

Quarterly UPDATE

Connecticut Partnership for Long-Term Care

October - December 2007

PARTNERSHIP EXPANSION CONTINUES

To date, eleven new states have received approval from the federal government to implement Partnership for Long-Term Care programs. The states are: **Colorado, Florida, Georgia, Idaho, Kansas, Minnesota, Nebraska, Nevada North Dakota, South Dakota** and **Virginia**.

Florida, Idaho, North Dakota, South Dakota, and **Virginia** have already implemented their Partnership programs with the other states either still in the development stage or close to launching their programs.

In addition, the states of **Iowa** and **Illinois** had received federal approval to develop a Partnership program prior to the passage of the Deficit Reduction Act (DRA) in 2006. Therefore, including the four original Partnership programs in CA, CT, IN, & NY, there are **17 states** with approval to implement Partnership programs.

It's anticipated that, by the end of 2007, close to half of the states in the country will have approval to implement Partnership programs.

The Department of Health and Human Services has contracted for the development of a website where information on new Partnership programs is available. The link to the website is <http://www.dehpg.net/lcpartnership/> While the website is up and running, it is still in a development stage and so the information on new states is incomplete. We suggest you periodically check the website to see what new information has been included.

Sometime in 2007, the federal Department of Health and Human Services will be developing standards for reciprocity for Medicaid Asset Protection between Partnership states. Our hope is that these standards 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.

NEW PARTNERSHIP TRAINING FORMAT

The Partnership is pleased to announce a new format for its Producer Certification Training program. The new format is effective with the Partnership's next training class, which will be held **October 18th**.

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 will consist 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.**

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>

POLICY SALES REACH MILESTONE

In the quarter ending June 30, 2007, total Partnership sales passed the **44,800** level with **44,806** policies purchased in total. In addition, **838** individuals applied to purchase a Partnership policy, bringing the total number of applications submitted to more than **55,000**.

For 93% of the purchasers, their Partnership policy was the first long-term care insurance policy they purchased. The average age at time of purchase is 58 and the median maximum benefit purchased is \$219,000. In addition, 688 Partnership policyholders have qualified to receive benefits under their policy with over \$37.5 million of Medicaid Asset Protection earned based on payments made under the policies. 40 Partnership policyholders had accessed Medicaid as of June 30, 2007.

The Partnership estimates that it has saved Connecticut's Medicaid program over \$4.5 million to date.

For additional information about Partnership sales, go to the Partnership's website at **www.ctpartnership.org**.

TOP PRODUCERS

Congratulations to the following producers who reported to the Partnership office they sold **more than 10 Partnership policies** during the six-month period January 1st through June 30th, 2007.

Armen Abrahamian
Marcia Bernstein
Robert Beucler
Robert Charnas
Barbara Foehl
Rosanne Hauser
Barbara Hayslip
Edmund Henrich
Charles Kelly
Gerard Kenney
James Meehan
Jim Palma
Kathleen Ruane
Frank Sparks
Scott Zimmerman

As a reminder, in order for us to list you as a Top Producer we need to hear from you. The next request for names of Top Producers will be made in January 2008 for the six-month period between July – December 2007.

PARTNERSHIP WEBSITE

The CT Partnership website was recently moved to the State's general website server. Because of this, the URL addresses for specific pages within the website have changed. The general website address of www.ctpartnership.org is still the same.

Some of you may have bookmarked the page on the Partnership website where you can download Partnership publications. If that is the case the address you have will not work. Below is the new link in case you want to update your bookmarks:

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

MEDICAID ASSET PROTECTION EXPANDS THE LONG-TERM CARE INSURANCE MARKET

One of the biggest advantages of the Partnership's Medicaid Asset Protection feature is that it can expand your market for suitable long-term care insurance candidates. Medicaid Asset Protection allows consumers to purchase an amount of insurance based on the amount of assets they wish to protect. For those with more moderate amounts of assets, the Partnership can make the purchase of long-term care insurance more affordable since they can tailor their purchase to their level of wealth.

With a non-Partnership policy, consumers take some level of risk if they purchase anything less than lifetime or unlimited benefits since they will still be exposed to spending down their assets if they outlive their insurance benefits. Medicaid Asset Protection makes the purchase of shorter term coverage (i.e. 1, 2 or 3 years of coverage) a more suitable and feasible purchase based on someone's assets and the amount of income they can spend on the policy.

The Partnership allows you to expand your potential market and helps make the purchase of long-term care insurance more of a reality for the middle class.

MINIMUM DAILY BENEFIT LEVELS FOR 2008

For Partnership policies issued with effective dates in **2008**, the minimum daily benefit levels will be **\$175.00** for nursing home care and **\$87.50** for home care.

Please note that for applications taken in 2007, but issued with 2008 effective dates, the 2008 minimum benefit levels will apply. Therefore, during the fourth quarter of 2007, especially towards the end of the year, please be aware of how long it will take for the insurer to process the application and issue the policy and make sure the appropriate level of benefits is selected.

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

PUBLIC FORUMS

Don't miss out on the following opportunities to educate your clients and prospects about long-term care insurance. These events provide basic information about long-term care and what features to look for in long-term care insurance. A description of the Partnership's enhanced standards, including Medicaid Asset Protection, is also provided.

- **October 2nd -- DANIELSON**
Quinebaug Valley Community College
- **October 11th -- TOLLAND**
Tolland High School
- **October 23rd -- NORWALK**
Norwalk Community College

Forums run from 7:00 to 9:00 p.m. Registration begins at 6:30 p.m. *Please remember, no sales materials or solicitations are allowed at these events.*

To register yourself and/or your clients, call the Partnership's Consumer Information Service at **(800) 547-3443**

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