



Phyllis Shelton Challenges ABC Special on Alzheimer's

*October 17, 2010 episode of **This Week** with Christiane Amanpour erroneously states there is no insurance or national strategy for funding the care of Alzheimer's patients.*

NASHVILLE, Oct. 18 Guests Maria Shriver (First Lady-California) and Ann O'Leary (Berkeley Center for Health, Economic and Family Security) appeared yesterday to introduce *The Shriver Report™: A Woman's Nation takes on Alzheimer's* on the ABC Sunday morning show *This Week* with Christiane Amanpour. In highlighting the immense problem with funding caregivers for Alzheimer's patients, Ann O'Leary states "we estimate families are spending \$56,000 a year paying out-of-pocket and we don't have any insurance for this". Christiane Amanpour voiced the opinion that the United States is the only developed country without a national strategy.

Phyllis Shelton, President of *LTC Consultants*, a 19 year old company specializing in educating Americans to plan for long-term care, disagrees. "While I commend Maria Shriver and Ann O'Leary for focusing a national spotlight on this critical issue, it is incorrect to say there is no insurance to fund caregiving for Alzheimer's or that the U.S. has no national strategy," she says. "We have wonderful insurance for Alzheimer's and we do have a national strategy to pay for Alzheimer's and other conditions that require long-term care. Almost all states have implemented public-private Partnership plans that ensure that the private sector pays first and Medicaid pays last for extended caregiving. Some benefits are cash so families can spend it however it is needed. If insurance isn't enough, the insured can turn to Medicaid for unlimited benefits without spending down most assets. Further, the Partnership for Long-Term Care is a proven strategy. In the four states that have piloted this concept since the early 1990's, the Partnership directors will tell you that fewer than 500 policyholders out of over 325,000 have had to access Medicaid after using their Partnership insurance plan first. We need this Partnership because there's no way that public dollars alone can pay the \$20 trillion over the next 40 years for Alzheimer's treatment as this program suggests, in addition to the 16 million younger adults being added to the Medicaid rolls by health care reform, beginning 1/1/14."

Shelton says the reason most Americans don't know about this solution is because 2006 legislation made it possible for the majority of states to implement it in the last three years, and states don't have the money to educate the public about it. "However, we do have to do something very different than we've been doing," she said. "The time for selling this insurance just one person at a time is over. The only way this will work as fast as necessary to take the burden off state budgets by 2050 is for employers to offer voluntary public-private Partnership plans NOW to employees 18 and up with limited underwriting. That way, most employees and their spouses can qualify. A 25 year old can get a good plan with inflation coverage for less than a latte a day."

With the help of four insurance companies (MedAmerica, OneAmerica, Prudential and United of Omaha), Shelton is conducting a seven-city tour to teach financial professionals how to help employers easily offer the public-private Partnership plans. “The CLASS Act in the health care reform legislation is trying to do this but the benefits are structured wrong. It has a low daily benefit with inadequate growth for inflation and an unlimited benefit payout. Those who understand Medicaid know that if the person can’t make up the difference between the benefit and the charge at claim time, he or she spends personal resources quickly and goes on Medicaid right away. The better path is to have a higher daily or monthly benefit with 5% compound inflation and a shorter benefit period so that insurance has a chance to pay at least the first two or three years of care. That would be enough to keep most of the 80 million baby boomers off Medicaid for long-term care and free up public dollars to pay for Alzheimer’s research.”

The training also covers how to help older Americans enjoy a new tax incentive that allows gain from annuities to be distributed tax-free for qualified long-term care.

Shelton further explained she has a family member with Alzheimer’s whose cash long-term care insurance benefit of \$5,200 started last month for the rest of his life. “He has paid \$18,090 in premium since 2003 which he will get back in 3.5 months. His premium is waived and his benefit is guaranteed to increase at 5% compound each year. Words can’t express the relief his wife is experiencing right now when those checks come in.”

She agrees with Ms. Shriver and Ms. O’Leary that national productivity is headed for a steep decline since women make up half of the U.S. workforce and are at great risk of losing careers and personal lifestyle choices when faced with the caregiving tsunami that will be brought by the baby boomers over the next forty years.

About Phyllis Shelton:

Shelton is the author of three books and has been featured in a full-page story in the *Wall St. Journal* and *Newsweek* in addition to a PBS documentary on caregiving, CNNfn and National Public Radio. Her 2010 interviews include “The Balancing Act” on the Lifetime Television Network to address the impact of long-term care on women. Over 65,000 financial professionals have experienced her firm’s live or web-based training and she has had training contracts with half of the top 15 insurance companies that sell long-term care insurance. Her firm delivered the 2,020 employee education meetings that launched the Federal LTC Insurance Program. Her consulting business model includes assisting states with an educational outreach about the Long-Term Care Partnership, a program that shelters assets from Medicaid means-testing equal to the benefits paid by Partnership long-term care insurance plans. She has helped Blue Cross Blue Shield of Tennessee’s health insurance brokers offer long-term care insurance through employer-sponsored plans since 2005 to achieve extraordinary participation from employees of all ages in order to train financial professionals nationwide how to achieve the same results.

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