

Quarterly UPDATE

Connecticut Partnership for Long-Term Care

January - March 2009



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, 24 new states have received approval to implement Partnership programs. The new Partnership states are: **Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Virginia and Wisconsin.** This is in addition to the four original Partnership programs in **California, Connecticut, Indiana and New York.**

Two other states, **Arizona** and **Kentucky** 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 recently released its standards for reciprocity between Partnership states. If all goes well the reciprocity standards will be effective in **January 2009.** The standards will create a reciprocity compact whereby any state that is part of the compact agrees to have reciprocity for the granting of Medicaid Asset Protection with any other state in the compact. Connecticut has started the process to join the compact with the hope that Connecticut will be officially part of the compact sometime in early 2009. It won't be known which states have joined the compact until the beginning of 2009. We will provide you with updated information on reciprocity as it becomes available to us.

Please note that states can opt in and out of the reciprocity compact over time. Therefore, what matters is whether Connecticut has reciprocity for Medicaid Asset Protection with another state at the point an individual applies to that other state's Medicaid program. Just because Connecticut might currently have reciprocity with another state does not guarantee that such reciprocity will be in place when your client applies to Medicaid.

Because of this, 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 your clients that doesn't add to the cost for a Partnership policy. The only firm guarantee we can provide to a Connecticut Partnership policyholder is that Connecticut's Medicaid program will recognize their earned Medicaid Asset Protection.

If you have any questions regarding reciprocity, please email David Guttchen at david.guttchen@ct.gov.

PARTNERSHIP SALES CONTINUE TO GROW

In the quarter ending September 30, 2008, total Partnership sales passed the **49,000** level with **49,209** sold to date. In addition, **over 980** Partnership applications were submitted during the quarter, bringing the total number of applications to more than **60,500**.

94% of purchasers are under the age of seventy and 81% under the age of 65. The average age at time of purchase is 58 and the average maximum benefit purchased is \$240,006. In addition, over \$53 million in Medicaid Asset Protection had been earned as of 9/30/08 by Partnership policyholders receiving benefits under their policies. For additional information about Partnership sales, go to the Partnership's website at <http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383430>.

POLICY COMPARISONS REPORT

The Partnership's **Policy Comparisons Report** has been revised to reflect updated information for 2009 regarding the Partnership's minimum daily benefit levels and tax-qualified policies.

In addition, in the revised Report, the American Network insurance company has been removed since they ceased selling long-term care insurance in October 2008.

To order copies of the January 2009 report, simply send an e-mail to:

david.guttchen@ct.gov - *we will be able to provide up to 10 copies of the report per request. Please note that, due to an anticipated high demand, it may take 2-4 weeks for delivery of your order. Please include your mailing address in your email.*

WANTED

Insurance professionals **who have sold more than 10** CT Partnership policies during the six-month period between July 1st and December 31st 2008. Please e-mail the Partnership office at **david.guttchen@ct.gov** and give us your name and the number of policies you sold during the past 6 months. Producers who respond will be recognized in the Spring issue of **Quarterly UPDATE**. As a reminder, we must hear from you if you wish to be recognized in our next Update. **We do not receive agent-specific sales information from the insurers.**

NEW MINIMUM BENEFIT LEVELS

Effective January 1, 2009, the minimum benefit amounts that can be purchased under the CT Partnership are **\$184 per day** for nursing home care and **\$92 per day** for home and community-based care. These minimum daily benefit levels do not necessarily reflect the recommended amount to purchase. Rather, they reflect the least amount in daily benefits that are allowed on a Partnership application. **Please note that insurers can set their own minimum benefit levels for their Partnership plans as long as the amount equals or exceeds the Partnership minimums.**

The Partnership minimum daily benefits are now based on the date of application as opposed to the prior method of using the *date of issue*. Under this new method it does not matter when the policy is issued. The minimum benefit required will be based on the date the application is taken. Therefore, someone applying for Partnership coverage on 12/31/09 would be subject to the 2009 minimum benefit requirements even though the policy would be issued in 2010.

The minimum daily benefit requirements under the Partnership also apply to existing policyholders. In other words, if a policyholder wishes to reduce their daily benefit, they cannot reduce it to a level that is below the Partnership minimum for the current year.

SPOUSAL ASSET LIMITS FOR CT MEDICAID

Effective January 1, 2009 the revised maximum amount of assets a spouse living at home can keep when his/her spouse is on Medicaid and receiving long-term care services is **\$109,560**. The revised minimum amount of assets a spouse can keep is **\$21,912**. (The primary residence is not considered a countable asset when one spouse is residing in it.) Remember, these spousal asset limits **do not apply** to most people because only about 20% of individuals are married at the time they apply to Connecticut's Medicaid Program for long-term care services.

TAX QUALIFIED PREMIUM LIMITS FOR 2009

The limits for how much premium can be counted as an unreimbursed medical expense for tax-qualified policies has been revised for taxes filed for calendar year 2009. The new limits are noted below.

Attained Age Before the Close of the Tax Year	Tax Limitation on Premiums Calendar Year 2009
40 or less	\$320
41 – 50	\$600
51 – 60	\$1,190
61 – 70	\$3,180
71 and older	\$3,980

NEW “BEFORE YOU BUY” PUBLICATION

The Partnership’s “Before You Buy” publication, that is required to be provided to every Partnership policy applicant, has been updated for 2009.

“Before You Buy” can be downloaded from the Partnership’s website at:

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

If you would prefer to obtain printed copies of “Before You Buy”, please contact your general agent or insurer. It is their responsibility to distribute printed copies of the publication to their producers.

Other Partnership publications available for downloading from the Partnership website are:

Cost of Care in Connecticut

Frequently Asked Questions

Connecticut Partnership Policies Can Save You Money

The Cost of Waiting to Buy Long-Term Care Insurance

Please note that these Partnership publications are not to be modified or altered in any manner for any purpose.

NEW PARTNERSHIP TRAINING FORMAT PROVIDES REFRESHER COURSE OPPORTUNITY FOR CERTIFIED AGENTS

As reported in previous Partnership Quarterly Updates, the Partnership has instituted a new format for its Producer Certification Training program.

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. This training requirement had been met by producers attending a 7 hour classroom training conducted by CT Partnership staff.

The new training format 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 two outside vendors, while additional vendors may 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 Credits is handled directly by the vendors.

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. The fee for the Partnership classroom course is \$125. Completion of both components is required before a producer will be certified to sell Partnership policies.

This new 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 new 4 hour training course. **If you are already Partnership certified, you will not be required to take the Prerequisite Online Course in order to register for the Partnership classroom 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 new training format, visit the Partnership website at:

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

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Direct inquiries to: Connecticut Partnership for Long-Term Care, 450 Capitol Ave.- MS# 52LTC,
Hartford, CT 06106-1379, (860) 418-6318.