

Quarterly UPDATE

Connecticut Partnership for Long-Term Care

January – March 2008

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, 15 new states, have received approval to implement Partnership programs. The new Partnership states are: **Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Minnesota, Missouri, Nebraska, Nevada, North Dakota, Ohio, Oregon, South Dakota and Virginia.**

Four more states, **Arkansas, New Hampshire, Oklahoma and Pennsylvania** have applied for federal approval for a Partnership plan and there are several 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.

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 September 30, 2007, total Partnership sales passed the **45,000** level with **45,430** sold to date. In addition, **over 910** Partnership applications were submitted during the quarter, bringing the total number of applications to more than **55,900**.

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 \$234,392. In addition, over \$40 million in Medicaid Asset Protection has been earned as of 9/30/07 by Partnership policyholders receiving benefits under their policies. For additional information about Partnership sales, go to the Partnership's website at www.ctpartnership.org.

POLICY COMPARISONS REPORT

The Partnership's **Policy Comparisons Report** has been revised to reflect updated information for 2008 regarding the Partnership's minimum daily benefit levels and tax-qualified policies.

To order copies of the January 2008 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 2007. 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, 2008, the minimum benefit amounts that can be purchased under the CT Partnership are **\$175 per day** for nursing home care and **\$87.50 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.

Recently a revision to the Partnership regulations was approved by Connecticut's legislature. With this revision the Partnership minimum daily benefit is 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 12/31/08 would be subject to the 2008 minimum benefit requirements even though the policy would be issued in 2009.

Please note that this regulatory revision is effective with policies applied for beginning in 2008 and going forward. **Therefore, individuals who have applied for Partnership policies in 2007 and have an issue date in 2008 must meet the 2008 minimum daily benefit requirements.**

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, 2008, 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 **\$104,400**. The revised minimum amount of assets a spouse can keep is **\$20,880**. (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 2008

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 2008. The new limits are noted below.

Attained Age Before the Close of the Tax Year	Tax Limitation on Premiums Calendar Year 2008
40 or less	\$310
41 – 50	\$580
51 – 60	\$1,150
61 – 70	\$3,080
71 and older	\$3,850

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 2008.

“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 the last Partnership Quarterly Update, 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 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 Credits will be handled directly by the vendor(s).

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 has been reduced from \$200 to \$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>

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