

Navigating Disability and Long Term Care Claims

Kim Natovitz, CLU, CLTC

Navigating serious health issues -and the related web of logistics and benefits coordination is always tougher than you think it will be. Even when armed with a robust slate of employer-sponsored benefits, our employees are likely to be unprepared for a serious accident or catastrophic health problem. That's where administrators and HR professionals can provide real value well above the value of the insurance policy itself. The collaboration between an administrator/HR professional and broker is critical to address the range of challenges you, your employee and their families will confront, from the profound to the practical- during this life changing experience.

The nuances of filing a claim are learned through filing claims, a process we hope our employees don't have much experience with. There are important things to bring to your employee's attention to that can often include their financial, legal and healthcare preparedness. Building awareness of important steps in the process may be one of the best "benefits " you can provide them.

Disability related claims are particularly nuanced. It is often an art rather than a science to determine the best way to sequence benefits. Many claims are for short-term or long-term disability are approved retroactively.

- If your firm does not have a funded short term disability insurance plan, who will adjudicate a claim? (not sure what this means)
- How does your PTO function if an employee is working remotely?
- Which is more important – to enable your employee to work remotely and collect full salary or to begin the elimination period to access benefits?
- If your firm provides group term life insurance, how and when do you access waiver of premium if your employee?

- If your employee wants to accelerate life insurance benefits during their lifetime, will those benefits be consider income and therefore preclude payment of long term disability benefits?

Reminding employees to have made adequate legal preparations is critical. Many may be counting on outdated legal documents, if any at all. Attorneys and other advisors routinely advise that in addition to a will, equally critical documents are the “living documents” – a Power of Attorney (POA) and a health care proxy (durable power of attorney). A power of attorney will permit someone to oversee their finances if they become ill or incapacitated. Depending upon the state, if there is no power of attorney a court will have to appoint a conservator – which can take time as well as money.

Naming a health care proxy is equally important. This legal document identifies the person/persons authorized to make health care decisions. In the absence of a health care proxy, medical decisions typically are made by health care professionals who will make choices, perhaps without information regarding an individual’s preferences.

If there is a need to arrange for long term care either at home or in a facility, navigating the health care delivery system and array of choices can be overwhelming. Decisions made regarding discharge are frequently rushed with limited options presented by those who are tasked with expediting transfer to another branch of the health care delivery system. Getting support from experienced health care professionals (care managers) who can assist with identify the appropriate resources can remove immense burdens for all. Unfortunately many families don’t learn of the availability of these professionals until after the fact.

Each new situation is different. Unique decisions have to be made and a lot of learning will take place. This article is designed to provide you with food for thought and guidance to help you and your firm help your employees if they face a disability.