

Disability Insurance Planning for the Cancer Care Team

Selecting the Best Riders for Your Policy



My last article described how to begin to determine the amount of individual disability insurance available. This article is focused on what to look for in a policy and help you decide which riders

should be part of your policy.

Noncancellable and Guaranteed Renewable

If you purchase a policy that is both noncancellable and guaranteed renewable, you are ensured that the premium rates and policy provisions will not be changed. This combination provides the greatest degree of consumer protection.

Definition of Total Disability

Whether you are a physician, an executive, a practice or hospital administrator, or working in another capacity, look for a policy that contains a true “own-occupation” definition of total disability. This definition pays benefits if you are disabled and are unable to perform the material and substantial duties of your occupation, even if you are gainfully employed in another occupation.

Residual Disability Rider

Although “own-occupation” is the most liberal definition of disability, it is not the end all. What happens if your physician states that you can still work in your occupation but he or she requires that you work fewer days per week or less hours per day? A residual disability rider protects your income by providing ben-

efits proportionate to your loss of income in the event you are not totally disabled. Generally, to qualify for residual disability benefits, you must experience an income loss of 15% to 20% or more compared with your predisability earnings. In addition, if your loss of earnings were greater than 75% to 80%, then 100% of your monthly disability benefit would be paid.

This rider is also extremely important if you are totally disabled first and then return to your occupation with a limited schedule as you recover, or if you have a continued loss of income, because you were previously disabled, even if you are back to work on a full-time basis.

Finally, it is imperative that you do not purchase a policy that requires that you be totally disabled first to collect benefits under the residual disability rider. Although this is not the case with individual policies, this is very common in group policies offered by medical or other professional associations in which you may be a member.

Cost of Living Adjustment Rider

A Cost of Living Adjustment (COLA) rider is designed to help your benefits keep pace with inflation after your disability has lasted for 12 months. This adjustment can be a fixed percentage or tied to the Consumer Price Index. Ideally, you want a COLA that is adjusted annually on a compound interest basis, with no “cap” on the monthly benefit. Although expensive, this rider can provide significant increases to your monthly benefit if you are disabled young. However, if cutting the

cost of coverage is an issue, this may be the first optional rider to consider excluding from your policy. Alternatively you may use the additional premium associated with this rider to purchase a larger monthly benefit if you are not already contemplating the purchase of the maximum monthly benefit for which you are eligible, based on your income or any other in-force coverage.

Future Increase Option Rider

This rider is a must for young professionals. As your income rises, this rider provides you with the ability to increase your disability coverage, without providing evidence of good health. This guarantees that any medical conditions that develop after your original policy’s purchase would be fully covered and not subject to new medical underwriting.

It is important to know when you can increase your coverage, as well as by what increments, on any given option date. Some companies may allow you to use your entire option in one year as long as your then-current income warrants the increase; others, however, may limit the amount that you can purchase.

Catastrophic Disability Benefit Rider

If you become catastrophically disabled under the terms of the policy and lose the ability to perform 2 or more activities of daily living without assistance, become cognitively impaired, or become presumptively disabled, you would receive a monthly benefit in addition to the base monthly benefit purchased. This additional benefit can be as

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Enhancing Oncology Networks... *Continued from page 42*

Collaborator networks require additional effort and attention to balance competition among sites and ensure network strength.

Collaborator networks rely on funding contributions from each site to support network operations. The level of funding can be highly variable among sites and typically is determined by the leadership committee on an annual basis within the provisions of the affiliation agreement. The budget is based on the agreed-upon set of initiatives and resources required to support development and may be limited by the willingness of members to fund major initiatives.

Typically, these networks require more advanced levels of systems (functional staff, information technology [IT]) as is necessary to support the higher complexity of the operations within different hospitals and sites, although actual levels vary greatly.

Collaborator networks are challenged to mandate the adoption of standard treatment protocols and care processes across sites. To address this area, some affiliation agreements define the level of required participa-

tion from each member.

However, because each site still operates within its broader organizational context, adopting common protocols requires complex, time-consuming processes. These are facilitated by a central guiding body com-

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prised of both network leadership and site clinicians. Adding complexity to coordinating clinical care, collaborator networks typically have a greater diversity of IT systems, because each site has adopted the electronic health record of its organization.

These networks face significant challenge and expense in developing systems (either IT interfaces or staff resources) that can facilitate information flow within the network, and will

need to dedicate additional leadership time and network resources to mitigate these barriers.

Hybrid Networks

Hybrid networks have wider variability in their governance models, with success driven by a highly developed, central decision-making council. These collaborator networks are a combination of a system network and non-owned or joint venture affiliate sites. Similar to collaborator networks, hybrid networks benefit from strong administrative and physician leadership directed by an OLC. These leaders invest greater effort to balance competition within the network and ensure overall success.

Hybrid networks typically have a “lead system” plus collaborator sites that rely on the lead system to develop and sustain resources while contributing financially to ensure resources are available.

Hybrid networks share the same challenges as collaborator networks when adopting standard treatment protocols and care processes across sites. Both rely on the need to build consensus and protocol adoption over time, and initially achieve agreement on an overarching quality platform as a basis for developing protocols that become more consistent over time. Most hybrid networks also have multiple IT systems, requiring time, staffing resources, technology, and expense to facilitate information flow. ●

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high as \$12,000, depending on the specific insurance carrier from which you purchase the policy. This benefit amount plus the base policy, plus other in-force coverage, if any, generally cannot exceed 100% of your income.

Summary

The next, and final, disability insurance article will offer tips on how to compare one company's policy to another when shopping for coverage. This will help you

ultimately to choose the company and policy that best meet your individual needs and goals.

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