

# Quarterly UPDATE

## *Connecticut Partnership for Long-Term Care*

April – June 2008

### **PARTNERSHIP EXPANSION CONTINUES**

The Deficit Reduction Act (DRA) of 2005 removed restrictions that had been in place since 1993 on new states who wished to develop Partnership for Long-Term Care programs. With these restrictions lifted, the DRA set the stage for Partnerships to expand to new states. To date, 18 new states, have received approval to implement Partnership programs. The new Partnership states are: **Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Minnesota, Missouri, Nebraska, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota and Virginia.** This is in addition to the four original Partnership programs in California, Connecticut, Indiana and New York.

Five more states, **Arkansas, Michigan, New Hampshire, Texas** and **Wisconsin** have applied for federal approval and there are several other states who are interested in developing a Partnership program. We will provide updates to you as more states receive federal approval for a Partnership program.

The federal Department of Health and Human Services is required to develop standards for reciprocity between Partnership states. Our hope is that these standards will be in place in the near future and will lead to more reciprocal agreements along the lines of the agreement Connecticut currently has with Indiana for the granting of Medicaid Asset Protection. We will provide you with updated information on reciprocity as it becomes available to us.

## PARTNERSHIP SALES CONTINUE TO GROW

In the quarter ending December 31, 2007, total Partnership sales passed the **46,000** level with **46,226** sold to date. In addition, **over 1,000** Partnership applications were submitted during the quarter, bringing the total number of applications to more than **57,000**.

94% of purchasers are under the age of seventy and 80% under the age of 65. The average age at time of purchase is 58 and the average maximum benefit purchased is \$235,925. More than \$43 million in Medicaid Asset Protection has been earned as of 12/31/07 by Partnership policyholders receiving benefits under their policies. For additional information about Partnership sales, go to the Partnership's website at [www.ctpartnership.org](http://www.ctpartnership.org).

## NEW COMPANY JOINS PARTNERSHIP

The Allianz Life Insurance Company has recently received Partnership approval. Allianz will be marketing a comprehensive Partnership plan along with a comparable non-Partnership policy.

In the near future, the Partnership's **Policy Comparisons Report** will be updated to include information on Allianz's Partnership policy. We will let you know when the new Report becomes available.

In addition, the Connecticut Insurance Department is currently reviewing a Partnership policy, and comparable non-Partnership plan, submitted by MassMutual.

With the addition of Allianz to the Partnership, the list of participating insurers is as follows:

Allianz  
American Network  
Bankers Life and Casualty  
CUNA Mutual  
Genworth Life  
Great American Life  
John Hancock  
MedAmerica  
MetLife  
Prudential  
State Farm

## TOP PRODUCERS

Congratulations to the following producers who sold **more than 10 Partnership policies** between July 1<sup>st</sup> and December 31<sup>st</sup>, 2007 (this information was self-reported by the producers who responded to our request in the last edition of the *Quarterly Update*):

Armen Abrahamian  
John Baez  
Marcia Bernstein  
Robert Beucler  
Robert Charnas  
Steve Foss  
Terence Frimmet  
Larry Golfin  
Rosanne Hauser  
Barbara Hayslip  
Edmond Henrich  
Lisa Krawczyk  
Richard Levine  
James Meehan  
Kathleen Ruane  
Frank Sparks  
Scott Zimmerman

## CLAIMS EXPERIENCE STUDY

Laurie Kyzivat and Pat Kelleher from the Partnership staff have recently completed a study on the claims experience under Partnership policies. The study shows that since the Partnership began in 1992, **96% of Partnership policyholders who submitted claims under their policies were determined eligible for benefits.**

Information in this study might prove useful counteracting some of the more recent negative press, most notably the Wall Street Journal article which appeared at the end of February, regarding long-term care insurance. Factual information, such as is found in this study, can be shared with your clients or potential clients regarding the actual experience of Partnership policyholders when it comes to accessing benefits under their policies.

Here is a link to the Partnership website where you can download the entire study or read an Executive Summary of the study:

<http://www.ct.gov/opm/cwp/view.asp?a=2995&q=405130>

## COST OF LONG-TERM CARE IN CONNECTICUT

The Partnership's publication, ***Cost of Long-Term Care in Connecticut***, has been revised to reflect updated nursing facility and home care costs. The average private pay rate for a semi-private nursing facility room increased **4.0%** from last year to **\$311 per day** or over **\$113,000 per year**. The following Partnership publications have also been revised to reflect the new long-term care cost information: ***Frequently Asked Questions, Partnership Policies Can Save You Money (issue sheet)***, and ***Cost of Waiting to Buy Long-Term Care Insurance (issue sheet)***.

These four publications can be downloaded from the Partnership's website by clicking on the following link:

<http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383402>

**We encourage you to download these publications since it will be the quickest way to access the materials and will reduce our printing and mailing costs.** However, if you would like printed copies of the publications, we can send you up to 10 copies free of charge at this time. To order copies of these publications, please email [david.guttchen@ct.gov](mailto:david.guttchen@ct.gov) and note which publications you would like and in what quantities. ***Please include your mailing address when you email your publication request.***

***Please allow 2-4 weeks for delivery of the publications.***

## **PARTNERSHIP PUBLIC FORUMS**

Don't miss out on the following opportunities to educate your clients and prospects about long-term care insurance. These events provide basic information about long-term care and what features to look for in long-term care insurance. A description of the Partnership's enhanced standards, including Medicaid Asset Protection, is also provided.

- **April 10<sup>th</sup> -- AVON**  
Avon Senior Center
- **May 7<sup>th</sup> -- SOUTHBURY**  
Rochambeau Middle School
- **May 20<sup>th</sup> -- BRANFORD**  
Blackstone Memorial Library

Forums run from 7:00 to 9:00 p.m. *Please remember, no sales materials or solicitations are allowed at these events.*

To register yourself and/or your clients, call the Partnership's Consumer Information Service at **(800) 547-3443**.

## **NEW PARTNERSHIP TRAINING FORMAT PROVIDES REFRESHER COURSE OPPORTUNITY FOR CERTIFIED AGENTS**

By regulation, any producer who wishes to sell or market a CT Partnership policy must have at least 7 hours of training on long-term care issues and the Partnership.

The Partnership Certification Training Program consists of two components.

The first component is a **Prerequisite Online Course** that covers basic long-term care subjects, including how long-term care insurance works, Medicare, Medicaid, etc. This course is currently being offered by an outside vendor, with additional vendors likely to be approved to offer the course in the future. The course culminates in an exam that must be passed in order to be eligible to register for the second component of the training. The fee for the online course and its related Continuing Education (CE) Credits will be handled directly by the vendor(s). The Prerequisite Online Course provides 8 CE credits (5 Life & Health and 3 Law, Ethics & Regulation credits) for CT resident producers only.

The second mandatory component of the training is a **4 hour Classroom Training Course** to be conducted by CT Partnership staff. This training will focus solely on the Partnership. Only producers who take the Prerequisite Online Course are eligible to register for the Partnership classroom course. Completion of both components is required before a producer will be certified to sell Partnership policies. The Partnership Classroom Training Course provides 4 Life & Health CE credits for CT resident producers only.

**This training format only applies to producers who have NOT yet been Partnership certified. If you are already Partnership certified, you are not required to take any additional Partnership courses since the Partnership certification is a one-time requirement.**

However, if you are already Partnership certified, you are welcome to attend the Partnership's 4 hour training course. **We will just need to verify your Partnership certification when you call to register. The 4 hour Partnership training course can provide a useful refresher for producers who are already Partnership certified, especially those that attended the Partnership training many years ago.**

For detailed information on the Partnership Certification Training Program, visit the Partnership website at:

<http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383398>

**Please note that the only approved training courses for Partnership certification are those listed on the Partnership website at the link included above.**

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