

Subj: **LTC Bullet: WSJ Attacks LTCI, We Respond**  
 Date: 2/26/2008 2:51:24 P.M. Central Standard Time  
 From: [lcbullets@centerltc.com](mailto:lcbullets@centerltc.com)  
 To: [lcskelton@aol.com](mailto:lcskelton@aol.com)

LTC Bullet: WSJ Attacks LTCI, We Respond

Tuesday, February 26, 2008

Atlanta, Georgia--

LTC Comment: Today's front-page Wall Street Journal article criticizing long-term care insurance was as one-sided and misguided as a similar piece published by the New York Times also during a major industry conference. We reply, same day, as follows.

**LTC BULLET: WSJ ATTACKS LTCI, WE RESPOND**

LTC Comment: Damon and I are still at the National Long-Term Care Producers Summit in Atlanta, GA. The Silver Bullet of Long-Term Care awaits our return secure in its campsite at Stone Mountain Park. Before we leave the conference, however, we feel compelled to respond to today's broadside against LTC insurance in the WSJ. So here's our letter to the authors of the story and the editor. I hope they'll accept our challenge to rethink their analysis and commentary. Objective evidence and logic would turn their conclusions upside down.

Read the front-page story titled "States Draw Fire for Pitching Citizens On Private Long-Term Care Insurance" at [http://online.wsj.com/article/SB120398804143592269.html?mod=politics\\_primary\\_hs](http://online.wsj.com/article/SB120398804143592269.html?mod=politics_primary_hs) if you have a subscription to the WSJ Online. Otherwise, pick up a copy of today's paper. Then contact the authors at [jennifer.levitz@wsj.com](mailto:jennifer.levitz@wsj.com) and [kelly.greene@wsj.com](mailto:kelly.greene@wsj.com) as we have with the message below.

Be respectful. Understand LTC planning and public policy are extremely complicated subjects. No media generalist has time to understand all of long-term care's facets and inter-relationships. But that's why they need to hear all sides of the story. In this case, they did not. So they need to hear from you, calmly and logically, explaining the real world of long-term care. In the meantime, here's our response.

-----

Dear Ms. Levitz and Ms. Greene:

cc Editor Glenn Ruffenach

Regarding your story about long-term care insurance in today's Wall Street Journal, I was disappointed to read such a one-sided story in your paper. We've come to expect that kind of journalism from the New York Times, but the WSJ has always been a stronghold of balanced, well-documented reporting. Following are some observations I do hope you will consider when covering these topics in the future.

Ironically, your story attacking private long-term care insurance ran side-by-side with a story on the explosion in government-financed health care expenditures. Do you understand how Medicare (\$75 trillion unfunded liability) and Social Security (\$15 trillion unfunded liability) are all that is sustaining Medicaid's already severely strained LTC funding? If not, we should talk.

Private long-term care insurance contracts are enforceable in a court of law. Premium rates are actuarially determined. Insurability is carefully underwritten. Hard dollar reserves are collected and invested. Real money is there to pay claims. None of this is true for Medicare and Medicaid, the predominant payors of long-term care today. Can you explain why public LTC financing--which is guaranteed to leave citizens in the lurch some day--always gets a pass while responsible long-term care planning through private insurance is criticized so severely? If not, we should talk.

Is private long-term care insurance unaffordable for some? Of course, those are the people for whom we can save government financing of long-term care, but only if we get most people who are young enough, healthy enough and affluent enough to insure for this huge risk and cost. Do you know why most people ignore the risk and cost of long-term care until it's too late to do anything but go on public assistance? If not, we should talk.

Do the advocates of a total government take over of health and long-term care tell you there are few people who transfer assets to qualify for Medicaid? Of course, that's their red-herring argument to draw attention away from the real problem: most Americans who have a nursing-home level of medical need qualify for Medicaid even with large incomes and high assets, and without Medicaid planning or asset transfers. Do you know why that's true? Have you seen the hard evidence? Do you know the truth about Medicaid LTC eligibility? If not, we should talk.

Are commissions high for long-term care insurance? Of course they are. How else can you get people to sell a product decades before people need it that the government has been giving away, after the insurable event occurs, since 1965? It takes an altruistic, masochistic genius to make a living selling long-term care insurance in the face of headwinds like the WSJ's coverage and the predominance of government-financed long-term care. Successful marketers of LTC insurance are nearly to the person driven by passion and dedication engendered by a tragic personal long-term care experience with a friend or family member. In the past two days, I've interviewed more than a dozen LTC insurance producers on video. Have you asked long-term care insurance producers why they work so hard when they could be making more money with less effort and facing less criticism in other fields? If not, we should talk.

Is long-term care insurance perfect? Of course not. The private LTC insurance industry has its work cut out to improve claims processing and payment. But the bottom line is that without private insurance for LTC, consumers will be left unprotected for long-term care. When Medicaid can no longer continue funding most LTC in the US for middle class and affluent recipients as well as the poor, baby boomers will be forced to draw on their home equity to pay for quality LTC. When that happens, LTC insurance will take its rightful place as the preferred method of planning for this risk and cost.

In the meantime, one-sided reporting like your story, based on ideologically biased sources, severely impedes progress. You make it harder to convince consumers they are at greatest risk by going bare for long-term care and relying by default on already-insolvent public programs. You make it harder to convince policy makers that the only way to save Medicaid as a safety net for the poor is to get more Americans to plan early and responsibly for long-term care. You arm the advocates of government financing--those who would add deck chairs to the Titanic of Medicare--with more national media fodder for their campaign to kill private sector solutions.

If any of this is not 100% clear to you, if you cannot answer all of my points, then we should definitely talk.

Sincerely,

Stephen A. Moses  
President  
Center for Long-Term Care Reform  
[www.centerltc.com](http://www.centerltc.com)  
4256-891-3640