

Insurance Considerations For Caregivers

Know Your Options Before The Time Comes

Family caregivers are becoming more common, which raises insurance questions families may want to consider. The following tips are provided for 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're taking on in terms of duties and time commitment. It's also important to understand 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 provide care for a relative, many of which include care for a parent or parent-in-law. 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 a state Health Insurance Marketplace.

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.

In Nebraska, home health care agency professionals and facilities are required to be licensed. To learn more about specific requirements, contact the Department of Health and Human Services' Licensure Unit at 402-471-2115. 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 agent about what your policy would cover if there is an accident in your home. Determine whether an umbrella or workers' 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. The Department offers a Shopper's Guide to Long-Term Care Insurance that has important information about long-term care insurance. The Shopper's Guide can be found on the National Association of Insurance Commissioners website at www.naic.org/prod_serv/LTC-LP-13.pdf.

More Information

Resources are available to caregivers including the Administration on Aging and the Area Agency on Aging. To obtain a copy of the Shopper's Guide to Long-Term Care Insurance or for more information on insurance-related questions or concerns, please contact the Nebraska Department of Insurance locally at 402-471-2201, or call the toll-free consumer hotline at 1-877-564-7323. Additional information on insurance is also available on the Department's website at doi.nebraska.gov.