employees representing more than 35 civilian and defense agencies. Over half of the respondents stated that they had been, were, or expected to be caregivers. Of the respondents who did not expect to personally provide care, 28% still reported knowing either caregivers or people who have required care. Only 22% of federal employees stated that they had never had an experience with long term care.

Respondents reporting involvement in care provision are at least as impacted by the realities of long term care as are care recipients. Long term care, which is most commonly performed at home by loved ones rather than by nursing homes and other professional facilities, often entails around-the-clock, hands-on assistance in daily tasks. Moreover, it can be an enormous and increasingly unsustainable strain on people who lack formal training for providing such care. The chronic [physical and mental stress](#) attached to caregiving has led policymakers and the Centers for Disease Control and Prevention (CDC) to regard it as a major public health issue, with focus increasingly turning toward expanding caregiver support and resources.

As supported by the results of this GBC poll, long term care should be a serious consideration for many federal employees, with government benefit programs like the [Federal Long Term Care Insurance Program \(FLTCIP\)](#) forming a potentially integral part of their retirement planning. Health insurance, Medicare, and Medicaid will [rarely cover](#) the full scope of long term care services, and investing in insurance is one way of accounting for their financial future.

Percentage of respondents, n=156  
Note: Percentages may not add up to 100% due to rounding

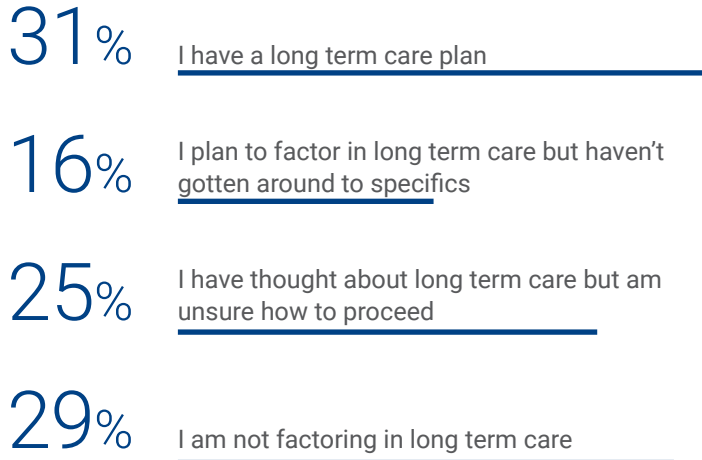
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## Only 3 Out of 10 Federal Employees Factoring Long Term Care into Retirement Considerations

As more and more federal employees reach [retirement](#) eligibility, the realities of age and illness are increasingly becoming pressing, immediate priorities. The potential need for long term care – indefinite assistance with activities of daily living such as eating, dressing, and bathing – is central to retirement considerations.

GBC took a closer look at retirement planning with a second flash poll:

**Do your retirement considerations include a plan for long term care (e.g., insurance, savings)?**



Percentage of respondents, n=167  
Note: Percentages may not add up to 100% due to rounding

GBC received responses from 167 federal employees representing more than 35 civilian and defense agencies. According to the results, just 31% of the respondents have an established plan; most of those surveyed were unsure of how to prepare for the specifics of long term care. 29% stated that they were not factoring long term care into retirement at all.

These numbers are somewhat reflective of national statistics: [one in four](#) people age 45 and over are financially unprepared in the event of a sudden need for long term care services. With the generational turnover of the baby boomers leading to increasing demand for long term care, it is critical that federal employees begin seriously weighing their options for extended care services.

According to the U.S. Department of Health and Human Services, [27 million people](#) are projected to be using some form of long term care by 2050. These services are often extensive (approximately [30%](#) of older people receiving care require substantial assistance with three or more activities of daily living), and total spending for long term care is [projected to climb](#) from \$219.9 billion in 2012 to \$346 billion in 2040. The rising costs attached to the retirement wave are leaving many federal employees in a state of financial uncertainty, and it may be more essential than ever that they consider concrete plans for themselves and their loved ones.

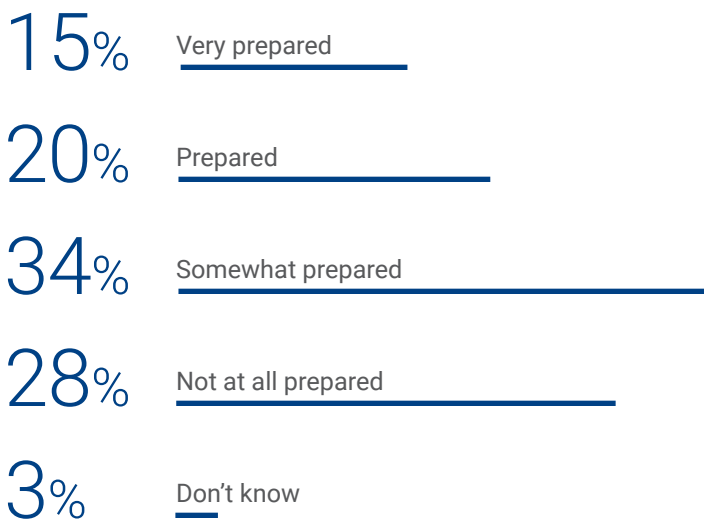


## Only 35% of Federal Employees Are Fully Prepared for Long Term Care Costs

With living expenses skyrocketing, many federal employees poised on the brink of retirement are less financially prepared than they would like to be. This is especially worrisome when placed in the context of long term care – while the [majority](#) of senior citizens will require some form of extended care, only 3 out of 10 federal employees have considered a plan for long term care; [a quarter](#) of people age 45 and over report being unequipped at present to handle the potential costs of care.

GBC asked federal employees the following question:

**How prepared are you to manage the potential costs of long term care, either for yourself or a loved one?**



Percentage of respondents, n=190  
Note: Percentages may not add up to 100% due to rounding

190 employees representing more than 35 civilian and defense agencies responded to the poll. Only 35% of the respondents felt prepared or very prepared to manage the costs of long term care; 34% were somewhat prepared, and 28% were not at all prepared.

A successful long term care plan hinges on two steps: gauging the potential costs of care, and choosing a strategy for covering these costs. Calculating and planning for the financial impact of care requires careful consideration of the multitude of options available – formal care in an assisted-living facility, for instance, comes with a different set of expenses than informal home care. And while many assume that health insurance, Medicare, or Medicaid will pay for health requirements, none of these programs are specifically designed to cover the full set of possible expenses long term care might entail. To help mitigate these costs, federal employees can also opt to apply for the [Federal Long Term Care Insurance Program](#), a government benefit that provides chronic care insurance for enrollees and their family members.

Regardless of how they broach the topic, it is becoming increasingly unaffordable for federal employees to delay planning for long term care. By taking the time now to examine and account for all future possibilities, they can focus their retirement on making the most out of this next phase of life.

### About LTC Partners

LTC Partners, a versatile benefits administrative services company, currently administers two major contracts regulated by the U.S. Office of Personnel Management – The Federal Long Term Care Insurance Program (FLTCIP) and BENEFEDS. The FLTCIP is the largest group, employer-sponsored long term care insurance program in the country and has more than 273,000 enrollees. Learn more at [www.LTCFEDS.com](http://www.LTCFEDS.com).

### About GBC

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