



Quarterly UPDATE
Connecticut Partnership for Long-Term Care
July - September 2017



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I. PARTNERSHIP EXPANSION & RECIPROCITY



There are now 41 new states that have implemented Partnership for Long-Term Care programs. Along with the four original Partnership states (California, Connecticut, Indiana and New York) this brings the total number of Partnership states to 45.

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 41 new Partnership states that have received approval to implement Partnership programs are: **Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, 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.**

Only Alaska, Hawaii, Massachusetts, Mississippi and Vermont do not have Partnership programs.

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 - <https://nyspltc.health.ny.gov/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, 2016, total Partnership sales passed the **59,500** level with **59,526** policies sold to date. In addition, the total number of Partnership applications submitted to date is more than **72,400**.

96% of purchasers are under the age of seventy and 60% are under the age of 60. The average age at time of purchase is 57 and the average maximum benefit purchased is \$257,514. More than **\$300 million** in Medicaid Asset Protection had been earned as of 12/31/16 by Partnership policyholders receiving benefits under their policies. The Partnership estimates it has saved **over \$26.6 million** in Medicaid long-term care funds since its inception in 1992, with larger savings projected in the future.

III. RATE INCREASE ACTIVITY



BANKERS LIFE AND CASUALTY:

In May 2017, Bankers Life and Casualty requested a 35% rate increase for some older Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

CNA:

In March 2017, CNA requested a 229.5% rate increase for some older Partnership and non-Partnership policies. **In April 2017, the Insurance Department disapproved this request but did approve a 40% rate increase.**

GENWORTH:

In May 2017, Genworth requested rate increases ranging from 52.2% to 55.3% for some older Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

JOHN HANCOCK:

In March 2017, John Hancock requested rate increases ranging from 8.1% to 125.2%, depending on the policy form, for some older Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

MEDAMERICA:

In April 2017, MedAmerica requested a 147% rate increase for some older Partnership policies. **This request is under review by the Insurance Department.**

In April 2017, MedAmerica requested a 155% rate increase for some older group Partnership and non-Partnership plans. **In June 2017, the Insurance Department disapproved this requested but did approve an 18% increase.**

TRANSAMERICA LIFE:

In May 2017, Transamerica Life requested a rate increase of 34.92% for some older Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

There are no other rate increase requests under review by the Insurance Department for Partnership policies.

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, **the attendance fee for those producers who are already Partnership certified has been 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 few years, 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).**

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**.

VI. PARTNERSHIP RESOURCES TO REMEMBER

Partnership Toll-free Consumer Information Line: The Partnership maintains a toll-free consumer information line. The information provided by state staff is unbiased and provides consumers with quick and clear answers to their general questions about long-term care and the Partnership. It is a useful resource to share with your clients. Consumers and policyholders may call 1-800-547-3443 toll-free from anywhere within CT for assistance.

Online Resource Materials: The CT Partnership maintains a robust website with numerous materials for producers, policyholders, potential buyers and researchers. The website is updated frequently and includes most of the publications developed by the Partnership program, including the most popular publications *Before You Buy*, *Policy Comparisons Report*, *Frequently Asked Questions* and *Cost of Long-Term Care in Connecticut*.

Presentations: If you have a group of clients, employer clients or other organizations that are interested in learning about long-term care insurance, Partnership staff are available to provide presentations on the need for long-term care and the Partnership. No sales or solicitations are allowed at these presentations. If you're interested in organizing an event call Aldo Pantano at 860-418-6318.

<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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