

# Quarterly UPDATE

*Connecticut Partnership for Long-Term Care*  
April - June 2012



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### **I. 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.

The 36 new Partnership states that have received approval to implement Partnership programs are: **Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin and Wyoming.**

As reported in previous *Quarterly Updates*, on March 27, 2009, Connecticut received approval from the federal government to join the National Reciprocity Compact for the granting of Medicaid Asset Protection for states with Partnership for Long-Term Care programs. The approval is retroactive to January 1, 2009. **However, all Connecticut Partnership policyholders are covered under the Reciprocity Compact, regardless of when they purchased their Partnership policy.**

Under the terms of the Reciprocity Compact, Connecticut Partnership policyholders who relocate to another state may be eligible to receive dollar-for-dollar Medicaid Asset Protection just as they would when they apply to Connecticut's Medicaid program. Two conditions must be met for a policyholder to be eligible for reciprocity in another state: (1) the policyholder must apply to and qualify under the other state's Medicaid program; and (2) at the time the policyholder applies to the other state's Medicaid program, Connecticut and the other state must be members of the Reciprocity Compact or Connecticut must have a separate reciprocal agreement with that state for the granting of Medicaid Asset Protection.

The Reciprocity Compact requires that any state participating in the Compact must agree to engage in reciprocity with every other state in the Compact for the purpose of granting dollar-for-dollar Medicaid Asset Protection. In addition, the original reciprocity agreement between Connecticut and Indiana remains in effect.

For a list of states currently participating in the Reciprocity Compact, go to the following website - <http://www.dehpg.net/ltpartnership/StateReciprocity.aspx> or call the Connecticut Partnership at 860-418-6318.

It's important to note that states are permitted to opt in and out of the Reciprocity Compact at any time. A state can opt out of the Reciprocity Compact by giving 60 days notice to the federal government. Consequently, the list of states participating in the Reciprocity Compact may change over time.

Of greatest importance to a Connecticut Partnership policyholder is whether Connecticut has Medicaid Asset Protection reciprocity with their state of residence **at the point the individual applies to that state's Medicaid program.** Because it is possible that the list of participating states may change as states exercise their option to opt in or out of the Reciprocity Compact, it is critical that policyholders and insurance producers alike understand that reciprocity will be granted based on state participation in the Reciprocity Compact **at the time the policyholder applies to Medicaid.**

Since state participation in the Reciprocity Compact is optional, we advise that a decision to purchase a Partnership policy should not be made based on reciprocity with other states. **Reciprocity should be viewed as a potential bonus for policyholders that does not add to the cost of their Partnership policy premium.** *The only firm guarantee the State of Connecticut can provide to a Connecticut Partnership policyholder is that Connecticut's Medicaid program will recognize their earned Medicaid Asset Protection.*

Please remember that Medicaid Asset Protection does not add to the cost of a Partnership policy. **A Partnership and non-Partnership policy from the same insurer will have identical premiums when the policy benefits are the same.** Therefore, if a Partnership policyholder did end up in a state that didn't have a Partnership program or a state who Connecticut did not have reciprocity with, he or she would not have paid any more premiums than if they had purchased an identical non-Partnership plan. However, if someone purchases a non-Partnership policy because the state they plan to move to doesn't have a Partnership program, they will be out of luck if that other state develops a Partnership program in the future and has reciprocity with Connecticut.

**The Reciprocity Compact will only apply to Partnership policies so it's best to purchase a Partnership plan to start.**

For more information for yourself, as well as for your clients, the Partnership has developed a handout on the Reciprocity Compact which includes a Frequently Asked Questions section. The handout can be accessed through the Partnership website at the following link:

[http://www.ct.gov/opm/lib/opm/hhs/ltc/partnership\\_reciprocity\\_compact.pdf](http://www.ct.gov/opm/lib/opm/hhs/ltc/partnership_reciprocity_compact.pdf)

All of the new Partnership states are part of the Reciprocity Compact.

Of the four original Partnership states (CA, CT, IN & NY), Connecticut and Indiana have joined the Reciprocity Compact. New York has indicated that it wants to join the Reciprocity Compact in the near future. California has indicated it is not interested in joining the Compact at this time.

The Department of Health and Human Services has contracted for the development of a website where information on new Partnership programs is available. The link to the website is <http://www.dehpg.net/ltcpartnership/> We suggest you periodically check the website to see what new information has been included.



## PARTNERSHIP SALES CONTINUE TO GROW

In the quarter ending December 31, 2011, total Partnership sales passed the **55,000** level with **55,125** policies sold to date. In addition, **526** Partnership applications were submitted during the quarter, bringing the total number of applications to more than **67,500**.

95% of purchasers are under the age of seventy and 58% under the age of 60. The average age at time of purchase is 57 and the average maximum benefit purchased is \$252,137. More than **\$113 million** in Medicaid Asset Protection had been earned as of 12/31/11 by Partnership policyholders receiving benefits under their policies. The Partnership estimates it has saved **over \$13.4 million** in Medicaid long-term care funds since its inception in 1992, with larger savings projected in the future.

For additional information about Partnership sales, go to the Partnership's website at [www.ctpartnership.org](http://www.ctpartnership.org) and click "Consumer" on the left hand side.

## 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>, 2011 (this information was self-reported by the producers who responded to our request in the last edition of the *Quarterly Update*):

Armen Abrahamian  
Marcia Bernstein  
Robert Charnas  
Robert DeLorey  
Sean Deveau  
Curtis Gunn  
Michael Halligan  
Rosanne Hauser  
Charles Kelly  
Jerry Kenney  
Elizabeth Kerrigan  
Lisa Krawczyk  
Marsha McCarthy  
James Meehan  
Daniel Mercado  
Derek Miele  
Kathleen Ruane  
Scott Zimmerman

## RATE INCREASE ACTIVITY



There has been no new rate increase activity since the last Quarterly Update issued for January – March 2012.

## 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 Connecticut semi-private nursing facility room increased **5.6%** from last year to **\$368 per day** or over **\$134,000 per year**. Over the last five years the inflation rate for nursing facility care has been **4.2%** per year and the average annual inflation rate since 1988 in Connecticut has been **5.7%**. The following Partnership publications have also been revised to reflect the new long-term care cost information: ***Frequently Asked Questions*** 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 26<sup>th</sup> -- RIDGEFIELD**  
Ridgefield Town Hall
- **May 8<sup>th</sup> -- FARMINGTON**  
Farmington Public Library
- **May 23<sup>rd</sup> – DANIELSON**  
Quinebaug Valley Community College

Forums run from 6:00 P.M. to 8:00 P.M. and are free to the public. *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** or you can register online at [http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383414&opmNav\\_GID=1814](http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383414&opmNav_GID=1814).

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