

Quarterly UPDATE

Connecticut Partnership for Long-Term Care

January – March 2007

PARTNERSHIPS EXPAND TO NEW STATES

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, three new states, **Florida, Idaho** and **Minnesota** have received approval to implement Partnership programs.

Two more states, **Georgia** and **Nebraska** have applied for federal approval for a Partnership plan and there are likely close to 20 other states who are interested in developing a Partnership plan. We will provide updates to you as more states receive federal approval for a Partnership program.

In early 2007, the federal Department of Health and Human Services will be developing standards for reciprocity between Partnership states. Our hope is that these standards 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 September 30, 2006, total Partnership sales passed the **42,000** level with **42,730** sold to date. In addition, **over 840** Partnership applications were submitted, bringing the total number of applications to more than **52,500**.

93% of purchasers are under the age of seventy and 79% under the age of 65. The average age at time of purchase is 58 and the average maximum benefit purchased is \$228,674. In addition, over \$29 million in Medicaid Asset Protection has been earned as of 9/30/06 by Partnership policyholders receiving benefits under their policies. For additional information about Partnership sales, go to the Partnership's website at www.opm.state.ct.us/pdpd4/ltc/consumer/stats.htm

POLICY COMPARISONS REPORT

The Partnership's **Policy Comparisons Report** has been revised to reflect updated information for 2007 for the Partnership's minimum daily benefit levels and tax-qualified policies.

To order copies of the January 2007 report, simply send an e-mail to: david.guttchen@po.state.ct.us - *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 2006. Please e-mail the Partnership office at david.guttchen@po.state.ct.us 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, 2007, the minimum benefit amounts that can be purchased under the CT Partnership are **\$167 per day** for nursing home care and **\$83.50 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 keep in mind that the daily benefits must meet the minimum requirements that are effective in the year the policy is issued. For example, if an application was taken in early November 2006 and the policy was issued before December 31st, 2006, the daily benefits must be equal to or greater than the minimum levels established for calendar year 2006. However, if the policy was issued January 1, 2007, or later in 2007, then the daily benefits must be equal to or greater than the minimum levels established for calendar year 2007.

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, 2007, the 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 **\$101,640**. The revised minimum amount of assets a spouse can keep is **\$20,328**. (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 25% of individuals are married at the time they apply to Connecticut's Medicaid Program for long-term care services.

TAX QUALIFIED PREMIUM LIMITS FOR 2007

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 2007. The new limits are noted below.

Attained Age Before the Close of the Tax Year	Tax Limitation on Premiums Calendar Year 2007
40 or less	\$290
41 – 50	\$550
51 – 60	\$1,110
61 – 70	\$2,950
71 and older	\$3,680

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 2007.

“Before You Buy” can be downloaded from the Partnership’s website at:
www.opm.state.ct.us/pd4/ltc/advisor/Publications.htm

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.

CT PARTNERSHIP CERTIFICATION TRAINING

Approved by the State of Connecticut Insurance Dept.
for 8 continuing education credits.

Sponsor #S11843 Course #C19619

Advance registration is required.

For more information and a list of available classes visit the Partnership’s website. To register call (860) 418-6318.

Quarterly UPDATE is published for certified producers and other professionals by the State of Connecticut, Office of Policy & Management.
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