

What Is Long-Term Care?



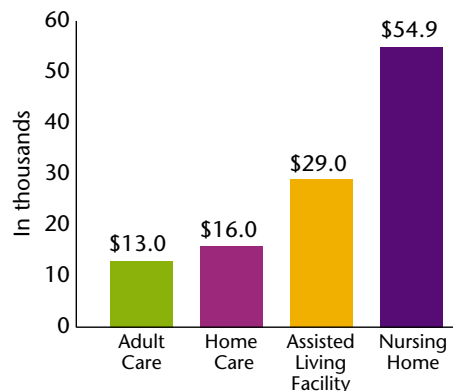
Long-Term Care (LTC) is what an individual needs when he or she requires regular assistance with day-to-day functions like bathing, eating and/or dressing or supervision due to cognitive impairment. LTC insurance helps pay for care at home, in an adult day care center, assisted living facility, nursing home or hospice — it's your choice.

Why Long-Term Care Insurance?

With today's enhanced longevity, a growing number of Americans "live, get sick, progressively lose function, and then die."* When this happens, we not only lose the freedom to care for ourselves, we may be forced to completely deplete a lifetime of savings unless specific LTC insurance is part of our personal financial plan for protection of assets when we grow older.

*Aetna Chairman & CEO and gerontologist Dr. John W. Rowe, author of *Successful Aging*.

LTC Costs Can Be Devastating
National Average Costs (annual)



Source: GE LTC Survey, 3/02; American Council of Life Insurers, 4/00

Where Will the Money Come From?

Long-Term Care is:

- NOT covered by your medical program.
- NOT covered by disability insurance.
- NOT covered by Medicare to any substantial degree.
- NOT covered by Medicaid unless one's assets have been reduced to the poverty level.

Did you know that an accident or illness can cause you or a family member to need long-term care at any age?

Top Ten Conditions Requiring Long-Term Care

Source: Aetna, LTC Claim History 1/02

1. Alzheimer's disease, related dementia
2. Cancer
3. Stroke
4. Parkinson's disease, other neurological conditions
5. Arthritis
6. Heart attack
7. Other injuries (fractures)
8. Emphysema, other respiratory diseases
9. Diabetes
10. Mental, nervous, other Alzheimer's related conditions



**Army and Air Force Exchange Service (AAFES)
Aetna Group Long Term Care Insurance Benefit Summary – Service Plan**

AAFES is sponsoring a long-term care insurance plan underwritten by one of the top five group carriers, Aetna Life Insurance Company. The chart below outlines some of this service plan's benefits and features. For term definitions, rates and more information, please visit www.aetna.com/group/aafes

Who's Eligible	Regular full-time and regular part-time employees must be actively at work on the effective date in order to be covered. Employees' spouses, parents, parents-in-law, retirees and spouses of retirees and active military personnel assigned to AAFES are also eligible and are required to complete a medical questionnaire and be approved by Aetna before coverage becomes effective.																								
Enrollment Period	Active employees, who enroll during a special open enrollment, may do so without providing proof of good health. New hires may enroll within 31 days of hire without proof of good health. Spouses, parents, parents in law, retirees, spouses of retirees and active military personnel may enroll at any time and will be required to complete a medical questionnaire and must be approved by Aetna. Employees enrolling after any special open enrollment or after 31 days of hire may also enroll at any time and will be required to complete a medical questionnaire and must be approved by Aetna.																								
Spousal Discount	There is a 10% discount in premiums if both the employee/retiree and spouse enroll.																								
Method of Payment	Employees receive payroll deductions for themselves and their spouses. Retirees and their spouses are pension deducted. All others are billed directly by Aetna.																								
Amount of Coverage Per Day = Daily Benefit Amount (DBA)	You choose a Daily Benefit Amount (DBA) between \$50 and \$350. The plan will reimburse you for expenses incurred up to a certain percentage of your DBA (see Expenses Covered). The DBA is the maximum amount of coverage your plan could provide you each day.																								
How You Qualify for Claim (Receive Benefits)	You qualify for claim by first submitting a claim form. A licensed health care practitioner must certify annually that you are unable to perform at least two of six activities of daily living: bathing, dressing, eating, transferring, toileting, continence or have a severe cognitive impairment (like Alzheimer's) for at least 90 days.																								
Single Waiting (Deductible) Period of 90 Days	In order to receive benefits, <i>only one</i> 90-day waiting (deductible) period needs to be met, regardless of how often and for what reason you qualify for claim. The waiting period helps keep plan rates affordable.																								
Premiums Waived When in Claim	After the 90-day waiting period, premiums are waived. You pay no premiums while you receive benefits.																								
	<p>The plan will reimburse you for bills submitted for covered expenses up to a percentage of your Daily Benefit Amount (DBA).</p> <table> <tr> <td>Nursing Home or Hospice Facility Care:</td> <td>Actual Expenses up to 100% of DBA.</td> </tr> <tr> <td>Assisted Living Facility Care:</td> <td>Actual Expenses up to 100% of DBA.</td> </tr> <tr> <td>Adult Day Care:</td> <td>Actual Expenses up to 60% of DBA.</td> </tr> <tr> <td>Hospice Care:</td> <td>Actual Expenses up to 60 of DBA.</td> </tr> <tr> <td>Home Health Care:</td> <td>Actual Expenses up to 60% of DBA.</td> </tr> <tr> <td>Community Based Care:</td> <td>Actual Expenses up to 60% of DBA.</td> </tr> <tr> <td>Alternate Care:</td> <td>Actual Expenses up to 60% of DBA.</td> </tr> <tr> <td>Bed Reservation:</td> <td>100% of your DBA for 21 days per calendar year to hold the bed in a nursing facility or an assisted living facility.</td> </tr> </table> <p>Additional benefits that <u>do not</u> deduct from the Lifetime Maximum:</p> <table> <tr> <td>Transitional Care:</td> <td>One time payment equal to 3 times your DBA.</td> </tr> <tr> <td>Informal Care:</td> <td>25% of your DBA for up to 100 days per calendar year.</td> </tr> <tr> <td>Informal Care Giver Training:</td> <td>One payment per claim equal to cost of training up to 3 times your DBA.</td> </tr> <tr> <td>Respite Care:</td> <td>60% of your DBA for up to 28 days per calendar year.</td> </tr> </table>	Nursing Home or Hospice Facility Care:	Actual Expenses up to 100% of DBA.	Assisted Living Facility Care:	Actual Expenses up to 100% of DBA.	Adult Day Care:	Actual Expenses up to 60% of DBA.	Hospice Care:	Actual Expenses up to 60 of DBA.	Home Health Care:	Actual Expenses up to 60% of DBA.	Community Based Care:	Actual Expenses up to 60% of DBA.	Alternate Care:	Actual Expenses up to 60% of DBA.	Bed Reservation:	100% of your DBA for 21 days per calendar year to hold the bed in a nursing facility or an assisted living facility.	Transitional Care:	One time payment equal to 3 times your DBA.	Informal Care:	25% of your DBA for up to 100 days per calendar year.	Informal Care Giver Training:	One payment per claim equal to cost of training up to 3 times your DBA.	Respite Care:	60% of your DBA for up to 28 days per calendar year.
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<p>Total Coverage for Life of Plan = Lifetime Maximum Benefit</p>	<p>You have a 5-year Lifetime Maximum Benefit. Your Lifetime Maximum Benefit is determined by multiplying the number of days in 5 years by your Daily Benefit Amount (DBA).</p> <p><i>To determine the total amount of money that your coverage provides; i.e. “Lifetime Maximum Benefit”:</i></p> <ol style="list-style-type: none"> 1. <i>Multiply the DBA you select by 365 (days in a year).</i> 2. <i>Multiply that result by the number of years your plan is based on (5 years).</i> <p><i>Based on when and where you receive care, your Lifetime Maximum Benefit could be paid out in a minimum of 5 years or in a <u>much longer</u> period of time.</i></p> <p><i>Example on Calculating the Lifetime Maximum Benefit:</i> <i>DBA = \$100</i> <i>Lifetime Maximum Benefit is based on 5 years.</i> Therefore, your total lifetime Maximum Benefit is: \$100 x 365 = \$36,500 x 5 years = \$182,500.</p>
<p>Restoration of Benefits</p>	<p>Your total Lifetime Maximum Benefit is restored to its original value when you recover and resume premium payments.</p>
<p>Inflation Protection Increases</p>	<p>Voluntary/Optional Increase – You may increase your coverage every 3 years without proof of good health to help keep pace with the rising cost of long-term care as long as you have not declined two previous consecutive offerings. You may increase your coverage through this feature even if you are in claim as long as you have not turned down two previous consecutive offerings.</p>
<p>Non-Forfeiture – Shortened Benefit Period*</p>	<p>If you discontinue paying premiums within the first three years of LTC coverage, all premiums paid are forfeited. However, if you discontinue paying premiums after your LTC coverage has been in place for three or more years, Aetna will set aside the greater of the following to pay for your future long-term care needs: (1) 100% of premiums paid, or (2) one month of benefits. This is not a cash value.</p>
<p>Refund of Contributions (ROC)</p>	<p>Your premiums can be returned to your beneficiary less any claim dollars paid, subject to a 10% reduction rule starting at age 65 if you are retired.</p>
<p>30 Day Free Look</p>	<p>Your premiums will be refunded if you cancel your plan within 30 days of receiving your Certificate of Coverage booklet.</p>
<p>Leave Job and Continue Coverage</p>	<p>If you leave your current employer you can continue your coverage by paying Aetna directly, at the same group rate.</p>
<p>Case Management</p>	<p>Provides information referral and consultant services, will arrange discounts and allowances of selected providers of LTC nationwide. Unlimited proactive every 60-day follow-up. Does not reduce the lifetime maximum.</p>
<p>Choices to Make</p>	<ol style="list-style-type: none"> 1. Select your Daily Benefit Amount. 2. If you are an employee enrolling during a special enrollment period or if you are applying within 31 days of hire, please enroll through ebenefits. 3. If you are an employee enrolling after any special enrollment period or after 31 days of hire, or the spouse of an employee or an active military personnel assigned to AAFES, please complete the Short Form Medical Questionnaire. 4. All others must complete the Long Form Medical Questionnaire. 5. Return the completed form(s) to Aetna.

**FOR ADDITIONAL INFORMATION PLEASE CONTACT AETNA'S LONG TERM CARE HOTLINE AT:
1-800-537-8521 OR VISIT THE WEBSITE AT www.aetna.com/group/aafes**

AAFES
Long Term Care Monthly Rates
5-Year Lifetime Maximum, Shortened Benefit Period and Return of Contribution

Age	\$100 Daily Benefit Amount	\$200 Daily Benefit Amount	\$300 Daily Benefit Amount	Age	\$100 Daily Benefit Amount	\$200 Daily Benefit Amount	\$300 Daily Benefit Amount
20	\$4.80	\$9.60	\$14.40	56	\$42.10	\$84.20	\$126.30
21	\$5.00	\$10.00	\$15.00	57	\$46.00	\$92.00	\$138.00
22	\$5.40	\$10.80	\$16.20	58	\$50.00	\$100.00	\$150.00
23	\$5.70	\$11.40	\$17.10	59	\$54.40	\$108.80	\$163.20
24	\$6.00	\$12.00	\$18.00	60	\$59.30	\$118.60	\$177.90
25	\$6.40	\$12.80	\$19.20	61	\$64.50	\$129.00	\$193.50
26	\$6.80	\$13.60	\$20.40	62	\$70.40	\$140.80	\$211.20
27	\$7.30	\$14.60	\$21.90	63	\$77.00	\$154.00	\$231.00
28	\$7.70	\$15.40	\$23.10	64	\$84.50	\$169.00	\$253.50
29	\$8.30	\$16.60	\$24.90	65	\$91.00	\$182.00	\$273.00
30	\$8.70	\$17.40	\$26.10	66	\$101.20	\$202.40	\$303.60
31	\$9.30	\$18.60	\$27.90	67	\$113.00	\$226.00	\$339.00
32	\$9.70	\$19.40	\$29.10	68	\$122.60	\$245.20	\$367.80
33	\$10.40	\$20.80	\$31.20	69	\$133.60	\$267.20	\$400.80
34	\$11.00	\$22.00	\$33.00	70	\$145.60	\$291.20	\$436.80
35	\$11.80	\$23.60	\$35.40	71	\$159.20	\$318.40	\$477.60
36	\$12.40	\$24.80	\$37.20	72	\$174.50	\$349.00	\$523.50
37	\$13.00	\$26.00	\$39.00	73	\$191.40	\$382.80	\$574.20
38	\$13.80	\$27.60	\$41.40	74	\$210.60	\$421.20	\$631.80
39	\$14.70	\$29.40	\$44.10	75	\$231.30	\$462.60	\$693.90
40	\$15.40	\$30.80	\$46.20	76	\$255.40	\$510.80	\$766.20
41	\$16.20	\$32.40	\$48.60	77	\$282.20	\$564.40	\$846.60
42	\$17.20	\$34.40	\$51.60	78	\$312.30	\$624.60	\$936.90
43	\$18.10	\$36.20	\$54.30	79	\$344.90	\$689.80	\$1,034.70
44	\$19.10	\$38.20	\$57.30	80	\$379.10	\$758.20	\$1,137.30
45	\$20.00	\$40.00	\$60.00	81	\$411.60	\$823.20	\$1,234.80
46	\$21.20	\$42.40	\$63.60	82	\$444.80	\$889.60	\$1,334.40
47	\$22.20	\$44.40	\$66.60	83	\$481.90	\$963.80	\$1,445.70
48	\$23.80	\$47.60	\$71.40	84	\$518.80	\$1,037.60	\$1,556.40
49	\$25.40	\$50.80	\$76.20	85	\$553.60	\$1,107.20	\$1,660.80
50	\$27.00	\$54.00	\$81.00	86	\$593.90	\$1,187.80	\$1,781.70
51	\$28.60	\$57.20	\$85.80	87	\$632.30	\$1,264.60	\$1,896.90
52	\$30.30	\$60.60	\$90.90	88	\$669.50	\$1,339.00	\$2,008.50
53	\$32.90	\$65.80	\$98.70	89	\$705.10	\$1,410.20	\$2,115.30
54	\$35.70	\$71.40	\$107.10	90+	\$734.60	\$1,469.20	\$2,203.80
55	\$38.60	\$77.20	\$115.80				

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