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## Straight Through Processing—How Much Farther?

by Sandra Latham

“How much farther before we get there?” We all have stories to tell, either as a child or as a parent, of being on this long trip and wondering with great anticipation about all the possibilities that are ahead. We continually daydream, imagining all that will be and can hardly contain our excitement. This is exactly the way I feel about the topic of Straight Through Processing (STP). We’ve been on this journey for so long with STP, and I am getting excited—because we’re getting very close.

As a large distributor, we saw the pain our advisors experienced in trying to keep straight the massive amount of forms necessary to write a Long-Term Care Insurance (LTCI) application. We know that the average advisor is an occasional producer of our product, and this compounds the likelihood of them

having the wrong forms. So in 2004, I started on a journey to try to find a resolution to this problem. My desire was to encourage the development of standardized forms within the LTCI industry, with the ultimate goal of having a universal application. I started with insurance in the property and casualty lines where it was common to have one form accepted by multiple carriers, so why couldn’t it happen within the Long-Term Care industry?

My journey began by researching how I would get standard forms into our industry and that led me down a path to ACORD (Association for Cooperative Operations Research and Development). This is a global nonprofit standards development organization serving the insurance industry. I discovered the life insurance industry was in the process of doing exactly



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what I was thinking about. Since most of the writers of LTCI are life insurance companies, I decided to caravan with them. Along the way, we formed our own ACORD Forms Working Group.

In addition to my firm, some of the early supporters jumping on the bandwagon were Genworth Financial, John Hancock, Prudential and Transamerica. We charted our route and decided to address some of the easier forms first, developing a standard Credit Card form, Electronic Funds Transfer form, and the one I was most excited about, a standardized HIPAA form.

I remember making the statement, “When we get the standard HIPAA form, I’ll be running through the streets waving it for all to see and use.” In a world full of NIGO (Not In Good Order), I could see this universal form saving us a few miles. Certainly everyone would jump on board with that! Well, several years later it has turned into a dead end. Carriers repeatedly turn down requests to use this form due to one compliance issue or another.

But I wasn’t willing to park there and end the trip. I’ve been pleading with carriers in our industry to turn around and come back to the drawing board and figure out how we can enhance and standardize the HIPAA form to make it be what this industry needs. I’m not suggesting we eliminate carriers’ own HIPAA form altogether, but let’s create an acceptable alternative route. We also need a way to lobby providers to accept the form. [**Editor’s Note:** A sample copy has been provided by the author for inclusion in this article. See page 7.]

Another part of the journey involved figuratively hopping out of the old jalopy and stepping into a sports car. Of course, I’m talking about ditching the paper and going all electronic. In 2008 I gathered our main carriers together and asked them what it would take to get their engines revved up about electronic applications. Their response: “Data standards for the Long-Term Care industry.” In November of that year, an ACORD face-to-face meeting was held to talk about doing just that. Hosted by Genworth, the participants were EBIX, EZ-Data, John Hancock, Transamerica, Univita (known then as LTCG) and my firm, LTCI Partners, LLC. After the meeting, we were all in agreement and committed to our new direction.

The first step was to obtain a copy of the ACORD New Business Implementation Guidelines that the life division had established. For the last two years we have been modifying those guidelines for long-term care. Currently, the ACORD Data Standards Group holds bimonthly teleconference calls and we anticipate completing our project this fall. The next leg of the journey begins with the implementation of those guidelines—with data obtained from applications passing electronically from one partner to the next.

During the next ILTCI Conference in Atlanta, Georgia to be held March 6-9, 2011, we will be reviewing STP: where we have been, determine where we are going, and how we’re going to get there. It has been an exciting journey so far. I am delighted to find that so many others have shared my vision along the way and have gotten on board. How about you? ■



## **AUTHORIZATION FOR THE RELEASE OF HEALTH INFORMATION**

(NAME OF INSURANCE COMPANY MUST BE INSERTED BEFORE THIS FORM IS USED)

This authorization is intended to comply with the HIPAA (Health Insurance Portability and Accountability Act) Privacy Rule. This HIPAA authorization must be fully completed and signed as a condition of applying for insurance with the insurance company named above. Your application may not be accepted without a signed authorization.

This form cannot be used in AZ, IN, MD, ME, MN, NC, NY, VA and VT.

### I HEREBY AUTHORIZE THE USE AND/OR DISCLOSURE OF HEALTH INFORMATION ABOUT ME AS DESCRIBED BELOW:

**1. Person(s) or group(s) of persons authorized to disclose the information:**

Any physicians, medical practitioners, health care professionals, hospitals, clinics, laboratories, long-term care facilities, medical or medically-related facilities, pharmacies, insurance companies, reinsurers, insurance support organizations and consumer reporting agencies such as the MIB (Medical Information Bureau) or other individuals having personal information about me.

**2. Person(s) or group(s) of persons authorized to collect or receive and use/disclose the information:**

The insurance company named above and its authorized representatives, including agents, reinsurers, service providers and other insurance support organizations.

**3. Description of the information that may be used and/or disclosed:**

This authorization specifically includes the release or disclosure of my entire medical record, medical history and any other physical or mental health information concerning me, without restriction (except psychotherapy notes), including, but not limited to, those containing diagnoses, treatments, prescription drug information, alcohol or drug abuse treatment information or information regarding communicable or infectious conditions, such as HIV (Human Immunodeficiency Virus) and AIDS (Acquired Immune Deficiency Syndrome), whether the information is in electronic or paper form.

**4. The information will be used and/or disclosed only for the following purpose(s):**

For the purpose of underwriting my application for long term care insurance with the insurance company named above, making rating determinations and, if a policy is issued to service coverage, for evaluating contestability and for the continuation or replacement of the policy. I understand that there may be additional uses and/or disclosures of my health information that are specifically permitted by law without my authorization. For example, we may be obligated to disclose health information to government, regulatory and law enforcement entities.

**5. The information to be disclosed includes any portion of my medical records within the past five years I have previously requested be withheld from release, which request I hereby terminate for purposes of this authorization.**

### STATEMENTS OF UNDERSTANDING & ACKNOWLEDGEMENT:

- I understand that health information about me provided to the insurance company named above is protected by federal and state privacy regulations. However, I also understand that, upon disclosure pursuant to this authorization to any person or organization that is not covered by the federal and state privacy regulations, the disclosed information may no longer be protected by those regulations.
- I understand that I may revoke this authorization in writing at any time, except to the extent that action has been taken in reliance on this authorization, or to the extent that other law provides the insurance company named above with the right to contest a claim under the policy or the policy itself, by sending a written revocation to the insurance company named above, Underwriting Supervisor, at the address listed above.
- This authorization will expire 24 months from the date signed.
- I understand that either I or my authorized representative will receive a copy of this signed authorization.

**A copy of this authorization will be considered as valid as the original.**

|                                 |                            |
|---------------------------------|----------------------------|
| Applicant's Name (Please Print) | Date of Birth (mm/dd/yyyy) |
| Applicant's Signature           | Date (mm/dd/yyyy)          |

If this authorization is signed by a personal representative of the applicant, a description of the representative's authority to act on behalf of the applicant must be included below: