

Chapter 4. Long-term Care Plan

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Long-term Care Plan

Long-term care programs provide help with everyday life tasks of a prolonged health problem or following a major illness, injury or surgery. VRS administers the Virginia Local Disability Program (VLDP) Long-term Care Plan and the Commonwealth of Virginia (COV) Voluntary Group Long-term Care Insurance Program.

VLDP LONG-TERM CARE PLAN

The VLDP Long-term Care Plan provides benefits for employees who need help with everyday life tasks because of a prolonged health problem or following a major illness or injury. The VLDP Long-term Care Plan helps pay for eligible services not covered by other health plans or Medicare.

Eligible Participants

All active employees who are covered under VLDP are covered under the VLDP Long-term Care Plan at no cost to them. The VLDP Long-term Care Plan assists with the cost of:

- Care in a nursing home or hospice facility;
- Assisted living facility care;
- Community-based care;
- Home healthcare services;
- Informal care-giving; and
- Alternative or transitional care.

Long-term care benefits are payable 90 calendar days following the beginning of each incident when a licensed treating healthcare professional certifies the employee:

- Is unable to perform at least two of the six *activities of daily living* without substantial assistance; or
- Has a severe cognitive impairment requiring substantial supervision.

Activities of daily living are:

- Bathing;
- Dressing;
- Eating (ability to feed oneself);
- Controlling the bladder or bowel;
- Toileting (ability to get on and off the toilet and a reasonable level of personal hygiene); and
- Transferring (getting in or out of bed or chairs).

Plan Highlights

Daily Benefit Maximum Amount	\$96 per day. This is the maximum amount of coverage the plan will pay for covered services in any single day.
Lifetime Maximum Amount	\$70,080. The lifetime maximum amount is based on the maximum daily benefit amount of \$96 multiplied by 730 days (two years): \$96 x 730 days = \$70,080. Coverage ceases when the total benefit payouts reach \$70,080, regardless of how long benefits are paid.
Premiums	No charge as an active VLDP participant. See "Portability" below.
How Benefits are Paid	Pays a benefit equal to the lesser of: <ul style="list-style-type: none"> • Actual qualified expenses incurred per day; or • Allowable daily benefit amount.
Waiting Period	Benefits are payable 90 calendar days after the beginning of each incident certified by a licensed treating healthcare professional as eligible for VLDP long-term care benefits.

Example: Sue receives homemaker services every Wednesday at a rate of \$40 per day. Under the VLDP Long-term Care Plan, up to 50 percent of the maximum daily benefit amount is payable for homemaker services under the home health care provision of the plan. The plan will pay \$40 since the amount charged is less than the maximum allowed under the plan.

Plan Benefits

The following chart summarizes the coverage levels for each type of care:

Note: Coverage pays the lesser of the actual qualified expenses incurred per day or the allowable daily benefit amount.

Benefit	Coverage
Nursing Care Facility	Up to 100 percent of the maximum daily benefit amount of \$96. Provides skilled and custodial care in a nursing facility that meets all applicable licensing requirements.
Assisted Living Facility	Up to 100 percent of the maximum daily benefit amount of \$96. Personal services and care in an assisted living facility that meets all applicable licensing requirements.
Hospice Care Facility	Up to 50 percent of the maximum daily benefit amount (\$48). If the employee is terminally ill, provides care in a hospice facility that meets all applicable licensing requirements.
Home Health Care	Up to 50 percent of the maximum daily benefit amount (\$48). Custodial care, nursing care, therapy and homemaker services provided in-home by nurses, social workers, home health aides or other licensed or certified professionals.
Adult Day Care Center	Up to 50 percent of the maximum daily benefit amount (\$48). Community-based, group setting for adults.

Benefit	Coverage
Hospice Care Agency	<p>Up to 50 percent of the maximum daily benefit amount (\$48).</p> <p>If the employee is terminally ill, provides in-home care by a hospice care agency that meets all applicable licensing requirements.</p>
Alternate Plan Benefit	<p>Up to 50 percent of the maximum daily benefit amount (\$48).</p> <p>May cover an Alternate Plan of Care developed by the licensed treating healthcare professional, provided the employee, the employee's physician and the Long-term Care Group, Inc. agree to the plan.</p>
Transitional Care	<p>One-time cash payment equal to three times the maximum daily benefit amount (\$288) to support the transition from independent living to long-term care. Employees may use this one-time payment in any way they wish.</p> <p>Note: This benefit does not reduce the lifetime maximum benefit.</p>
Informal Care Benefit	<p>Up to 25 percent of the maximum daily benefit amount (\$24) for up to 50 days per calendar year to provide for personal care from a family member, neighbor or private caregiver.</p> <p>Coverage pays the lesser of actual qualified expenses incurred per day or the allowable daily benefit amount.</p> <p>Note: This benefit does not reduce the lifetime maximum benefit.</p>
Informal Caregiver Training	<p>One payment each time the employee is receiving benefits to provide for the training of a personal caregiver by a licensed treating healthcare professional.</p> <p>Coverage pays the lesser of the actual amount of the cost of training or three times the maximum daily benefit amount (\$288).</p> <p>Note: This benefit does not reduce the lifetime maximum benefit.</p>
Bed Reservation	<p>If the employee is in a covered facility, such as a nursing home and has to be hospitalized, the plan covers up to 100 percent of the maximum daily benefit amount (\$96) for up to 21 days per calendar year.</p>

Benefit	Coverage
Respite Care	Up to 50 percent of the maximum daily benefit amount (\$48) for up to 21 days per calendar year to provide for a substitute in-home caregiver while the usual caregiver takes leave. Note: The benefit does not reduce the lifetime maximum benefit.
Care Advisory Services	Helps identify local long-term care services and programs available that can best meet the employee's care needs. Services provided by care advisors are voluntary.
World-Wide Coverage	The employee will be reimbursed for charges incurred for services equivalent to those covered under this plan outside the United States, its territories or Canada. The amount of the reimbursement will equal the benefit amounts allowable under the plan for up to 365 days of services.

Applying for Long-term Care Benefits

The employee, a family member or friend must contact the Long Term Care Group, Inc. within 60 days of the employee being certified by a licensed treating healthcare professional of his qualification for benefits.

Long Term Care Group, Inc.
P.O. Box 64011
St. Paul, MN 55164-0011
Toll-free: 1/800/761-4057

A customer service representative will explain the information needed to process the claim. Within 10 days of receiving the completed application, the Long Term Care Group, Inc. will send the employee a written notice of benefits.

Continuing Long-term Care Coverage

Employees who terminate or retire from a VLDP-covered position may elect to continue participating in the VLDP Long-term Care Program when they are no longer working at their own expense. The employee pays the premium, which is based on group rates. The plan benefits and eligibility requirements are the same as those for active employees. The employee is billed directly for the premiums.

The employee must complete the Long-term Care Plan Authorization of Coverage Retention (VRS-170) within sixty calendar days of the last day of VLDP-covered employment. The VRS-170 allows the employee to retain coverage and choose how to pay for the coverage. The employee also needs to complete the Long-term Care Plan Protection Against Unintentional Lapse (VRS-171) to ensure he will receive written notice of termination of his coverage because he has not paid the required premium. For more information, call the Long Term Care Group, Inc. toll free at 1-800-761-4057.

COV VOLUNTARY GROUP LONG-TERM CARE INSURANCE PROGRAM

Employees who are eligible for the VLDP Long-term Care Plan or have other long-term care insurance may be able to coordinate with the Commonwealth of Virginia (COV) Voluntary Group Long-term Care Insurance Program to obtain even more coverage.

VRS has contracted with Genworth Life Insurance Company as the insurer for the program. Coverage provides a monthly benefit allowance for covered long-term care expenses.

Employer Participation

Even though the COV Voluntary Group Long-term Care Insurance Program is paid for by the employee, employers must elect to participate in the program. The following employers may elect to participate in the program:

- Cities, counties and towns;
- Any political entity, subdivision, branch or unit of the Commonwealth;
- Any commission or public authority or body corporate created by or under an act of the General Assembly; and
- Public School Divisions.

Employers who wish to participate in the COV Voluntary Group Long-term Care Insurance Program should contact VRS.

Eligibility

The following individuals who are between the ages of 18 and 79 are eligible to apply for coverage in the COV Voluntary Long-term Care Insurance Program, as long as they are actively at work:

- Salaried full-time Commonwealth of Virginia employees who work at least 20 hours per week;
- Full-time employees and faculty (including adjunct) of a Virginia public institution of higher education who work at least 20 hours per week; and
- Full-time employees of any participating Virginia school division, city, county, town or political subdivision who work at least 20 hours per week.

In addition, deferred VRS members who are vested can participate, regardless of whether the previous employer has elected to participate or not. Also eligible are retirees of:

- The Commonwealth of Virginia;
- Virginia public institutions of higher education;
- Any school division, city, county, town or political subdivision that participates in one of the retirement plans administered by VRS; and
- Any school division, city, county, town or political subdivision that does not participate in any of the retirement plans administered by VRS but has elected to participate in the COV Voluntary Group Long-term Care Insurance Program.

Select family members (between the ages of 18 and 79) of eligible individuals may also apply. Family members include:

- Spouse;
- Adult children;
- Parents, parents-in-law, step parents, step parents-in-law; and
- Grandparents, grandparents-in-law, step grandparents and step grandparents-in-law.

New employees have 60 days from their date of hire to apply without having to have medical underwriting (provide proof of good health). However,

medical underwriting is required of any family members who wish to apply or any employee who did not apply within their first 60 days of employment.

Employees can find more information about the program and how to apply by calling Genworth Life toll free at 1-866-859-6060 or visiting Genworth's Web site for employees at www.genworth.com/cov.

Premiums

Premiums are paid directly to Genworth by the employee or through payroll deduction, if the employer elects to make payroll deduction available. If the employee arranges to pay the premiums directly to Genworth on a quarterly, semi-annual or annual basis, the premiums may be reduced. If payment is made through payroll deduction, the employee should contact Genworth to request a Post-Tax Salary Deduction Authorization Form.

Coverage is available at group rates, which makes premiums more affordable. Premium rates are guaranteed through March 1, 2020 and until then will increase only if the employee makes a change in coverage. Rates are available on the Genworth website when the employee applies.

Plan Options

During enrollment, an employee has three elements they must choose, the monthly benefit, the total coverage amount and the benefit increase option. The monthly benefit is the maximum amount the plan will cover for qualifying long-term care expenses each month. The available choices are \$3,000, \$4,500 or \$7,500.

Once the monthly benefit amount is chosen, the next step is to choose the maximum lifetime benefit amount, which is the total coverage available under the plan. This pool of money pays for the long-term care expenses over the lifetime of the plan. The three choices are two times the monthly benefit amount, three times the monthly benefit amount or five times the monthly benefit amount.

The table below shows the choices of monthly benefit and the corresponding total coverage amounts (maximum lifetime benefit options) available. For example, if the employee chooses a monthly benefit amount of \$3,000, he has the choice of total coverage (maximum lifetime benefit amount) of \$72,000, \$108,000 or \$180,000.

Monthly Benefit	Total Coverage (Maximum Lifetime Benefit)		
\$ 3,000	\$ 72,000	\$ 108,000	\$ 180,000
\$ 4,500	\$ 108,000	\$ 162,000	\$ 270,000
\$ 7,500	\$ 180,000	\$ 270,000	\$ 450,000

Benefit Increase Options

In addition to choosing a monthly benefit and maximum lifetime benefit option an employee will also choose one of three benefit increase options that are available. Benefit increase options allow coverage to increase over time to help with the rising cost of care.

Benefit Increase Options
Future Purchase Option
3% Compound for Life
5% Compound for Life

The Future Purchase Option allows for the purchase of more coverage every three years. If the offer is accepted, the Monthly Benefit amount and Total Coverage amount (less any claims paid) will increase by 5%, compounded annually. This feature is automatically included in the plan you select. Evidence of good health is not required.

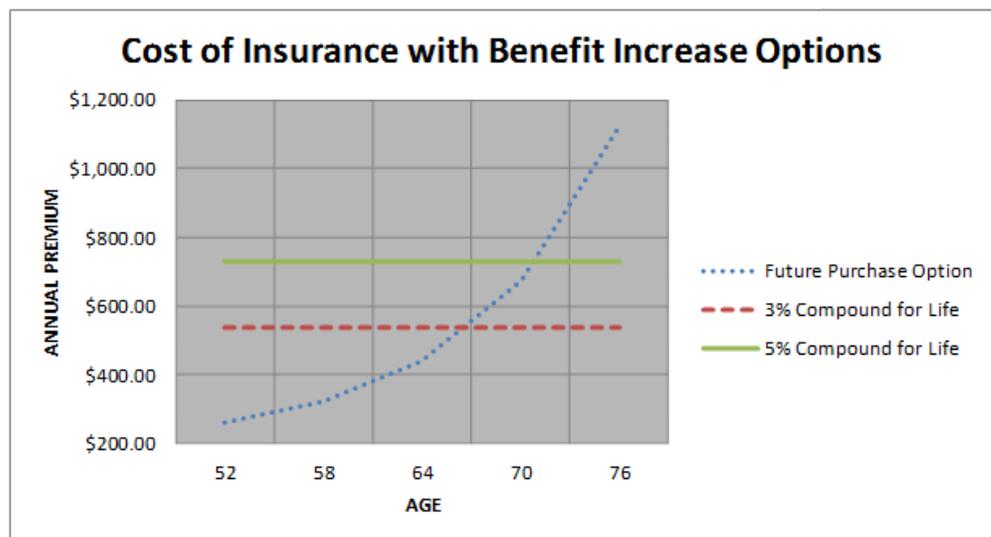
The Future Purchase Option allows for lower premiums today than provided with other benefit increase choices. The participant chooses when to increase coverage based on their individual needs and budget at the time of the offer. However, the premiums will be based on the participant's age at

the time the offer is accepted. If the participant declines the offer two consecutive times there will be no further opportunities to increase coverage.

The 3% Compound for Life Benefit Increase offer will result in the Monthly Benefit and Total Coverage amount (less any claims paid) automatically increasing by 3% compounded every year. Choosing this option will require a higher premium initially but the premium will not increase each time the benefits increase.

The 5% Compound for Life Benefit Increase offer is the most comprehensive inflation protection available with the plan. The Monthly Benefit and Total Coverage amount (less any claims paid) automatically increases by 5% compounded every year. The initial premium is higher but the premium will not increase each time the benefit coverage increases.

Example: The chart below compares the annual premium paid by a 52 year old for policies with Future Purchase Option; 3% Compound annual increase and 5% compound annual increase. It assumes an initial choice of a monthly maximum of \$3,000 per month and a Total Coverage (lifetime maximum) amount of \$108,000.00. The chart assumes that under the Future Purchase Option, the employee elects the increase offer every sixth year.



Plan Benefits

An employee may qualify for benefits if he needs assistance with two activities of daily living and it's anticipated that the assistance is needed for at least 90 days. He may also qualify for benefits if he has a severe cognitive impairment that results in the need for supervision.

After certification of the inability to perform two of the activities of daily living or the severe cognitive impairment by a doctor, nurse, social worker or other appropriately licensed treating healthcare professional, benefits will begin after a 90 day elimination period. The elimination period begins on the first day of receiving covered long-term care services. The employee is only required to satisfy one elimination period per lifetime.

Coverage under the COV Group Long-term Care Insurance Program includes the following:

Benefit	Coverage
Care Coordination Services	These services are intended to help identify care needs and community resources available to deliver care. The services are furnished by a team of covered care coordinators provided by Genworth. The cost of the services are at Genworth' expense and will not count against any payment maximum.
Nursing Facility Benefit	Nursing facility means a facility that is engaged primarily in providing continual (24 hours-a-day, every day) nursing care to all of its residents or inpatients in accordance with the authority granted by a license issued by the federal government or the State in which it's located. The maximum payable each month is the lesser of the monthly benefit amount elected under the plan or the cost incurred. This benefit is subject to the elimination period and the lifetime maximum.

Benefit	Coverage
Assisted Living Facility Benefit	Assisted living facility means a facility (including one for people with Alzheimer's) that is engaged primarily in providing maintenance or personal care services to its residents and meets all applicable licensing requirements. The amount payable each month under the assisted living facility benefit is the lesser of the monthly benefit amount elected under the plan or the cost incurred. This benefit is subject to the elimination period and the lifetime maximum.
Bed Reservation Benefit	This benefit will pay up to the maximum monthly benefit amount for the cost of reserving accommodations in a nursing facility or assisted living facility if the participant is temporarily absent from the facility for any reason. The amount payable is up to the lesser of the monthly benefit amount elected under the plan or the cost incurred. This benefit is payable for a maximum of 60 days per calendar year and is subject to the elimination period and the policy lifetime maximum.
Home and Community Care Benefits	Home and community care benefits include adult day care, nurse and therapist services, home health or personal care service and incidental homemaker and chore care. The amount payable under the plan is the lesser of 50% of the monthly benefit amount elected under the plan or the cost incurred. This benefit is subject to the elimination period and the policy lifetime maximum.
Informal Care Benefit	Informal care services are maintenance or personal care services another person provides in the home to enable independent living at home. The benefit payable is the lesser of the actual expenses incurred up to a maximum benefit payable of 1% of the monthly benefit amount elected under the plan per calendar day for no more than 30 days per year. Payment under this benefit cannot be used to satisfy the elimination period and is subject to the policy lifetime maximum.

Benefit	Coverage
Hospice Care Benefit	Hospice care means expenses incurred for care and support services in a hospice care facility, nursing facility or assisted living facility. These expenses are paid based on the lesser of the expenses incurred or the monthly benefit elected under the plan. A covered expense also means covered expenses for home health or personal care services and incidental homemaker and chore care. The lesser of 50% or the monthly benefit amount elected under the plan or the expense incurred is paid for home health or personal care services and incidental homemaker and chore care. The hospice care benefit cannot be used to satisfy the elimination period and it is subject to the policy lifetime maximum.
Respite Care	This benefit provides temporary short term relief for persons who normally and primarily care for the covered individual at home on a regular and unpaid basis. Covered expenses for respite care means care in a nursing facility, care in an assisted living facility and home and community care. The lesser of the monthly benefit elected under the plan or the expenses incurred. The benefit is payable until the respite care benefit annual maximum of 12 times the facility care maximum per calendar year is reached. Payment of this benefit is not subject to and days of covered care under it cannot be used to satisfy the elimination period. The respite care benefit is also subject to the policy lifetime maximum.
Alternate Care Benefit	Services, devices or treatments not otherwise payable under the plan that Genworth has determined are cost-effective, appropriate to the employee's needs, consistent with general standards of care, provide an equal or greater quality of care than otherwise provided by the coverage, qualified long-term care services and are clearly specified in the plan of care and in a separate written mutual agreement between Genworth, the participant and if appropriate the participants physician. The written agreement will state how the elimination period affects payment and any time and payment maximums. The alternate care benefit is subject to the lifetime maximums.

Applying for the COV Voluntary Group Long-term Care Insurance Program

Applying early for the COV Voluntary Group Long-term Care Insurance Program has advantages. Premiums are based on age and are lower for younger employees. During the employee's first 60 days of employment, coverage is guaranteed without answering any health questions. The employee must be actively at work on the day he applies and on the day coverage becomes effective. In addition, during this time the employee's spouse will have streamlined underwriting which limits the health questions he'll have to answer.

If the employee decides to apply after the 60 day enrollment period, he'll be required to complete a health questionnaire and go through full underwriting. There is a chance that a health condition may prevent the employee from qualifying for coverage.

Before applying for COV Voluntary Group Long-term Care Insurance Program coverage, the employee should get a quote from the Genworth website at www.genworth.com/cov by selecting the green "Get a quote" button in the upper right corner. To apply for coverage, the employee has several options:

- Apply online
- Download, print, complete, sign and mail an application
- Request an information kit from Genworth at 1-866-859-6060

Once the employee applies, he'll need to complete a health questionnaire, if required, and Genworth may request a copy of his medical records. In some instances, a 20 to 30 minute telephone interview may also be required.

If approved for coverage, the employee will receive a package containing his Certificate of Insurance on or near the effective date of coverage. The employee has 30 days to return it for a refund of his paid premiums if he changes his mind.