

Quarterly UPDATE

Connecticut Partnership for Long-Term Care
April - June 2015





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I. IMPORTANT CHANGES TO THE CT PARTNERSHIP APPROVED BY CT'S LEGISLATURE'S

On March 24, 2015, CT's Legislative Regulation Review Committee approved some important changes to the CT Partnership for Long-Term Care regulations to allow for more affordable CT Partnership policies and provide greater protections for CT Partnership policyholders.

The change to the Partnership regulation:

- 1) Reduces the minimum inflation protection requirement for CT Partnership policies from 5% compounded to 3 ½% compounded;**
- 2) Reduces the increase in the minimum daily benefit from 5% each year to 3 ½%; and**
- 3) Allows policyholders who experience a lifetime cumulative rate increase of 50% or more to reduce their benefits below the Partnership inflation protection & minimum daily benefit requirements without having their policy lose its Partnership status. This means a CT Partnership policyholder in this situation can reduce their daily benefit to any level offered by the insurer. They can also lower their inflation protection to any level, as long as they maintain some level of automatic inflation protection (meaning future purchase options are not allowed).**

The next step is for participating insurance companies to develop and file new rates and forms to make the more affordable Partnership plans available in the marketplace. It's important that the companies hear from as many agents and brokers that they would like more affordable Partnership plans available as soon as possible.

Please email David Guttchen at david.guttchen@ct.gov or call him at 860-41-6286 if you have any questions on the regulation changes.

II. 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 1st – NEW BRITAIN**
Central CT State University
- **April 28th -- NORWICH**
Norwich Technical High School
- **May 7th -- TORRINGTON**
Sullivan Senior Center

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.



III. PARTNERSHIP SALES CONTINUE TO GROW

In the quarter ending September 30, 2014, total Partnership sales passed the **58,500** level with **58,557** policies sold to date. In addition, as of 9/30/14, over **71,600** Partnership applications had been submitted.

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 \$255,730. More than **\$200 million** in Medicaid Asset Protection had been earned as of 9/30/14 by Partnership policyholders receiving benefits under their policies. The Partnership estimates it has saved **over \$21.5 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 and click "Consumer" on the left hand side.

IV. RATE INCREASE ACTIVITY



Below is some information on recent rate increase requests to the Connecticut Insurance Department that affect Partnership policies.

MetLife Insurance Company of USA:

In February 2015, MetLife Insurance Company of Connecticut requested rate increases ranging from 25% - 100%, depending on the policy, on some older Partnership and non-Partnership policies that had originally been sold by Travelers. **In March 2015, the Insurance Department approved a 10% increase for some of the policy forms and did not allow any increase at all with the other plans.**

There are no other rate increase requests currently pending with the Connecticut Insurance Department.

V. 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 **2.7%** from last year to **\$400 per day** or over **\$146,000 per year**. Over the last five years the inflation rate for nursing facility care has averaged **3.3%** per year and the average annual inflation rate since 1988 in Connecticut has been **5.4%**. 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 three publications, as well as others, 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 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.

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