

Quarterly UPDATE

Connecticut Partnership for Long-Term Care

October - December 2009



PARTNERSHIP EXPANSION CONTINUES

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. To date, 30 new states, have received approval to implement Partnership programs. The new Partnership states are: **Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, Wisconsin and Wyoming.** This is in addition to the four original Partnership programs in California, Connecticut, Indiana and New York.

As reported in our last *Quarterly Update*, 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 for Long-Term Care programs. The approval is 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. 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.dehpg.net/ltpartnership/StateReciprocity.aspx> or call the Connecticut Partnership at 860-418-6318.

It's important to note that states are permitted to opt in and out of the Reciprocity Compact at any time. A state can opt out of the Reciprocity Compact by giving 60 days notice to the federal government. Consequently, the list of states participating in the Reciprocity Compact may change over time.

Of greatest importance to a Connecticut Partnership policyholder is whether Connecticut has Medicaid Asset Protection reciprocity with their state of residence **at the point the individual applies to that state's Medicaid program**. Because it is possible that the list of participating states may change as states exercise their option to opt in or out of the Reciprocity Compact, it is critical that policyholders and insurance producers alike understand that reciprocity will be granted based on state participation in the Reciprocity Compact **at the time of Medicaid application**.

Since participation in the Reciprocity Compact is optional, we advise that a decision to purchase a Partnership policy should not be made based on reciprocity with other states. **Reciprocity should be viewed as a potential bonus for policyholders that does not add to the cost of their Partnership policy premium.** *The only firm guarantee the State of Connecticut can provide to a Connecticut Partnership policyholder is that Connecticut's Medicaid program will recognize their earned Medicaid Asset Protection.*

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/ltpartnership_reciprocity_compact.pdf

All of the new Partnership states are part of the Reciprocity Compact with the exception of Wisconsin. Wisconsin's state law for the Partnership requires that an individual be a Wisconsin resident when they purchased their Partnership policy in order to receive Medicaid Asset Protection. It's possible Wisconsin may revise their Partnership statute in the future to allow them to join the Reciprocity Compact.

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

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/ltpartnership/> We suggest you periodically check the website to see what new information has been included.

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.

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, 2009.

Armen Abrahamian
John Baez
Steve Bugg
Bob Caruth
Robert Charnas
Tom Couvares
Robert Delorey
Sean Deveau
Rachel Faiga
Steve Foss
Larry Golfin
Michael Halligan
Barbara Hayslip
Edmond Henrich
Charles Kelly
Gerard Kenney
Beth Kerrigan
Lisa Krawczyk
Rich Levine
Sheila McNamara
Derek Miele
Randi Oster
Lynn Pensky
Kathleen Ruane
Maureen Torrence
Leonard Wik
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 2010 for the six-month period between July – December 2009.

MINIMUM DAILY BENEFIT LEVELS FOR 2010

For Partnership policies applied for in **2010**, the minimum daily benefit levels will be **\$193.00** for nursing home care and **\$96.50** 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.

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 26th -- WESTPORT**
Westport Public Library
- **November 10th -- WOODBRIDGE**
Amity High School

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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