



The Oregon Attorney Assistance Program presents

**Health Insurance Today, At Sixty-Five,  
and in Retirement**



**Steven Doty**

*AKT Benefit Advisors*

**Elma Friend**

*Willamette Valley Benefits, Inc.*

**Mary Osborn**

*Master Care Solutions*

**Mike Long**

*OAAP Attorney Counselor*

**September 28, 2016**

**9:00 a.m. – 1:00 p.m.**

**Oregon Bar Center**

**Tigard, Oregon**

*Qualifies for 3.5 Personal Management Assistance MCLE Credits*

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# MCLE FORM 1: Recordkeeping Form (Do Not Return This Form to the Bar)

**Instructions:**

Pursuant to MCLE Rule 7.2, every active member shall maintain records of participation in **accredited** CLE activities. You may wish to use this form to record your CLE activities, attaching it to a copy of the program brochure or other information regarding the CLE activity.

**Do not return this form to the Oregon State Bar. This is to be retained in your own MCLE file.**

Name:		Bar Number:	
Sponsor of CLE Activity:			
Title of CLE Activity:			
Date:		Location:	
<input type="checkbox"/> <i>Activity has been accredited by the Oregon State Bar for the following credit:</i>  <div style="text-align: center;"> <p>___ <b>General</b></p> <p>___ <b>Prof Resp-Ethics</b></p> <p>___ <b>Access to Justice</b></p> <p>___ <b>Child Abuse Rep.</b></p> <p>___ <b>Practical Skills</b></p> <p>___ <b>Pers. Management Assistance **</b></p> </div>	<input type="checkbox"/> <b>Full Credit.</b> <i>I attended the entire program and the total of authorized credits are:</i>  <div style="text-align: center;"> <p>___ <b>General</b></p> <p>___ <b>Prof Resp-Ethics</b></p> <p>___ <b>Access to Justice</b></p> <p>___ <b>Child Abuse Rep.</b></p> <p>___ <b>Practical Skills</b></p> <p>___ <b>Pers. Management Assistance **</b></p> </div>	<input type="checkbox"/> <b>Partial Credit.</b> <i>I attended _____ hours of the program and am entitled to the following credits*:</i>  <div style="text-align: center;"> <p>___ <b>General</b></p> <p>___ <b>Prof Resp-Ethics</b></p> <p>___ <b>Access to Justice</b></p> <p>___ <b>Child Abuse Rep.</b></p> <p>___ <b>Practical Skills</b></p> <p>___ <b>Pers. Management Assistance **</b></p> </div>	

**\*Credit Calculation:**

One (1) MCLE credit may be claimed for each sixty (60) minutes of actual participation. Do not include registration, introductions, business meetings and programs less than 30 minutes. MCLE credits may not be claimed for any activity that has not been accredited by the MCLE Administrator. If the program has not been accredited by the MCLE Administrator, you must submit a Group CLE Activity Accreditation application (See MCLE Form 2.)

**Caveat:**

If the actual program length is less than the credit hours approved, Bar members are responsible for making the appropriate adjustments in their compliance reports. Adjustments must also be made for late arrival, early departure or other periods of absence or non-participation.

\*\* Oregon State Bar MCLE Rule 6.3 limits the number of personal management assistance credits that can be claimed in one three-year reporting period to 6 credits. For shorter reporting periods, the limitation is 3 hours.

# Health Insurance Today, At Sixty-Five, And In Retirement

September 28, 2016

## Program Agenda

8:30 – 9:00 a.m.	Registration	
9:00 - 9:15 a.m.	Introductions	Mike Long
9:15 – 10:30 a.m.	Health Insurance Overview	Steven Doty, Northwest Employee Benefits Inc.
10:30 - 10:45 a.m.	Break	
10:45 - 11:45 a.m.	Medicare and Medi-Gap Insurance Policies	Elma Friend, Willamette Valley Benefits, Inc.
11:45 – 12:00 p.m.	Break	
12:00 – 1:00 p.m.	Long-Term Care Insurance Evaluations	Mary Osborn, Master Care Solutions

## Mike Long

Mike Long is a graduate of Hastings College of Law, San Francisco, California (JD 1983) and Portland State University (MSW 1991). He was in the private practice of law in Portland between 1985 and 1990. He worked in alcohol and drug residential treatment from 1990 to 1991 and as a therapist and crisis counselor from 1991 to 1993 before joining the Oregon Attorney Assistance Program staff in 1994, and he is a Certified Employee Assistance Professional (CEAP). As an attorney counselor for the OAAP, Mike counsels and assists lawyers with a broad spectrum of challenges and concerns. Since 2001, he has been responsible for developing the retirement planning assistance and programming offered by the OAAP. Mike is a coauthor of *Lawyers at Midlife: Laying the Groundwork for the Road Ahead* (Decision Books, 2008).

## Steven Doty

Steven Doty, AKT Benefit Advisors, is an insurance agent in Portland, Oregon, specializing in providing group insurance benefits to employer groups throughout the Pacific Northwest. He has served on several boards and industry/government committees and task forces, including the Oregon Association of Health Underwriters, the Health Insurance Reform Advisory Committee (which he chaired from 1995-2001), and the Insurance Pool Governing Board, a state agency offering low-income subsidies for private health insurance purchases through the Family Health Insurance Assistance Program. He currently serves as a member of the Essential Health Benefits Committee for the State of Oregon. He holds a BS in Business Administration from Portland State University.

## Elma Friend

Along with being a Duck Fan, Elma Friend has been involved in the Medical Industry in the Portland Metropolitan area for over 20 years. Working at Adventist Medical Center for over 12 years, Elma worked in the business office; processing medical claims, verifying insurance benefits and working with patients to coordinate their insurance with their medical needs. After leaving Adventist, Elma began working at, what is now, Health Net of Oregon in Customer Service, Provider Relations and ultimately working in Sales under the Senior Market Division. Elma has been happily married for over 23 years and enjoys spending time with her two wonderful grandchildren.

## Mary Osborn

Mary Osborn has over 30 years of experience in the financial services and insurance industry. Her practice has been focused in the area of insurance planning, especially in the areas of long-term care insurance, disability insurance, life insurance, employee benefits and retirement planning. The long illness of Mary's own mother prompted her to study the issues around long-term care, and she decided to earn the designation "Certified in Long-Term Care" – CLTC in 2000. Since then Mary has specialized exclusively in long-term care planning and insurance. As a specialist she has built her practice helping clients develop a long-term care plan and then determine the best insurance solution to fund the plan.

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**AFFORDABLE CARE ACT (ACA)  
MEDICAL INSURANCE ESSENTIALS**

OREGON ATTORNEY ASSISTANCE PROGRAM  
SEPTEMBER 28, 2016

Steven Doty, AKT Benefit Advisors

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And Then We Have Another Grandchild

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**AFFORDABLE CARE ACT TIMELINE**

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**2010**

- No Pre-existing Conditions Children Up To Age 19
- Preventive Services Covered At 100%
- No Annual Or Lifetime Limits
- Cover Children Up To Age 26
- Grandfathered and Non Grandfathered Plans

**2012**

- Report Cost Of Employer Sponsored Benefits On Employees W2
- Summary Benefit Comparisons (SBC)

**2013**

- Premium Tax On All Fully Insured And Self Insured Group Plans
- Medicare Tax Increase Of .9% For Wage Earners \$200,000 And Up
- Income Tax Deduction For Medical Expenses Increases To 10% Of AGI

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## AFFORDABLE CARE ACT TIMELINE

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**2014**

- Individual Mandate
- Guaranteed Issue, No Pre-Existing Conditions For All Group and Individual Plans
- State Exchanges Supposed To Be Fully Operational

**2015**

- Employer Mandate For Employers With 100 Or More Employees

**2016**

- Employer Mandate For Employers With 50 Or More Employees

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## INSURANCE FUNDAMENTALS

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- **Deductible** – The dollar amount that must be paid for certain covered services in a calendar year before the insurance plan pays
- **Co-Insurance** – The shared percentage that the insurer and the insured pay for certain covered services, usually after deductible
- **Copay** – A flat dollar amount that the insured must pay for certain covered services. Services provided with a Copay are typically not subject to the deductible and no Co-Insurance is required
- **Out of Pocket Maximum** – The maximum dollar amount that the insured is required to for all services in a calendar year. This includes Deductible, Co-Insurance and all Copays

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## OPTIONS TO PURCHASE MEDICAL INSURANCE

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- **Individual Plans**
  - Purchase directly from insurance carriers or through Federal Exchange
  - Guarantee Issue – No pre-existing condition limitation
  - Can only enroll during annual Open Enrollment period Nov 1<sup>st</sup> – Jan 31<sup>st</sup> (must submit application by Dec 15<sup>th</sup> for a January 1<sup>st</sup> effective date.
  - Or Qualifying Event – Loss of coverage, Birth of Child, Adoption, Marriage
  - Subsidies available for low income only through Federal Exchange
- **Small Employer Plans (1-50 employees, currently)**
  - DCBS may increase to 100 in near future
  - Must have at least 1 W2 employee, owners and spouses of owners do not count
  - Purchase directly from insurance carrier
  - Tax Credits available for those who qualify, Expires 2019
- **Large Employer Plans (51 + employees, currently)**
  - DCBS may increase to 101 + in near future
  - Subject to Employer Mandate
  - Must cover all FTE 30 hours per week
- **Medicaid (Oregon Health Plan)**
- **Medicare – Age 65 and Older - Disabled**

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## AFFORDABLE CARE ACT EXCHANGES

### Exchange

- January 1, 2014 **States** must establish **American Health Benefit Exchange**
- Originally Tax Credits and Subsidies **Only** Available Through **State** Exchanges
- **Cover Oregon** - \$300 million failure
- Tax Credits and Subsidies **now** available through Federal Exchange
- Individuals and Small Employers (small employer currently not functioning)
- Exchange required to notify employer if employee is eligible for tax credits or cost sharing reduction
- Individuals can purchase coverage through the Federal Exchange even if they do not qualify for subsidy but no reason to do so, premiums are the same

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## AFFORDABLE CARE ACT EXCHANGE SUBSIDIES

### INCOME LEVELS FAMILY OF FOUR

- \$32,913 or less – Oregon Health Plan (Medicaid)
- Subsidy Based On National Average For Silver Plan
- \$40,000 – 83% Subsidy
- \$50,000 – 72% Subsidy
- \$60,000 – 59% Subsidy
- \$70,000 – 45% Subsidy
- \$80,000 – 37% Subsidy
- \$90,000 – 30% Subsidy
- \$93,000 or more – Not Eligible For Subsidy

### SUBSIDY "GLITCH"

- Dependents of employees who may qualify for subsidy based on income, are ineligible for subsidy if they are eligible to enroll in employer sponsored plan that provides "Minimum Value" and is "Affordable".

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## HEALTH SAVINGS ACCOUNTS (H.S.A.)

- HSAs can only be offered with a high-deductible health plan (HDHP). Can be individual or group plan.
- This plan must provide coverage as follows:
  - Minimum deductible:
    - \$1,300 single, \$2,600 family (2016)
  - Maximum annual out of pocket:
    - \$6,850 single, \$13,700 family (2016)
  - Maximum annual contribution:
    - \$3,350 single, \$6,750 family (2016)
- Money deposited to H.S.A. is tax deductible. Employer or employee.
- Money can be withdrawn to pay for qualified medical expenses without tax liability
- Money not withdrawn remains in the account

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## AFFORDABLE CARE ACT

Many New Terms To Know

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## African Elephant



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## AFFORDABLE CARE ACT TERMS TO KNOW

### TERMS TO KNOW

- **Minimum Essential Coverage (MEC)**  
Coverage required to fulfill Individual Mandate and Employers must offer to avoid tax; Government Program Medicare & Medicaid, Eligible Employer Sponsored Plan, Individual Plan Offered in Individual Market, Grandfathered Plan, State High Risk Pool
- **Qualified Health Plan (QHP)**  
Exchange certified health plan offering an EHB
- **SHOP – Small Business Health Option Program – (Not Currently Functional)**
- **Essential Health Benefits (EHB)**  
Benefits that QHP are required to cover – 10 general categories of services
- **Essential Health Benefits Package (EHB)**  
Must provide EHB  
Provide either Bronze (60%), Silver (70%), Gold (80%), Platinum (90%) of full actuarial benefits provided under the plan
- **Summary of Benefits and Coverage (SBC)**

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## Essential Health Benefits

### Applies to Individual and Small Employer Plans

- Outpatient care—without being admitted to a hospital
- Trips to the emergency room
- Treatment in the hospital for inpatient care
- Care before and after a baby is born
- Mental health and substance use disorder services: This includes behavioral health treatment, counseling, and psychotherapy
- Prescription drugs
- Services and devices to help you recover from an injury, or have a disability or chronic condition. This includes physical and occupational therapy, speech-language pathology, psychiatric rehabilitation, and more.
- Lab tests
- Preventive services including and care for managing a chronic disease.
- Pediatric services: This includes dental care and vision care for kids

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## SUMMARY OF BENEFITS AND COVERAGE (SBC)

Providence Health Plan: Care Advantage Plan Coverage Period: 04/01/2016 - 03/31/2017  
 Summary of Benefits and Coverage: What the Plan Covers & What it Does Not Cover for Employee/Dependents, Plan Type: EPO

**This is only a summary.** If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document, or by calling 1-800-444-4444.

Important Questions	Answers	Why this Matters
What is the overall deductible?	In-Network: \$1,000 (per person) Out-of-Network: \$2,000 (per person) Child: \$250 (per child, 2 or more) Plan is for office visits, most preventive care and urgent care services as in-network.	You must pay all the costs up to the deductible amount before the plan begins to pay for covered services. You may have to pay deductibles in one lump sum or over time. Deductibles may vary by service. You may have to pay deductibles for out-of-network services, but not always. Contact US for the exact amount you may be responsible for for covered services after you meet the deductible.
Are there other deductibles for specific services?	No.	You don't have to meet any deductibles for specific services, but see the chart starting on page 2 for other costs for covered services.
Is there an annual or lifetime maximum benefit?	Yes. In-Network: \$1,000 (per person) Out-of-Network: \$1,700 (per person) Child: \$250 (per child, 2 or more) Maximums apply to the plan's financial limits for Supplemental Benefits, services not covered by the plan.	The annual or lifetime limit is the most you could pay during a coverage period. You may not reach the limit of covered services. You may have to pay for health care expenses that exceed the plan's financial limits.
What is the plan's out-of-pocket maximum?	Maximums apply to the plan's financial limits for Supplemental Benefits, services not covered by the plan.	Even though you pay these expenses, they don't count toward the plan's financial limits.
Is there an overall annual limit on what the plan pays?	No.	The chart starting on page 2 describes our limits on what the plan will pay for specific covered services, such as office visits.
Are there any other limits on the plan's benefits?	Yes. For a list of participating providers see <a href="#">http://www.providencehealthplan.com/Providers</a> . Prescription drugs are covered under a <a href="#">http://www.providencehealthplan.com/PrescriptionDrugs</a> or call 1-800-444-4444. No. A referral is a specialist or non-emergency.	If you see an out-of-network doctor or other health care provider, the plan will pay some or all of the cost of covered services. The cost you pay may be higher or lower than the cost of covered services for some services. Please see the terms of network <a href="#">http://www.providencehealthplan.com/Network</a> for more information. You can see the <a href="#">http://www.providencehealthplan.com/Network</a> for more information about the plan's benefits of the services the plan doesn't cover are listed on page 3. See your policy or plan document for additional information about <a href="#">http://www.providencehealthplan.com/Network</a> .

Questions: Call 1-800-444-4444 or visit us at [http://www.providencehealthplan.com](#)  
 If you aren't clear about any of the benefit terms listed in this Summary of Benefits and Coverage, You can view the Glossary [http://www.providencehealthplan.com/Glossary](#)  
 1 of 4  
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## INDIVIDUAL MANDATE

### 2014 – Shared Responsibility – “Individual Mandate”

- January 1, 2014 all “Applicable Individuals” must purchase MEC
- Failure to comply results in “Shared Responsibility” tax penalty
- Shared Responsibility payment is the **greater of** the “Flat Dollar Amount” or the “Percentage of Income Amount”
- Divided by 12 and applied to each month the individual was not covered
- Flat Dollar Amount Per Person - \$95 in 2014, \$325 in 2015, \$695 in 2016 and thereafter
- Individuals age 18 or younger – 50% of Flat Dollar Amounts
- Percentage of Income Amount – Income minus exemptions for married couples and standard deductions – 1% 2014, 2% 2015, 2.5% 2016 and thereafter
- Shared Responsibility payment is capped at \$2,085 for 2016

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## INDIVIDUAL MANDATE

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**2014 – Shared Responsibility – “Individual Mandate”**

- **Exceptions**
  - Individuals who cannot afford coverage – more than 8% of income
  - Individuals not required to file a tax return
  - Members of certain Indian tribes
  - Individuals with gap in coverage less than 3 continuous months
  - Individuals extended a hardship exemption from HHS
- IRS Can Collect Penalty Same As Other Taxes (no criminal sanctions)
- Refundable Tax Credit for those with incomes of 100%-400% of FPL – Must purchase coverage through Exchange which also determines eligibility for credits
- If employee is “eligible” or “enrolled”, in an employer sponsored plan, which is **Affordable** and provides **Minimum Value**, employee is **not eligible for tax credit**
- Individuals must report on IRS Form 1040 whether or not they had coverage. If they received a tax credit they also must file IRS Form 8962.

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## EMPLOYER MANDATE

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**Shared Responsibility “Employer Mandate” (Pay or Play)**

- January 1, 2016 – “Applicable Large Employers” (employers with 50 or more employees) must offer plan that is “Affordable” and provides “Minimum Value”, to FTE (30 hours per week)
- “Affordable”, meaning the employee contribution towards employees cost of coverage cannot exceed 9.5% of W2 wages. Statute uses household income, IRS Notice 2012-58 provides safe harbor for employers to use employee’s W2 wages
- “Minimum Value” means insurance plans share of total allowed cost of benefits at least 60%
- **“Applicable Large Employers” Who Do Not Offer Coverage (MEC)**
  - Assessable Payment (Penalty Tax) is \$2,000 per year or \$166.67 per month times the number of FTE minus 30 employee reduction, if one EE is eligible for tax credit
- **“Applicable Large Employers” Who Do Offer Coverage But Plan Does Not Provide Minimum Value And Is Not Considered “Affordable”**
  - Assessable Payment (Penalty Tax) is \$3,000 per year or \$125 per month times the number of FTE who received premium tax credits or cost sharing assistance
  - Penalty capped at amount employer would have paid if coverage offered

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## TAX FORM FILING REQUIREMENTS

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**SECTION 6055 OF IRS CODE**

- Everyone Must Declare On IRS Form 1040 Whether Or Not They Were Covered By A Plan That Provided Minimum Essential Coverage
- Individuals Who Received A Tax Credit To Purchase Health Insurance Must File IRS Form 8962
- Individuals Who Did Not Have Qualified Coverage Must File IRS Form 8965 To Calculate Penalty
- Insurers Must File Form 1094 With IRS Reporting Names Of Individuals Covered By Individual Plans Or Small Employer Plans And The Months They Were Covered
- Applicable Large Employers (50 or more) Must File Form 1094 With IRS Reporting Names Of Employees Covered And The Months They Were Covered

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## FORM 1095-B

- **Form 1095-B.** This form is sent out by the insurance provider, for individual and small employer plans. This form is used to verify on your personal tax return that you and your dependents have Minimal Essential Coverage (MEC).
- **The 1095-B identifies:**
  - The type of coverage you have
  - Your dependents covered
  - The period of the coverage
- **Form 1095-C.** Used by Employers with 50 or more employees and provides information of the coverage your employer offered you. Use this to complete your tax return.
- **The 1095-C identifies:**
  - The employee and the employer
  - Which months during the year you were eligible for coverage
  - The cost of the cheapest monthly premium you could have paid under the plan

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## FORM 1094-B & C

- **Form 1094-B & C,** is filed with IRS. **1094-B** is provided by the insurance carrier for individual and small group plans. **1094-C** is provided by employers with 50 or more full-time employees. This form provides information of the coverage your employer offered you and whether or not you chose to participate.
- **The 1094-B & C identifies:**
  - The employee and the employer
  - Which months during the year you were eligible for coverage
  - The cost of the cheapest monthly premium you could have paid under the plan
  - The type of coverage you have
  - Your dependents covered
  - The period of the coverage

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## OREGON CARRIERS IN TROUBLE

- **Health Republic** – Closed doors 1/1/16
- **Oregon Health CO-OP** – Closed doors 8/1/16
- **MODA** – DCBS issued an Order of Immediate Supervision – February 2016 - Has since submitted a business plan to DCBS and has been allowed to continue to do business as usual
- **Likewise** – Leaving Oregon 1/1/17

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# Multnomah Bar Association Medical Benefits (Providence)



Rates Effective: 4/1/16 - 3/31/17

CP Means Copay / Benefits Shown Below With An \* Means The Deductible Does Not Apply

Providence Uses Their Own PPO Network Of Providers. Go To: [www.providence.org/healthplans](http://www.providence.org/healthplans) To Look Up Providers

To View Detailed Summaries of Each Plan Go To: [www.aktadvisors.com/mba](http://www.aktadvisors.com/mba). Questions - Call 503-716-9328 or 503-716-9329

	GOLD	GOLD CONNECT	SILVER	BRONZE H.S.A.
	PPO - NON	PPO - NON	PPO - NON	PPO - NON
<b>PREVENTIVE &amp; WELLNESS</b>	* 100% / * 50%	* 100% / 50%	* 100% / * 50%	* 100% / 50%
<b>ANNUAL DEDUCTIBLE</b>				
Per Person	\$1,000 / \$2,000	\$1,500 / \$3,000	\$2,500 / \$5,000	\$6,550 / \$13,100
Per Family	\$2,000 / \$4,000	\$3,000 / \$6,000	\$5,000 / \$10,000	\$13,100 / \$26,200
<b>OUT-OF-POCKET MAXIMUM</b>				
Per Person	\$6,850 / \$13,700	\$6,850 / \$13,700	\$6,850 / \$13,700	\$6,550 / \$13,100
Per Family	\$13,700 / \$27,400	\$13,700 / \$27,400	\$13,700 / \$27,400	\$13,100 / \$26,200
<b>HOSPITAL CARE</b>				After Deductible
Inpatient Care	80% / 50%	80% / 50%	70% / 50%	100% - 100%
Emergency Room Hospital	\$250 CP (after ded)	80%	\$250 CP (after ded)	100% - 100%
Urgent Care	* \$35 CP / 50%	* \$50 CP / 50%	* \$35 CP / 50%	
<b>PHYSICIAN CARE</b>				After Deductible
Office Visit	* \$25 CP / * 50%	* \$25 CP / 50%	* \$25 CP / * 50%	100% - 100%
Specialist	* \$35 CP / 50%	* \$50 CP / 50%	* \$35 CP / * 50%	100% - 100%
Naturopath Office Visit	* \$25 CP / * 50%	* \$25 CP / 50%	* \$25 CP / * 50%	100% - 100%
<b>LAB, X-RAY</b>	80% / 50% \$500 Benefit 100%	* 80% / 50%	70% / 50% \$500 Benefit 100%	100% - 100%
<b>HIGH TECH IMAGING</b>	80% / 50%	80% / 50%	70% / 50%	100% - 100%
<b>AMBULANCE SERVICES</b>	80%	80%	70%	100% - 100%
<b>DURABLE MEDICAL EQUIPMENT</b>	80% / 50%	80% / 50%	70% / 50%	100% - 100%
<b>MENTAL HEALTH &amp; CHEMICAL DEPENDENCY</b>				After Deductible
Outpatient Provider Visit	* \$25 CP / * 50%	* \$25 CP / * 50%	* \$25 CP / * 50%	100% - 100%
Inpatient & Residential Care	80% / 50%	80% / 50%	70% / 50%	100% - 100%
<b>ACCUPUNCTURE</b>	* \$25 CP / N/A	\$25 CP / N/A	* \$25 CP / N/A	\$25 CP / N/A
<b>SPINAL MANIPULATION</b>	\$25 CP / N/A \$1,000 Annual Max.	\$25 CP / N/A \$1,000 Annual Max. (After Ded.)	\$25 CP / N/A \$1,000 Annual Max.	\$25 CP / N/A \$1,000 Annual Max. (After Ded.)
<b>PRESCRIPTION DRUGS</b>				
Safe Harbor Drugs (H.S.A. Only)	N/A	N/A	N/A	50% Benefit No Ded.
Preventive Drugs	* \$0 CP	* \$0 CP	* \$0 CP	100% Benefit
Preferred Generic	* \$15 CP	* \$15 CP	* \$15 CP	100% Benefit
Generic	* \$20 CP	* \$20 CP	* \$20 CP	100% Benefit
Formulary Brand Name	* \$45 CP	* \$45 CP	* \$45 CP	100% Benefit
Non Formulary Brand Name	* 50% CP	* 50% CP	* 50% CP	100% Benefit
<i>Must Use Network Pharmacies</i>				After Deductible
<b>PPO NETWORK</b>	Providence Signature	Providence Signature	Providence Signature	Providence Signature
<b>MONTHLY PREMIUMS</b>				
	<b>GOLD</b>	<b>GOLD CONNECT</b>	<b>SILVER</b>	<b>BRONZE H.S.A.</b>
Employee	\$769.09	\$563.40	\$597.52	\$525.26
Employee/Spouse	\$1,617.67	\$1,184.04	\$1,255.98	\$1,103.66
Employee/Child(ren)	\$1,496.71	\$1,095.57	\$1,162.12	\$1,021.21
Employee/Family	\$2,309.54	\$1,690.07	\$1,792.84	\$1,575.23





# Multnomah Bar Association Medical Benefits (Kaiser)

Rates Effective: 4/1/2016 - 3/31/2017



CP Means Copay / Benefits Shown Below With An \* Means The Deductible Does Not Apply

Deductible Is Based On A Calendar Year / Deductible Does Not Apply To Benefits With \*

Out-of-Pocket Maximum Is Based On A Calendar Year / Deductible, Copays and Coinsurance All Apply

To View Detailed Summaries of Each Plan Go To: [www.aktadvisors.com/mba](http://www.aktadvisors.com/mba). Questions - Call 503-716-9328 or 503-716-9329

	GOLD	GOLD PPO	SILVER	BRONZE	BRONZE H.S.A.
www.aktadvisors.com/mba					
PREVENTIVE & WELLNESS	Kaiser Only	Kaiser - PPO - Other	Kaiser Only	Kaiser Only	Kaiser Only
<i>All Preventive Services As Required by Federal Law</i>	* 100% / Not Cov.	* 100% / 70% / 60%	* 100% / Not Cov.	* 100% / Not Cov.	* 100% / Not Cov.
<b>ANNUAL DEDUCTIBLE</b>					
Per Person	\$1,000	\$1,000 / \$2,000 / \$3,000	\$1,500	\$3,000	\$4,000
Per Family	\$3,000	\$3,000 / \$6,000 / \$9,000	\$4,500	\$9,000	\$8,000
<b>OUT OF POCKET MAXIMUM</b>					
Per Person	\$4,000	\$4,000 / \$6,000 / \$7,500	\$5,000	\$6,850	\$6,550
Per Family	\$12,000	\$8,000 / \$12,000 / \$15,000	\$10,000	\$13,700	\$13,100
<b>HOSPITAL CARE</b>					
Inpatient Care	80%	80% / 70% / 60%	80%	80%	80%
Emergency Room Hospital	80%	\$200 CP	80%	80%	80%
<b>PHYSICIAN CARE</b>					
Office Visit	* \$25 CP	* \$25 CP / * \$35 CP / 60%	* \$25 CP	* \$30 CP	80%
Specialist	* \$35 CP	* \$35 CP / * \$45 CP / 60%	* \$35 CP	* \$40 CP	80%
LAB, X-RAY	* \$25 CP	* \$25 CP / * \$35 CP / 60%	* \$25 CP	* \$30 CP	80%
HIGH TECH IMAGING	* \$100 CP	* \$100 CP / * 70% CP / 60%	* \$100 CP	* \$100 CP	80%
AMBULANCE SERVICES	80%	80% (After Ded.)	80%	80%	80%
DURABLE MEDICAL EQUIP.	80%	80% / 70% / 60%	80%	80%	80%
<b>MENTAL HEALTH &amp; CHEMICAL DEPENDENCY</b>					
Outpatient Provider Visit	* \$25 CP	* \$25 CP / * \$35 CP / 60%	* \$25 CP	* \$30 CP	80%
Inpatient & Residential Care	80%	80% / 70% / 60%	80%	80%	80%
ALTERNATIVE PROVIDERS	* \$20 CP \$1,500 Annual Max.	* \$20 CP \$1,500 Annual Max.	* \$20 CP \$1,500 Annual Max.	N/C	N/A
<b>VISION</b>					
Exam	* \$25 CP	* \$25 CP	* \$25 CP	* \$30 CP	80%
Lenses & Frames	\$150 Allowance	\$150 Allowance	\$150 Allowance	\$150 Allowance	\$150 Allowance
<b>PRESCRIPTION DRUGS</b>					
	Kaiser / Med Impact				
Generic	* \$20 CP	* \$20 CP / * \$25 CP	* \$20 CP	* \$20 CP	\$15 CP
Formulary Brand Name	* \$40 CP	* \$40 CP / * \$50 CP	* \$40 CP	* \$40 CP	\$30 CP
Non Formulary Brand Name	* \$60 CP	* \$60 CP / * \$70 CP	N/A	N/A	(after deductible)
NETWORK	Kaiser/Portland Clinic	Kaiser/Prtd Clinic, First Choice	Kaiser/Portland Clinic	Kaiser/Portland Clinic	Kaiser/Portland Clinic

Medical premiums shown include a \$3.25 per employee administrative charge, \$1.50 of which goes to the MBA.

MONTHLY PREMIUMS	GOLD	GOLD PPO	SILVER	BRONZE	BRONZE H.S.A.
Employee	\$660.24	\$687.22	\$557.76	\$506.88	\$344.44
Employee/Spouse	\$1,317.22	\$1,371.19	\$1,112.27	\$1,010.50	\$685.62
Employee/Child(ren)	\$1,304.08	\$1,357.51	\$1,101.18	\$1,000.43	\$678.80
Employee/Family	\$1,974.21	\$2,055.16	\$1,666.78	\$1,514.13	\$1,026.81





# Multnomah Bar Association Dental & Vision Benefits

## Dental & Vision Benefits



Rates Effective: 4/1/2016 - 3/31/2017

*Any dental plan may be added to any medical plan.*

*A vision benefit is included with the Kaiser medical plan.*

*MODA dental includes VSP coverage.*

*Willamette dental can be purchased with or without VSP.*

*March open enrollment is the only time a person can enroll in or terminate dental and vision coverage.*

**To View Detailed Summaires of Each Plan Go To: [www.aktadvisors.com/mba](http://www.aktadvisors.com/mba). Questions - Call 503-716-9328 or 503-716-9329**

DENTAL PLAN	MODA DENTAL	WILLAMETTE DENTAL	KAISER DENTAL
Calendar Year Deductible	\$50 Per Person	\$0	\$0
Max Calendar Year Benefit	\$2,000 Per Person	No Annual Maximum	No Annual Maximum
(Ded Waived for Preventive)	PPO - NON	\$10 Copay	\$10 Copay
Preventive Treatment	100% - 80%	100%	100%
Restorative	80% - 80%	100%	100%
Oral Surgery	80% - 80%	\$80 Copay	100%
Root Canal	80% - 80%	\$85 - \$140 Copay	50%
Crowns	50% - 50%	\$250 Copay	50%
Orthodontia (Adults and Children)	50% - 50%	\$1,500 Copay	50%
ACA Pediatric Dental Benefit	Covered	Not Covered	Not Covered
Lifetime Max Ortho Benefit	\$2,000	None	\$2,000

Vision Service Plan (VSP) Can Be Added To Either MODA or Willamette Dental		
Copay	VSP Provider	Non VSP
Exams 1/12 mos.	\$25 per person	\$25 per person
Lenses 1/12 mos	No Charge **	Up to \$50 Benefit
Frames 1/12 mos	No Charge **	Up to \$70 Benefit
Contacts	Standard Allowance	Up to \$105 Benefit
Contacts if Required	No Charge **	Up to \$210 Benefit


Monthly Premiums	MODA DENTAL & VSP	WILLAMETTE VSP	WILLAMETTE DENTAL ONLY	KAISER DENTAL ONLY
Employee	\$66.09	\$58.85	\$51.35	\$62.66
Employee/Spouse	\$117.73	\$102.22	\$91.65	\$125.33
Employee/Child(ren)	\$147.49	\$125.86	\$114.95	\$124.08
Emplyoeee/Family	\$192.89	\$167.72	\$150.15	\$187.99

**Questions - Call AKT Benefit Advisors at 503-716-9328 or 503-716-9329**



# MEDICARE 2017

Presented by Elma Friend of  
Willamette Valley Benefits




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## Meet the Team.....




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## Parts of Medicare

- A Hospital
- B Physicians
- C Medicare Advantage
- D Prescription Drug Benefit




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## Original Medicare

- No Benefits while traveling outside the USA
- Deductibles and co-insurance
- Part A Per Admission Deductible \$1288 (first 60 days in 2016)
- Part B Annual Deductible \$166 in 2016
- Part B Coinsurance 20% - Unlimited liability for you

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## Cost For Medicare

- A Paid with Medicare taxes when working
- B \$121.80 for new 2016 beneficiaries (base price) – (2017 Premium has not been released to date)
- C You choose the cost based on plan you purchase
- D Cost also depends on plan you choose
  - \* If individual income is over \$85,000 your part B and now also Part D cost may be higher.

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## 2017 Part D-IRMAA

Individual Tax Returns	Joint Tax Returns	Applicable Percentage	Part D-IRMAA
Less than or equal to \$85,000	Less than or equal to \$170,000	N/A	\$0.00
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	35%	\$13.30
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	50%	\$34.20
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,000 and less than or equal to \$428,000	65%	\$55.20
Greater than \$214,000	Greater than \$428,000	80%	\$76.20

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## Health Care Reform

- Medicare beneficiaries will NOT need to enroll on the Federal Marketplace called Healthcare.gov.
- Healthcare.gov is for individuals NOT on Medicare or group insurance.

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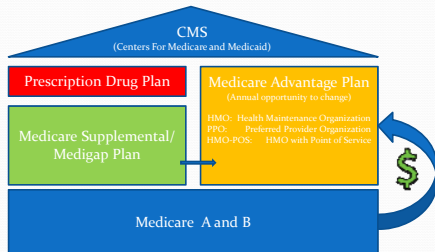
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## Medicare Options



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## Part D Plan Frame and Designs

- Catastrophic Coverage
- Gap or Donut Hole
- Initial Coverage Limit
- Deductible



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1	2	3			4
Deductible	Initial Coverage Limit	<b>Donut Hole or Gap</b> *\$4950 (*Goes towards Gap)			Catastrophic
\$400	\$3700				5%
*	*	*90 % BRAND			You pay 5% Through 12/31 or \$8.25 brand \$3.30 generic Whichever is greater
The Amount You pay before	Copays during your benefit	40% Member	50% Pharmacy MFR Discount	10% Insurance Company pays	
Your		*51% Generic			
Benefit starts		*Co-pays and Percentages that member paid			
		*Deductible			

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### Changes to the percentage you pay

Year	You'll pay this percentage for brand-name drugs in the coverage gap	You'll pay this percentage for generic drugs in the coverage gap
2015	45%	65%
2016	45%	58%
2017	40%	51%
2018	35%	44%
2019	30%	37%
2020	25%	25%

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### Pharmacy Transition and Management

- First 90 days of membership you are allowed to receive up to a 90 day supply of non-formulary medication in 3 - 30 day supply orders at a network pharmacy while transitioning to a drug on the formulary
- PA = Prior Authorization
- QL = Quantity Limit
- ST = Step Therapy
- What do these mean????

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## Annual Election Period

- We can talk about the changes beginning 10/1/2016.
- We can accept enrollment paperwork 10/15/2016 through 12/7/2016 for a 1/1/2017 effective date.



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## Special Enrollment Periods (SEP)

- Low Income Subsidy (LIS)
- Move to a different county with other options
- Lose or drop active employer coverage
- Plan Termination or Non-renewal SEPs
  - Non-renewal or Plan terminations allow a beneficiary to shop for a replacement plan in Oct, Nov, Dec and Jan.
  - Enrollment forms received in October through December will be effective Jan 1, 2017
  - Enrollment Forms received in Jan will be effective Feb. 1, 2017.

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## Working Medicare Eligibles

- Medicare Eligible and still working????

You will want to reach out to a trusted advisor regarding your responsibilities under Medicare while working

Your Group Insurance Plan must meet Medicare guidelines

When you Retire, COBRA may not be the best option

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### Who to contact

- **Willamette Valley Benefits, Inc. - 503-659-5566**
  - **Toll Free - 1-888-944-4644**
- **Thank you from everyone at**
- **Willamette Valley Benefits!!!**

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# Welcome

Mary Osborn, CFBS, CLTC  
Long-Term Care Specialist  
mary@maryosborn.com  
503-998-5902

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## About Mary Osborn



Over 30 years of experience in the financial services and insurance industry

Nearly 16 years of experience exclusively specializing in long-term care planning

Became an advocate for planning from her own personal experience with her mother's care



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## What Long-term care is NOT...

A condition or a place, but a life-changing event that would have devastating consequences to your loved ones and your ability to keep financial promises during retirement.



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## Long-term care is...

Either providing physical help with the basic activities of daily living (ADL's)  
*bathing, dressing, transferring from a bed to a chair, toileting, continence or eating*

Or providing supervisory help with someone who has severe dementia, like Alzheimer's.



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## Long-term care...

Causes of long-term care  
*Injury due to accident  
Chronic health condition  
Cognitive Impairment*



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## Most care provided in the home

Alternative care options:  
*Adult day care  
Adult family/foster care homes  
Assisted living facilities  
Nursing homes or memory care homes*



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Living a long life could well be in our future...

*Planning for it is now a necessity*



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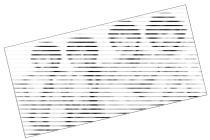
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*"Will you still need me, will you still feed me, when I'm 64?"*

When The Beatles released "When I'm 64" back in 1967, 64 years was about the average life expectancy

A woman reaching age 65 today can expect to live, on average, until age 86.6



A man reaching age 65 today can expect to live, on average, until age 84.3



[www.ssa.gov/planets/act/expectancy.htm](http://www.ssa.gov/planets/act/expectancy.htm)

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## Benefits of long-term care planning

Protects your family



*"Long-term care doesn't happen to you. It happens to the people you love."*

*Harley Gordon*



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## Long-term care insurance

Bridges the gap between  
Health/Medicare insurance

*Focus on prevention, diagnosis,  
treatment and restoration*



Long-term care insurance

*Chronic disability, prolonged illness, cognitive impairment,  
normal aging frailties*



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## Benefits of Long-term care insurance

Protects your retirement plan

*Provides separate stream  
of income to pay for  
extended health care*



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## Long-term care insurance

Provides a variety of services over an extended period  
of time

*Personal care, homemaker services, home health aide,  
physical therapy and skilled nursing care*

Provides care in a variety of settings

*Personal home, adult family homes, adult daycare,  
assisted living, nursing or memory care homes*



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## Ways to fund Long-term care

### Self-insure

*Use personal savings and investments to pay for care*

### Government Programs

#### Medicare

*Does not cover long-term care*

#### Medicaid

*Impoverishment*

### Insurance

*Transfer the risk and spend the insurance company's money*



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## Fund a Long-term care plan with Insurance

### Traditional Plans

*Pay Monthly/Annual Premium Until You Use It*

*Most Efficient LTC Insurance Plan*

*Use It or Lose It*

*Premiums Not Guaranteed*

*Qualified Partnership Plan*

### Asset-Based Solution

*Annuity or Life Insurance with LTC Benefit*

*Leverage Your Money*

*Leave a Legacy to Your Beneficiary*

*Guaranteed Premiums*

*Not a Qualified Partnership Plan*



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## Factors that determine your premium

Your Age

Your Relationship Status

Your Health

Selected Plan Benefits



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## Customized benefits

### Monthly benefit amount

*Policy reimburses up to monthly benefit amount*

### Benefit maximum

*Number of years the policy pays once you qualify for care*

*Pool of money available for care*

*Traditional policy—limited by number of years*

*Linked-benefit policy—unlimited option available*

### Waiting period (Elimination Period)

*Number of days you must pay for care before eligible to be on claim*

### Inflation Protection

*Your benefits grow each policy anniversary*



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## Built-in benefits

### Waiver of Premium

*Traditional LTCi Premiums waived once you begin receiving benefits*

### Care coordination

*Experienced Care Professional to work with you, your doctor and your family to customize your care plan*

*Available with both types of plans*



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## Optional benefits with Traditional LTCi

### Shared Care (available with some asset-based products)

*Allows couples to share each other's long-term care benefits*

### Waiver of Spousal Premium

*When one is on claim, the spouse's premium is also waived*

### Waiver of Elimination Period for Home Care

*No waiting period for home care (built-in w/ some carriers)*

### Return of Premium

*Premiums paid into policy returned to beneficiary at death of insured*



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## Duration of care needed

Men need care on average for 2.2 years

Women need care on average for 3.7 years

Alzheimer's patient's average 7 to 12 years




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## Cost of care

### Genworth 2016 Cost of Care

Find Your Cost of Care

States:

Portland Area  Compare Location

Cost By Period:  Calculate Future Cost

Start:  End:  (2016-19 years)

Return to National View

Monthly Costs: Portland Area®, OR (2016 vs. 2020)

Homecare Service	2016 Avg. Monthly Cost*	2020 Avg. Monthly Cost*	Homecare Service	2016 Avg. Monthly Cost*	2020 Avg. Monthly Cost*
Alzheimer's Dementia	\$4,576	\$2,187	Private Respite	\$4,072	\$6,416
ADL Time	\$6,150	\$2,912	ADL Time	\$5,472	\$11,310
Alzheimer's Dementia	\$4,767		Private Respite		\$8,912
ADL Time	\$5,406		ADL Time		\$11,977

\*Based on 2016 data. Source: Genworth Financial, Inc. © 2016 Genworth Financial, Inc.




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## How do I qualify to receive my benefits?

Your doctor certifies that you are chronically ill and need assistance with either:

*2 out of 6 activities of daily living (ADL's)*  
 Bathing, transferring, toileting, dressing, continence, or eating

OR

*you require special supervision due to a cognitive impairment, memory loss, confusion or loss of reasoning*




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## Qualified Long-Term Care Partnership Plan

Traditional Long-Term Care Insurance only

Provides a dollar for dollar asset protection

*Each dollar a partnership plan pays out, allows you to protect a dollar of your own assets. If your insurance benefits run out, then you can apply to Medicaid to pay for the rest of the care.*

Private insurance pays first, then Medicaid acts as a safety net by providing benefits on the back end

 Fidelity

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## How a Qualified Partnership Policy works

Years after purchasing a Qualified Partnership policy with compound inflation, Grace has a total lifetime benefit of \$800,000.

Grace needs long term care so her policy pays out \$800,000. Her coverage is exhausted, but Grace continues to need care.

So she applies for Medicaid to cover the remainder of her nursing home stay.

 Fidelity

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## How the Asset Protection works

\$825,000	Grace's Total asset base
-\$800,000	Amount Grace received in LTCi Benefits
-\$ <u>2,000</u>	Assets permitted by Medicaid
\$ 23,000	Amount required to pay towards her care

**\$802,000**

**Amount Grace can keep and pass on to her family**

Linked-Benefit/Hybrid Long-term Care Insurance policies not eligible as a Qualified Partnership Policy

 Fidelity

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## The next steps

Decide on a plan design

*Traditional vs. Asset-Based Plan*

*Monthly Benefit Amount*

*Benefit Maximum*

*Waiting Period*

*Inflation Protection*

Complete application process

maryosborn.com

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## Questions?



maryosborn.com

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## Thank you

Mary Osborn, CFBS, CLTC  
Long-Term Care Specialist  
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503-998-5902

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## Oregon's Long-Term Care Qualified Partnership Program

Oregon has established a partnership among the Department of Human Services (DHS), the Department of Consumer and Business Services, and some private long-term care insurers to offer special long-term care (LTC) insurance policies that entitle policy holders to asset protection. The policies will be available beginning Jan. 1, 2008. These policies must meet certain state and federal requirements. A qualified partnership policy (QPP) may be entitled to special asset protection under Oregon's Medicaid program.

The information contained in this disclosure is based on current Oregon and federal laws. These laws may change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Oregon's Medicaid program.

### *What is special about a QPP?*

Even after receiving LTC insurance payments, some people have to apply for Medicaid. If you purchase a QPP, you may qualify for Medicaid and keep more assets than other Medicaid clients. Assets include money in the bank, investments, and real property. Generally, people qualify for Medicaid when they have assets of \$2,000 or less. A QPP allows you to keep assets equal to the amount of LTC insurance benefits you received. Also, a QPP protects your inheritance in the same amount. For example, if your QPP paid \$50,000 for your LTC before you applied for Medicaid, you would get to keep both \$2,000 and \$50,000 and still be eligible for Medicaid. Medicaid would collect \$50,000 less from your estate, if that amount is still in your estate when you die.

A QPP does not automatically make you eligible for Medicaid. All other Medicaid criteria will still apply, including home equity limits that may make you ineligible for Medicaid. Contact DHS if you have Medicaid eligibility questions.

### *Does the QPP status of a policy ever change?*

A QPP is required to meet certain state and federal requirements. If you decide to purchase a policy and then make changes later, confirm with your insurance agent that the changes will not affect the QPP status. If you move out of Oregon, a QPP may protect assets for Medicaid in another state, but only if that state recognizes your policy as a partnership policy under its federally approved partnership program.

### *How do I make sure I get a QPP and not just a regular LTC insurance policy?*

Not all LTC policies are QPPs. Let your insurance agent know that you want a QPP, and he or she will make sure that you purchase one. Your insurance carrier will provide a written verification that your policy is a partnership policy when you receive it.

**CLTC One Page 2016 Tax Summary**  
**Tax Qualified Long-Term Care Insurance (LTCi)**

Type of Taxpayer	Deduction of Premiums	Taxation of Benefits												
<b>Individual taxpayer who does NOT itemize deductions</b>	No LTCi premium deduction available.													
<b>Individual taxpayer who itemizes deductions</b>	<p>LTCi is treated as accident and health insurance <i>IRC §7702B(a)(1)</i></p> <p>Deduction is limited to the lesser of actual premium paid or eligible LTCi premium amounts <i>IRC §§213(d)(1)(D), 213(d)(10)</i></p> <p>Eligible LTCi premium in 2016:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Attained age in tax year</th> <th style="text-align: center;">Limitation on premiums</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Age 40 or less</td> <td style="text-align: center;">\$390</td> </tr> <tr> <td style="text-align: center;">Age 41 – 50</td> <td style="text-align: center;">\$730</td> </tr> <tr> <td style="text-align: center;">Age 51 – 60</td> <td style="text-align: center;">\$1,460</td> </tr> <tr> <td style="text-align: center;">Age 61 – 70</td> <td style="text-align: center;">\$3,900</td> </tr> <tr> <td style="text-align: center;">Age 71 and older</td> <td style="text-align: center;">\$4,870</td> </tr> </tbody> </table> <p>Medical expense deduction is allowable to extent that such expenses (including payment of eligible LTCi premium) exceed 10% of AGI <i>IRC §213(d)(10)</i>. Please review code to determine income eligibility and phase in period.</p>	Attained age in tax year	Limitation on premiums	Age 40 or less	\$390	Age 41 – 50	\$730	Age 51 – 60	\$1,460	Age 61 – 70	\$3,900	Age 71 and older	\$4,870	<p><b>Reimbursement</b> benefits are not included in income.</p> <p><i>IRC §§104(a)(3), 7702B(a)(2)</i></p> <hr/> <p><b>Per diem</b> (indemnity) benefits are not included in income, except those amounts which exceed the greater of:</p> <ul style="list-style-type: none"> <li>• Total qualified LTC expenses</li> <li>• \$340 per day (in 2016)</li> </ul> <p><i>IRC §§7702B(d)(4), 7702B(a)(2), 7702B(d)</i></p> <hr/> <p><b>Non-forfeiture</b> benefits (return of premium benefit):</p> <ul style="list-style-type: none"> <li>• Available only upon total surrender or death</li> <li>• May not be borrowed or pledged</li> <li>• Included in gross income to extent of any deduction or exclusion allowed with respect to premium</li> </ul> <p><i>IRC §7702B(b)(2)(C)</i></p>
Attained age in tax year	Limitation on premiums													
Age 40 or less	\$390													
Age 41 – 50	\$730													
Age 51 – 60	\$1,460													
Age 61 – 70	\$3,900													
Age 71 and older	\$4,870													
<b>MSA &amp; HSA</b>	Eligible LTCi premium is considered a qualified medical expense <i>IRC §213(d)(1)(D)</i>													
<b>Employee (non-owner)</b>	<p>LTCi premium paid by employee:</p> <ul style="list-style-type: none"> <li>• Deductible by employee who itemizes (subject to limitations above)</li> <li>• May NOT be paid through a cafeteria plan <i>IRC §125(f)</i></li> <li>• May NOT be paid through an FSA or similar arrangement <i>IRC §106(c)</i></li> </ul> <p>LTCi premium paid by employer:</p> <ul style="list-style-type: none"> <li>• Employer provided LTCi is treated as an accident and health plan <i>IRC §7702B(a)(3)</i></li> <li>• Deductible by employer (subject to reasonable compensation) <i>IRC §162(a)</i></li> <li>• Total (not eligible) LTCi premium paid is excluded from employee's income <i>IRC §106(a)</i></li> </ul>													
<b>C-Corporation (shareholder/employee with W-2)</b>	Treated as "Employee" (see above)													
<p><b>Sole-Proprietor</b></p> <p><b>S-Corporation (greater than 2% shareholder with W-2)</b></p> <p><b>Partnership (any %)</b></p> <hr/> <p><b>Limited Liability Corporation (LLC)</b> is a legal, not a tax filing - ask how the entity files</p>	<p>Eligible for Self-Employed health insurance deduction, which is taken "above the line" Line 29 of IRS Form 1040 <i>IRC §162(l)</i></p> <p>Limited to lesser of actual LTCi premium paid or eligible LTCi premium <i>IRC §§213(d)(1)(D), 213(d)(10)</i></p> <p>Eligible LTCi premium in 2016:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Attained age in tax year</th> <th style="text-align: center;">Limitation on premiums</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Age 40 or less</td> <td style="text-align: center;">\$390</td> </tr> <tr> <td style="text-align: center;">Age 41 – 50</td> <td style="text-align: center;">\$730</td> </tr> <tr> <td style="text-align: center;">Age 51 – 60</td> <td style="text-align: center;">\$1,460</td> </tr> <tr> <td style="text-align: center;">Age 61 – 70</td> <td style="text-align: center;">\$3,900</td> </tr> <tr> <td style="text-align: center;">Age 71 and older</td> <td style="text-align: center;">\$4,870</td> </tr> </tbody> </table> <p>Deduction is NOT limited to 10% of AGI threshold (outlined above)</p>	Attained age in tax year	Limitation on premiums	Age 40 or less	\$390	Age 41 – 50	\$730	Age 51 – 60	\$1,460	Age 61 – 70	\$3,900	Age 71 and older	\$4,870	
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The information contained in this summary is provided with the understanding that it is not to be interpreted as specific legal or tax advice. Neither The Corporation for Long-Term Care Certification, Inc. nor any of its employees or representatives is authorized to give legal or tax advice. Individuals are encouraged to seek the guidance of their own personal legal or tax counsel.