



Quarterly UPDATE
Connecticut Partnership for Long-Term Care
January – March 2015



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I. PARTNERSHIP EXPANSION & RECIPROCITY CONTINUES



We have recently been informed that the state of Utah has become the 38th new state to implement a Partnership for Long-Term Care program, bringing the total number of Partnership states to 42.

Utah has also chosen to become a member of the National Partnership Reciprocity Compact. All of the Partnership states, with the one exception of California, are members of the Reciprocity Compact.

We are also aware that the state of New Mexico is seriously considering developing Partnership programs as well and there is also interest in Illinois.

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 38 new Partnership states that have received approval to implement Partnership programs are: **Alabama, Arizona, Arkansas, Colorado, Delaware, 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, Utah, 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 programs. The approval was 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.

As noted above, all of the new Partnership states are part of the Reciprocity Compact. Of the four original Partnership states (CA, CT, IN & NY), Connecticut, Indiana and New York have joined the Reciprocity Compact. California has indicated that, at this time, they do not plan to apply to join the Compact.

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.nyspltc.org/reciprocitymap.htm> or call the Connecticut Partnership at 860-418-6318.

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

II. WANTED



Insurance professionals **who have sold more than 10** CT Partnership policies during the six-month period between July 1st and December 31st, 2014. 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 producer-specific sales information from the insurers.**

III. PARTNERSHIP TAKES PRODUCER TRAINING ON THE ROAD



Based on very positive feedback from producers attending the Partnership's 4 hour producer trainings held in Meriden, CT over the last few months, the Partnership will now be holding all of its monthly producer certification training classes at the Four Points Sheraton Hotel in Meriden. The class will be held from 9:00 AM to 1:00 PM. Producers will still need to take the prerequisite online course before being able to register for the Partnership 4 hour training. The Partnership producer training classes had generally been held in Hartford, but in the interest of being responsive to comments from producers requesting the Partnership explore training sites outside Hartford, the Partnership is now holding the trainings in Meriden.

For additional information on the Partnership's producer certification process, visit the Partnership website at:

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

IV. PARTNERSHIP TRAINING FORMAT PROVIDES REFRESHER COURSE OPPORTUNITY FOR CERTIFIED PRODUCERS



If you are already Partnership certified, you are welcome to attend the Partnership's 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.** We hope that now that the training class is being held in Meriden, which is a more convenient location than Hartford, that producers who are already certified will take the opportunity to take the class as a refresher.

Producers who take the Partnership class as a refresher course also must pay the \$150 course fee and are eligible to earn 4 Life & Health CE credits (CE credits only available for CT resident producers).

V. NEW PARTNERSHIP MINIMUM DAILY BENEFIT LEVELS FOR 2015



For Partnership policies applied for in **2015**, the minimum daily benefit levels are **\$247.00** for nursing home care and **\$123.50** for home care. In addition, **please be aware that the annual allowable minimums also pertain to existing policyholders who wish to reduce their daily benefits.** In cases such as this, the daily benefit cannot be reduced below the Partnership allowable minimum benefit level for that year.

If you have any questions on the Partnership's minimum daily benefit levels, please email David Guttchen at david.guttchen@ct.gov or call 860-418-6318.

VI. SPOUSAL ASSET LIMITS FOR CT MEDICAID FOR 2015



Effective January 1, 2015 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 half of the couple's assets up to **\$119,220**. The minimum amount of assets a spouse can keep is **\$23,844**. (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.

VII. TAX QUALIFIED PREMIUM LIMITS FOR 2015



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 2015. Please note that effective in 2013, the threshold for being able to deduct unreimbursed medical and dental expenses was increased to 10% of adjusted gross income from 7.5% for individuals under age 65. For those 65 and older, the 7.5% threshold will remain in effect but will increase to 10% as well in 2017. The new limits are noted below.

Attained Age Before the Close of the Tax Year	Tax Limitation on Premiums Calendar Year 2015
40 or less	\$380
41 – 50	\$710
51 – 60	\$1,430
61 – 70	\$3,800
71 and older	\$4,750

VIII. 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 2015.

“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
- The Cost of Waiting to Buy Long-Term Care Insurance
- Connecticut Partnership Provides Significant Additional Value for Consumers
- Partnership Reciprocity Compact
- Policy Comparisons Report

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

IX. NEW “POLICY COMPARISONS” REPORT



The Partnership’s **Policy Comparisons Report** has been revised to reflect updated information for 2015 regarding the Partnership’s minimum daily benefit levels and tax-qualified policies.

The Policy Comparisons Report is available electronically. A PDF version of the Report can be downloaded from the Partnership website by selecting “Policy Comparisons Report” from the following link:

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

Please note that you are prohibited from altering the Policy Comparisons Report in any manner, such as adding your name to the Report, attaching a business card, or reformatting or rearranging the Report in any way. You are free to make as many copies of the Report as you would like as long as the Report is not altered in any manner.

If you would like a printed copy of the Report, we can provide you at no cost with up to 10 copies of the January 2015 edition at this time. **Please note it may take 2-4 weeks for delivery.** To order, send an e-mail to: david.guttchen@ct.gov . **Please include your mailing address in your email.**

X. RATE INCREASE ACTIVITY



CNA:

In October 2014, CNA requested an 80% increase on some older Partnership and non-Partnership policies. **In December 2014, the Insurance Department denied this request and did not approve any increase.**

Genworth:

In September 2014, Genworth requested rate increases ranging from 12% - 44%, depending on the policy, on some older Partnership and non-Partnership policies. **This request is under review by the Connecticut Insurance Department.**

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

XI. DID YOU KNOW?



- As of September 30, 2014, there were 231 licensed Nursing Facilities in Connecticut. As of September 30, 2014 there were 27,510 nursing facility beds. Please see the link below for a fact sheet with additional information:

http://www.ct.gov/opm/lib/opm/hhs/ltc/nf_fact_sheet_2014.pdf

- All CT Partnership policyholders who receive care in a CT licensed nursing facility are entitled to a 5% discount off the private pay cost for room and board and services in the facility. With an annual private pay rate of approximately \$140,000, that is close to a \$7,000 discount. For information on additional provisions included in a Partnership policy that provide significant value to the policyholder, please see the link below:

http://www.ct.gov/opm/lib/opm/hhs/ltc/consumer_value_apdg.pdf

- Additional research studies performed by the CT Partnership can be found at:

http://www.ct.gov/opm/cwp/view.asp?a=2995&Q=383466&opmNav_GID=1814

XII. CT PARTNERSHIP TRAINING CERTIFICATES



The Partnership office has been conducting the required Partnership training sessions since 1994. If you attended a training in 1994 or after and you've misplaced your training certificate, the Partnership office will have a copy of your certificate that we can provide you. Just call us at 860-418-6318 or email at david.guttchen@ct.gov.

If you attended a training conducted before 1994, the Partnership office will not have a copy of your certificate on file. In order to receive a copy of your certificate, you will need to contact Tanya Penman-Sterling at the CT Insurance Department at **860-297-3882** or email at Tanya.penman.sterling@ct.gov.

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