



Quarterly UPDATE
Connecticut Partnership for Long-Term Care
July - September 2016



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I. PARTNERSHIP EXPANSION & RECIPROCITY CONTINUES



We have recently been informed that Michigan has become the 40th new state to implement a Partnership for Long-Term Care program. Along with the four original Partnership states (California, Connecticut, Indiana and New York) this brings the total number of Partnership states to 44.

Michigan 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.

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 40 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, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, 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:

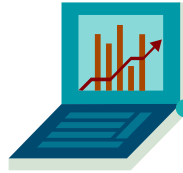
http://www.ct.gov/opm/lib/opm/hhs/ltc/partnership_reciprocity_compact.pdf

II. PARTNERSHIP SALES CONTINUE TO GROW

In the quarter ending December 31, 2015, total Partnership sales passed the **59,200** level with **59,222** policies sold to date. In addition, the total number of Partnership applications submitted to date is more than **72,200**.

95% of purchasers are under the age of seventy and 59% are under the age of 60. The average age at time of purchase is 57 and the average maximum benefit purchased is \$256,274. More than **\$254 million** in Medicaid Asset Protection had been earned as of 12/31/15 by Partnership policyholders receiving benefits under their policies. The Partnership estimates it has saved **over \$24.5 million** in Medicaid long-term care funds since its inception in 1992, with larger savings projected in the future.

III. RATE INCREASE ACTIVITY



Genworth:

In February 2016, Genworth requested a rate increase of 21.9% for some older Partnership and non-Partnership policies. **In March 2016, the Insurance Department disapproved the requested increase but did approve a 10% increase.**

MetLife:

In February 2016, MetLife requested rate increases ranging from 34% - 102% for some older Partnership and non-Partnership policies. **In April 2016, the Insurance Department disapproved this request and approved rate increases ranging from 10% to 58% depending on the particular policy.**

Travelers (MetLife Insurance Company USA):

In April 2016, MetLife requested rate increases ranging from 13.6% - 100% for some older Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

IV. PARTNERSHIP PRODUCER TRAINING

In an effort to make the classroom portion of the Partnership Producer Training more affordable and accessible as a refresher course for those producers who have already been certified to sell Partnership-approved policies, **effective with the Partnership's August 4, 2016 training class, the attendance fee for those producers who are already Partnership certified will be reduced from \$150 to \$50. In addition, producers who are already certified to sell Partnership policies do not have to take the prerequisite online course in order to attend the four hour classroom training.**

Please note that agents who have not yet been certified must first complete the prerequisite online course in order to attend the classroom course and the fee remains \$150.

Significant changes to the Partnership program have been implemented in the last year, such as the lowering of the minimum inflation protection requirement from 5% compound to 3 ½% compound. The Partnership training provides an excellent opportunity for producers who have already been certified, especially those who attended the Partnership class many years ago, to receive a refresher course on the Partnership and recent changes. **The class also provides 4 Life and Health CE credits (for CT producers only).**

In addition, beginning with the August 4th training, the location for the Partnership's producer training will be moved to Wallingford. Details on the new location will be provided when you register for a class. The new training location will be easily accessible from I-91 and will have ample free parking. We look forward to our new training location.

To register for one of our classroom courses please call 860-418-6318.

You can also visit the Partnership website at:

http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383398&opmNav_GID=1814 for more information on the training class.

V. CT PARTNERSHIP TRAINING CERTIFICATES



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

If you attended a training conducted prior to 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**.

<p>Quarterly UPDATE is published for certified producers and other professionals by the State of Connecticut, Office of Policy & Management. Direct inquiries to: Connecticut Partnership for Long-Term Care, 450 Capitol Ave.- MS# 52LTC, Hartford, CT 06106-1379, (860) 418-6318.</p>
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