



Quarterly UPDATE

Connecticut Partnership for Long-Term Care
July - September 2012

P The Connecticut
PARTNERSHIP
FOR LONG-TERM CARE™

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I. NY PARTNERSHIP JOINS RECIPROCITY COMPACT



Effective June 1, 2012, the New York Partnership program has become a member of the National Reciprocity Compact, joining Connecticut and 37 other Partnership states who are members of the Compact.

The only Partnership state that is not a member of the Compact is California.

Besides New York and Connecticut, the 37 other states that are part of the Compact are:

Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Indiana, 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, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

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.

The New York Partnership has two Medicaid Asset Protection models, as does Indiana. A Total Asset Protection model and a Dollar-For-Dollar Asset Protection model. The only Medicaid Asset Protection that can be granted to New York and Indiana Partnership policyholders who apply to Medicaid in another state in the Reciprocity Compact is Dollar-For-Dollar Asset Protection. Therefore, a New York or Indiana policyholder who has a Total Medicaid Asset Protection plan will only receive the Dollar-For-Dollar Asset Protection based on what the policy has paid out in benefits if they apply to Connecticut's Medicaid program.

For a map showing the states participating in the Reciprocity Compact, go to the following website -

<http://www.dehpg.net/lcpartnership/StateReciprocity.aspx> and click on the "State Reciprocity" selection 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/lc/partnership_reciprocity_compact.pdf

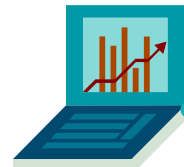


II. PARTNERSHIP SALES CONTINUE TO GROW

In the quarter ending March 31, 2012, total Partnership sales passed the **55,500** level with **55,613** policies sold to date. In addition, **over 525** Partnership applications were submitted during the quarter, bringing the total number of applications to more than **68,106**.

95% of purchasers are under the age of seventy and 58% under the age of 60. The average age at time of purchase is 58 and the average maximum benefit purchased is \$253,152. More than **\$19 million** in Medicaid Asset Protection had been earned as of 3/31/12 by Partnership policyholders receiving benefits under their policies. The Partnership estimates it has saved **over \$13.9 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.



III. RATE INCREASE ACTIVITY

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

Monumental Life:

Monumental Life has submitted a request to raise rates by 20% on their Partnership and non-Partnership policies. ***This request is under review by the Insurance Department.***

Transamerica Life:

Transamerica Life has submitted a request to raise rates by 25% on their older Partnership and non-Partnership policies. This increase does not impact the Partnership and non-Partnership policies that Transamerica Life is currently marketing. ***This request is under review by the Insurance Department.***

CUNA Mutual (now known as CMFG Life Insurance Co.):

CUNA Mutual has submitted a request to raise rates by 50% on their Partnership and non-Partnership policies. ***This request is under review by the Insurance Department.***

IV. JUST THE FACTS



- Q:** What type of inflation protection is required for LTC insurance products approved by the CT Partnership?
- A:** The CT Partnership requires that the daily, weekly or monthly benefits must increase by either 5% compounded annually or by changes in the average private pay rate. Lifetime benefits for persons under age 65 must also increase by 5% compounded annually. Persons age 65 and older may be offered the option to inflate only the daily, weekly and monthly benefits (and not the lifetime benefit). The decision to offer this option for persons age 65 and older rests with the company. Therefore, the option may not be available from all insurance companies participating in the Partnership. Please consult the Partnership's *Policy Comparisons Report* to learn which companies offer this option.
- Q:** Once eligible for Medicaid, are there any restrictions on what Partnership policyholders can do with their protected assets?

A: **NO**. As far as CT's Medicaid program is concerned, assets protected through the Partnership do not exist. Therefore, the protected assets can be saved, spent, transferred, donated, etc. In addition, protected assets will NOT be recovered by Medicaid from the policyholder's estate.

The only limitation placed on the policyholder is that the amount of assets protected under the Partnership is fixed based on the amount of benefits paid by the Partnership long-term care insurance policy. This means assets in excess of the amount protected under the Partnership or by other Medicaid allowances will need to be spent down.

Remember, the purpose of the Partnership's Medicaid Asset Protection feature is to give individuals control over their resources and the freedom to choose how to utilize their assets. This feature is provided by the State of Connecticut and does not add any cost to the premium.

Q: If an individual has a Partnership policy can they purchase another Partnership policy with a daily benefit below the Partnership's minimum?

A: **NO**. Every Partnership policy, even if it is in addition to an existing Partnership policy, must include at least the minimum daily benefit required under the Partnership (*\$213/day for nursing home care and \$106.50/day for home and community-based care for Partnership policies applied for in 2012*).

V. USE OF THE CT PARTNERSHIP LOGO

The Connecticut Partnership logo can only be used by the Partnership office or by a participating insurance company in conjunction with their company logo, after receiving prior approval from the Partnership.

Insurance agents and agencies are prohibited from using the Partnership logo. Use of the Partnership logo by an agent or agency will result in a formal written complaint filed by the Partnership office with the Insurance Department.



VI. WANTED

Insurance professionals **who have sold more than 10** CT Partnership policies during the six-month period between January 1st and June 30th, 2012. 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 Fall 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.**

VII. POLICY COMPARISONS REPORT



The Partnership's **Policy Comparisons Report** has been revised with the removal of Prudential from the report since they have ceased selling individual long-term care insurance and do not have a Partnership group plan.

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>

You can also download other Partnership publications from this link.

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 July 2012 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.**

VIII. 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 Connie Fas at the CT Insurance Department at **860-297-3918** or email at **Constantina.Fas@ct.gov**.

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