

## INSURANCE CONSIDERATIONS FOR CAREGIVERS



*Know your options before the time comes*

*The world's population is living longer. By 2030, the over-65 age group is expected to double. As a result, family caregivers are becoming more common. A recent study reported 28 percent of women and 17 percent of men have provided care to a parent.<sup>i</sup> This shift raises insurance questions families may want to consider. Read on for tips from the Idaho Department of Insurance about caregiving insurance considerations.*

### **Defining caregiving**

Caregiving is defined as providing care to someone in a home setting as opposed to receiving care in a hospital or other facility. This allows a person receiving care to remain in his or her home longer. Caregivers provide support to people who have physical, psychological and/or developmental needs. This may include care for children, parents, or other family members.

Caregiving encompasses a broad range of activities including help with:

- Housekeeping, shopping and meal preparation
- Bathing, using the bathroom and getting dressed, administering medicine and basic exercise
- Providing emotional and social support

While a neighbor or family friend may seem like a good choice for providing care, take time to consider what would happen in case of an accident, illness, or another issue. The caregiver must understand what they are taking on in terms of duties and time commitment. It's also important to understand that responsibilities of providing care may increase if the person being cared for has an incurable or progressive disease.

### **Insurance considerations for caregiving for a loved one**

The majority of caregivers – 85 percent – provide care for a relative with 49 percent of those caring for a parent or parent-in-law.<sup>ii</sup> Providing full-time care for a family member is a full-time job, even if it doesn't earn a traditional salary. If something happened to your caregiver and they were not able to provide care, the absence could create significant expenses.

When making insurance and financial plans, consider the possible impact of losing an unpaid caregiver. Caregivers may want to consider obtaining a life insurance policy to help provide support to others in case something happens to them. There is financial value in providing full-time care to someone. Disability income insurance is another consideration. This type of coverage offers protection by replacing a percentage of previous income if you're unable to

work due to a disability. Many employers offer such policies, so check your employee benefits to determine if you need additional coverage.

The Affordable Care Act requires everyone to maintain health insurance or pay a fee called the individual shared responsibility payment. If a caregiver plans to leave a job to be a full-time caregiver, think about health insurance coverage to ensure they will have access to health care. Losing coverage for leaving a job qualifies for the special enrollment period through [Your Health Idaho](#).

### **Tips for hiring a caregiver through an agency**

When searching for a caregiver, you may choose to work with an agency. Do your homework to ensure the service is reputable. Check to make sure the provider offers the services you need, has adequate staff and meets your budget.

If you hire a caregiver from an agency, make sure they are bonded and insured. Some agencies may hire private contractor caregivers. Those agencies typically don't provide additional liability coverage as they don't take responsibility for the caregiver as a traditional employee.

Non-medical in-home care agencies are not required to be licensed in Idaho. Home health agencies that primarily provide skilled nursing services by licensed nurses are required to be licensed by the Idaho Department of Health and Welfare. If you have private coverage, check with your carrier for any additional requirements. Also ask if the agency is certified by Medicare. Medicare inspects home health care agencies to assure they meet certain federal health and safety requirements. Medicare will pay for services only if the agency is Medicare-approved and if the services are covered by Medicare.

Find out if the agency has been accredited by the [Joint Commission on Accreditation of Healthcare Organizations](#) or the [Community Health Accreditation Program](#).

### **Insurance considerations for hiring a private caregiver**

If you hire a private-duty caregiver (someone not affiliated with a caregiving agency) for in-home care, you will be responsible for tax obligations, legal issues and insurance coverage. You'll need to verify your employee is legally entitled to work in the United States. Note that some homeowners insurance policies may exclude coverage if a private-duty caregiver gets hurt on the job. Talk with your insurance agent about what your policy would cover if there is an accident in your home. Determine whether an umbrella or worker's compensation policy is needed for your protection.

### **Long-term care insurance**

Long-term care insurance is designed to help mitigate costs, but this type of policy is not for everyone. The coverages these policies typically provide have changed in recent years and costs

have substantially increased. Many states are considering changes to laws and regulations. The NAIC offers a [Long Term Care Buyer's Guide](#) that has important information about long-term care insurance.

### **More information**

Resources are available to caregivers including the [Administration on Aging](#) and the [Area Agency on Aging](#) in your county or city. For more information, contact your [state insurance department](#)

- i. The MetLife Study of Caregiving Costs to Working Caregivers: Double Jeopardy for Baby Boomers Caring for Their Parents.
- ii. Caregiving in the United States, 2015; National Alliance for Caregiving, AARP

---

### **About the Department of Insurance**

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit [www.doi.idaho.gov](http://www.doi.idaho.gov).

July 2016