

the GOOD LIFE

Living healthy longer.

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PO Box 7066
Allentown, PA 18105

tel 800.362.0700
www.penn treaty.com

Rehabilitation update

Second Amended Plan filed

The Rehabilitator filed a Second Amended Plan of Rehabilitation (“the Plan”) with the Commonwealth Court of Pennsylvania on October 8, 2014.

The full Plan is available on Penn Treaty’s website at www.PennTreaty.com/RehabPlan.

The Plan describes a different approach than what was proposed in the Plans that were filed in April 2013. The provisions of the 2013 Plans are no longer being considered.

At this time, unless you want to submit a comment about the proposed Plan, no action or decision on your part is required. Your policy provisions, coverage, and premiums remain the same.

Notice to be mailed

Information is being prepared and will be mailed to policyholders in December to summarize the provisions of the Plan. You will receive an information booklet that includes:

- A letter from Patrick Cantilo, Special Deputy Rehabilitator
- A letter from the Policyholder Committee
- Glossary of Terms
- Chronology of Rehabilitation Events
- Overview of the Plan
- Questions and Answers about Rehabilitation
- Legal Notice, which explains how to submit formal or informal comments in support of or in objection to the Plan

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Change in claims processing will affect assignment of benefits

New Claims: Although we previously offered the option of having benefit payments made directly to facilities and private caregivers, please be aware that we are no longer accepting assignment of benefits on any new claims. We will continue to process assignment of benefits on existing claims until the dates specified below.

Facilities: Existing assignments of benefits for facilities will no longer be effective as of January 1, 2015. Benefit payments processed on or after January 1 will be made directly to policyholders. Policyholders will be responsible for payment to their facility, unless state law or Medicaid guidelines require that we pay the facility directly.

Private Caregivers: Existing assignments of benefits for private caregivers, including family member caregivers, will remain in effect until spring of 2015. Affected policyholders will be notified of the specific date by mail prior to the change. Payments processed on or after the effective date will be made directly to policyholders, and policyholders will be responsible for payment to their caregivers.

Starting a new home health care claim

Prompt notification is important. Some policies require that you notify us regarding your need for care within 15 days of starting the care so that we can begin Care Management. If you wait longer than 15 days to notify us, the policy may only pay 80% of the eligible charges for the duration of your claim. Policy provisions vary by state and product, so it is important that you review your policy provisions for Care Management or other notification requirements.

Information needed: When you call to initiate a new home health care claim, please have the following information available:

- Your policy number
- Your physician's name, address, phone and fax numbers
- Your caregiver's name and contact information
- The date you started or will start care
- Your care needs
- Your discharge date, if you are leaving a hospital or facility

Include the policy number on all documents submitted. Be sure that your caregivers include your policy number on all documents they send to us, including those that show their proof of residence, such as driver's license, photo ID, home utility bills, rental agreements, and property tax bills. We are unable to match caregiver information to your policy without the policy number, and this delays the processing of your claim.

Many of our forms have a barcode that is specific to each policyholder. These forms should not be shared. Individuals must use the forms that have been prepared specifically for them to prevent information from being filed under another policy.

Will your home continue to fit your needs as you age?

Making some changes to your home can add comfort and safety that you will appreciate in later years. Here are some things to consider.

Reduce the risk of falls: Arrange your furniture to allow clear walkways. Keep floors clear of clutter and cords, and remove loose rugs.

Stairs: If possible, your bathroom, bedroom, laundry, and kitchen, should all be on the main level of your house. If you must use stairs to get to any of these rooms, think about installing a chair lift.

Lighting: Make sure rooms, hallways, stairways, and basements are all well lit. Use night lights in bathrooms and hallways.

Kitchen: Consider adding features such as roll-under counters or seated work areas, shallow sinks, pull-out cabinet shelves, and a hands-free faucet. Instead of knobs on cabinets and drawers, use D-shaped handles, which are easier to grasp. Make sure your appliances are in good working order. A refrigerator with freezer storage on bottom can be easier and more comfortable to use. Place your microwave at counter-height.

Bathroom: If possible, widen the bathroom doorway to accommodate a walker or wheelchair. A higher toilet seat can add comfort. Consider installing a shower with a low or flat threshold to avoid having to step over a ledge, and use anti-slip material on the floor of the shower or bath. Install grab bars in the shower or bath and near the toilet. A flexible shower head and a shower bench may also be helpful. Turn down the temperature of your hot water heater to avoid scalding. Use single-handle lever faucets in sink and tub.

Laundry: Front-loading washers and dryers are easier to load and unload. Select appliances with controls that are both easy to read and easy to use. If possible, choose a model with buttons rather than knobs.

Bedroom: Keep a phone beside the bed. De-clutter closets and make sure frequently accessed items are on lower bars or shelves.

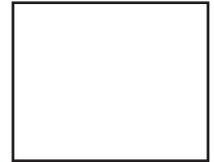
Exterior: Make sure walkways are well lit, and install an automatic light at the main entrance. Widening doorways can increase accessibility, and low thresholds at doorways can prevent tripping. Make sure there are sturdy handrails on steps. Replace round door knobs with lever handles. Consider installing ramps, which can be easier to navigate than steps, even for non-wheelchair-users.

This is not medical advice. Please consult your health care provider to determine the appropriateness of this information as it relates to your own health.



“Penn Treaty” is the brand name for Penn Treaty Network America Insurance Company (In Rehabilitation) (*dba* Penn Treaty Network America Life Insurance Company in California) and/or its subsidiaries, American Network Insurance Company (In Rehabilitation) and American Independent Network Insurance Company of New York.

Penn Treaty
 PO Box 7066
 Allentown, PA 18105



ADDRESS SERVICE REQUESTED

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Contact information

When you receive the booklet, please take time to read the material. After you read it, if you have questions or need clarification on rehabilitation-related information, please call Policyholder Services at 1-800-362-0700.

Our call center hours are 8 a.m. until 6:30 p.m. (Eastern Time) Monday to Thursday and 8 a.m. until 5:30 p.m. (Eastern Time) on Friday.

The following is an overview of the next steps in the Rehabilitation process:

Comment period

The comment period begins in December after the information booklet is mailed. Interested parties are invited to submit formal and informal comments about the Plan by February 13, 2015 for the Rehabilitator’s and the Court’s consideration.

Court hearing

The Court is expected to hold a hearing in July 2015 where interested parties will provide testimony regarding the proposed Plan.

Court decision

The Court will then evaluate information presented during the hearing and will issue a decision to approve, modify, or disapprove the proposed Plan.

Communications to policyholders

You will be notified of the result of the court process. If the result requires a decision or other action by you, you will be notified at that time and provided detailed information related to any decision or action required.

Thank you for your continued patience as we work through the Rehabilitation and court process.