

## Chapter ETF 41

### LONG-TERM CARE INSURANCE

ETF 41.01 Definitions.

ETF 41.02 Standards for long-term care policies.

**ETF 41.01 Definitions.** The following are definitions for words and phrases used in this chapter:

(1) "Activities of daily living" means bathing, dressing, eating, transferring, and toileting.

(2) "Adult day care center" means an organization that provides a program which:

(a) Meets all applicable state or local laws;

(b) Is staffed by a director and a registered nurse;

(c) Has appropriate access to the services of a dietician, a licensed physical therapist, a licensed speech therapist, and a licensed occupational therapist;

(d) Maintains a client to staff ratio of 8 to one or less;

(e) Operates at least 5 days per week for not less than 6 hours nor more than 12 hours per day;

(f) Maintains a written record of medical services to clients; and,

(g) Has established procedures for obtaining appropriate aid in the event of a medical emergency.

(3) "Board" means the group insurance board created by s. 15.165 (2), Stats.

(4) "Custodial care" means care which can be performed by persons without professional medical training and which is primarily for the purpose of meeting the personal needs of the patient, including feeding and personal hygiene.

(5) "Department" means the department of employe trust funds created by s. 15.16, Stats.

(6) "Elimination period" means the number of days per lifetime for which an insured is receiving care otherwise covered in a nursing home, from a home health agency, or an adult day care center before a benefit is payable.

(7) "Home health agency" means an organization which:

(a) Primarily provides both skilled nursing and other therapeutic services to patients in their homes,

(b) Is certified or licensed as a home health care agency in the state in which it is located, or

(c) Is certified under Medicare.

(8) "Intermediate nursing care" means basic care including physical, emotional, social and other restorative services under periodic medical supervision. This nursing care requires the skill of the registered nurse in administration, including observation and recording of reactions and symptoms, and supervision of nursing care.

(9) "Level of care" means custodial care, intermediate nursing care, or skilled nursing care.

(10) "Nursing home" means a facility which is licensed as an intermediate or skilled care facility in the state in which it is located.

(11) "Policy" means any long-term care insurance policy offered pursuant to s. 40.55, Stats.

(12) "Skilled nursing care: means care furnished on a physician's orders which requires the skills of professional personnel such as a registered or a licensed practical nurse and is provided either directly by or under the supervision of these personnel.

**History:** Cr. Register, October, 1991, No. 430, eff. 11-1-91.

**ETF 41.02 Standards for long-term care policies.**

(1) **PURPOSE.** This section establishes standards for each long-term care insurance policy available to state employes and state annuitants under s. 40.55, Stats., in order to do all of the following:

(a) Provide employes and annuitants meaningful protection for themselves, their spouses, and their parents from the potentially catastrophic costs of financing long-term care;

(b) Assist in managing the care which may be required; and

(c) Promote the use of non-institutional care settings as an alternative where institutional confinement would otherwise be necessary.

(2) **REQUIREMENTS FOR LEVELS AND SETTINGS OF CARE AND DURATION OF BENEFITS.** Each policy shall provide coverage for all levels of care provided in a nursing home, through a home health care agency, or in an adult day care center for a minimum lifetime benefit of \$36,500. No policy may make payment for any benefit in any setting or at any level of care contingent upon the prior receipt of care in a different setting or at a different level of care.

(3) **MINIMUM DAILY BENEFITS.** Each policy shall have a minimum daily benefit of \$50 per day for care provided in a nursing home and shall provide a minimum of 75% of the daily nursing home benefit per day for care provided through a home health agency and 50% of the daily nursing home benefit for care provided through an adult day care center.

(5) **INFLATION PROTECTION.** (a) Each policy shall provide for one of the following:

1. Any insured not receiving benefit payments may purchase additional coverage during an annual enrollment period established by the board in an amount not less than \$10 per day at the price then in effect for the insured's age group.

2. Benefits shall increase automatically to a minimum of 10% per year for 10 years.

3. Benefits shall be payable as a percentage of the cost of care.

4. The policy shall increase daily benefits and any benefits remaining toward the policy's maximum benefit level at a rate not less than 5% compounded annually, and shall guarantee the insured the right, without evidence of insurability or health status, to periodically increase daily and remaining lifetime maximum benefit levels by an amount not less than the amount by which the inflation index specified in the policy and approved by DETF exceeds the annually compounded 5%.

(b) For purpose of par. (a) 4., the insurer shall offer the insured the opportunity to secure additional coverage at least once every 3 years. If the offered increase in a daily benefit would be less than \$10, the policy may include language that extends the period beyond 3 years. If the insured declines an offer for additional coverage, the insurer may not offer the additional coverage during that period. If the insured rejects 3 consecutive offers for additional coverage, the insurer is not required to make further offers.

(6) **LIMITS ON ELIMINATION PERIODS.** No policy may require more than a total of 120 days, whether consecutive or not, to be used before benefit payments begin.

(7) **RENEWABILITY.** In the event that any policy ceases to be offered under the program of the board, or an insured individual loses eligibility for coverage, the insurer shall offer to all affected insureds an identical continuation policy. No policy or certificate

may be canceled or non-renewed by the insurer for any reason other than non-payment of premium.

**History:** Cr. Register, October, 1991, No. 430, eff. 11-1-91; r. (4), renum. (5) (intro) and (a) to (c) to be (a) and 1. to 3., cr. (5) (a) 4. and (b), Register, July, 1998, No. 511, eff. 8-1-98.