2348 – Long-Term Care Insurance Partnership

POLICY STATEMENT

The Deficit Reduction Act amended Section 1917(b) of the Social Security Act (the Act) to permit States to develop Long-Term Care Partnership Programs to increase the role of private long-term care insurance in financing long-term services. The Georgia Qualified Long-Term Care Partnership program will be implemented effective January 1, 2007.

BASIC CONSIDERATIONS

The Georgia Long-Term Care Partnership (Partnership) program is a public-private initiative administered by the Department of Community Health, with the assistance of the Office of the Commissioner of Insurance, the Department of Human Resources, and Division of Aging Services (DAS).

Each agency is responsible for different parts of the LTCP. The Division of Medical Assistance is responsible for administering the Partnership program. The Office of the Commissioner of Insurance is primarily responsible for ensuring that insurers follow the federal regulations. The Division of Aging Services is responsible for counseling services to individuals in planning their long-term care needs, as well as marketing and outreach for the Partnership program. The Department of Human Resources is responsible for determining a Medicaid eligible person has the correct amount of resource dollars disregarded based on the payout of their Long Term Care Partnership policy.

The Partnership is designed to reward Georgians who plan ahead for their future long-term care needs. The Georgia LTC Partnership and non-Partnership LTC insurance policies are similar. However, the Partnership policies have the added benefit of allowing policyholders to protect a portion of their assets if they choose to apply for Medicaid.

Dollar for dollar asset protection

Dollar-for-dollar asset protection means that for every dollar the Partnership policy pays out in benefits, a dollar of assets can be protected from the long-term care Medicaid asset limit. When determining long-term care Medicaid eligibility, any assets up to the amount the Partnership insurance policy **paid in benefits** will be disregarded. The individual's Partnership insurance policy benefits **do not have to be exhausted** before the asset protection is allowed. The protected assets will also be exempted from Estate Recovery in an amount equal to the **benefits paid** by the long-term care insurance policy. An individual is not required to designate a specific asset to be protected (disregarded). The disregarded amount of resources will be equal to the amount of benefits paid out.

Reciprocity

Georgia **is a Participating state. A** Participating state is one that did **NOT** elect to be exempt from reciprocity standards. Each participating state agrees as follows:

1. Any individual who has purchased a qualified Partnership long-term care policy in any Participating state; who has received benefits under the policy; and who applies for Medicaid in a Participating State other than the one in which the policy was issued, will receive an asset disregard in an amount equal (dollar for dollar) to the benefits received under the policy;

2. The asset disregard procedure and calculation will be the same for every individual with a Partnership policy that applies for Medicaid in the Participating State, without regard to whether the policy was purchased in another state, or the date the policy was purchased (all states did not start selling these policies at the same time);

3. An amount equal to the benefits received under the policy will be exempt from Medicaid Estate Recovery provisions; and,

4. If a person moves from the state in which their Partnership policy was issued, and later applies for Medicaid in another Participating state; and is determined to be eligible using a Partnership asset disregard, the Partnership asset disregard will not be revoked upon eligibility re-determination should the state subsequently decide to become exempt from the reciprocity agreement.

A list of participating states will be provided as soon as it becomes available. For now please contact your Medicaid Field Program Specialist to verify if the state is a participating state or not.

PROCEDURES

Policies purchased prior to January 1, 2007, are not Partnership policies. LTC policies issued on or after January 1, 2007, may or may not be Partnership Policies.

For a policy to be considered a Partnership Policy, it must meet the following requirements:

- Be issued to an individual on or after January 1, 2007;
- Cover an individual who was a State of Georgia resident when coverage first becomes effective under the policy;
- Meet stringent consumer protection standards;
- Contain a disclosure statement indicating that it meets the requirements under § 7702B(b) of the Internal Revenue Service Code of 1986; and
- Provide the following inflation protections:
    - if the individual was under 61 years of age when policy was issued, must provide annual-compound inflation protection;
    - if the individual was age 61 to 76 when the policy was issued, must provide some level of inflation protection; and
    - if age76 or older, inflation protection may be offered but is not required.

The case manager must verify the amount of long-term care benefits paid on behalf of the policyholder. Although written verification is preferred (i.e. statement from insurance company, or a copy of the Explanation of Benefits statements), verbal verification is acceptable from the insurer with detailed documentation (i.e. who the case manager spoke with, date, etc.).

When an individual applies for long-term care Medicaid benefits and request asset protection, the case manager must obtain a copy of the Partnership Disclosure Notice (LTCP 200-B) and the LTC Partnership Certification Form (LTCP 200-C) for verification of the requirements above. These forms are from the Insurance Commissioners office. The AR should have these documents in their possession because these documents are a part of all Partnership policies. Verification and documentation regarding a Partnership Policy must be kept with other permanent verification in the case record.

NOTE: If policy is purchased out side the state of Georgia you will have to obtain the equivalent of the LTCP 200-B and the LTCP 200-C from the state where the policy was sold.