



The New York State Partnership for Long-Term Care

QUARTERLY UPDATE

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Participating Insurers (as of the 1st quarter, 2006):

**Genworth Life Insurance Co of NY
John Hancock Life Insurance
MedAmerica Insurance Co. of NY
Metropolitan Life Insurance
New York Life Insurance**

EXECUTIVE SUMMARY

The New York State Partnership for Long Term Care is a unique program to finance long term care based on the concept of a public-private partnership, linking private insurance to Medicaid. The program became operational on March 1, 1993 when the first group of five insurance companies was approved by the New York State Department of Insurance to market Partnership policies. Program participation requires participating insurance companies to submit quarterly data on Partnership policy sales activity. This descriptive report is based on an analysis of these data.

This report presents basic data on cumulative Partnership policy sales since April 1993 and provides an in-depth description of activity which occurred during the 1st quarter of 2006 (January 1 – March 31). Seven insurance companies marketed Partnership policies and/or issued Partnership policy certificates during this period: **CNA Insurance Companies, MedAmerica Insurance Company of New York, Genworth Life Insurance Company of NY, John Hancock Life Insurance Company, Metropolitan Life Insurance Company, New York Life Insurance Company, and Prudential Insurance Company.**

Beginning with the 1st quarter of 2006, the New York State Partnership has made available shorter, more affordable long-term care coverage. Currently the Partnership offers four plans. These basic plans include a Total Asset 50, Total Asset 100, Dollar for Dollar 50, and Dollar for Dollar 100. The notations 50 and 100 represent the percentage of benefit paid for the home care or home and community based care compared to the nursing home benefit.

The type of Partnership insurance plan selected determines how much of the policyholder's assets will be protected when qualifying for Medicaid Extended Coverage. Total Asset Protection plans protect all of the insured's assets. Dollar for Dollar Asset Protection plans protect the insured's assets in the amount equal to the benefits paid out by the Partnership policy.

From April 1993 through January 2006, the cumulative number of applications for the Partnership policies was **92,909**. Of the **84,036** applications which resulted in an underwriting decision, **68,141** (81%) were approved for coverage while **15,895** (19%) were denied. As of March 31, 2006, there were **52,248** active Partnership policyholders. The majority of these policyholders were female (**59%**) and married (**73%**); their mean age was **62** years; they tended to be first-time purchasers of LTC insurance (**96%**); they purchased individual policies (**90%**).

During the 1st quarter of 2006, **2,001** applications were received by the **7** participating companies. Of the **1,759** applications which resulted in an underwriting decision, **1,419** (71%) were approved for coverage while **340** (17%) were denied. During the quarter, **442** policyholders lapsed or canceled their policies, including **117** who died. Another **95** individuals chose to relinquish their policy during the free-look period.

During the 1st quarter of 2006, **1,419** policyholders were approved for coverage (includes applicants from previous quarters.) Of these, **98** percent were first time purchasers, while the remainder consisted of prior policyholders who either replaced their old policies from a different company or converted to a Partnership policy within the same company. Women accounted for **56** percent; married persons comprised **74** percent; and **96** percent were individual policies. The age of policyholders at purchase ranged from **26** to **84**, with a mean age of **58** years.

The average annual premium cost for all policyholders was **\$2,452**. Only **8** percent of all policies sold contained minimum daily benefit amounts, while packages as high as **\$500/day** for nursing home and **\$500/day** for home care were also purchased. Thirty-six (**36**) percent of policyholders selected a 100-day deductible, while **15** percent chose a deductible of 30 days or less; twenty-two (**22**) percent selected a non-forfeiture option. Sixty-Six (**66**) percent of the **6** policyholders who were 80 years of age or older at the time of purchase elected to buy optional inflation protection.

Summary Report – NEW YORK

	Quarter 1 2006	Through 3/31/06
<i>Applications Received:</i>	2,001	92,909
Applications Denied:	340	15,895
Applications Pending & Withdrawn:	N/A	8,873
<i>Policies Purchased:</i>	1,419	68,141
Policies Dropped (voluntarily & for unknown reasons*):	230	7,202
Policies Not Taken Up (dropped within 30 day free look period):	95	6,445
<i>Total Policies In Force (active):</i>	N/A	52,248
Policyholders Who Received Service Payments:	678	1,548

*** Does not include drops reported as deaths, rescissions or exhausted benefits.**

Note: All Partnership States (California, Connecticut, Indiana, and New York) have agreed to provide this Quarterly Summary Report with the same format and definitions.

NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE

SUMMARY CUMULATIVE STATISTICS ON PARTNERSHIP ACTIVITY SINCE APRIL, 1993

APPLICATIONS RECEIVED^a	92,909
APPLICATIONS PROCESSED	84,036
APPLICATIONS APPROVED	68,141 (81%)
APPLICATIONS DENIED	15,895 (19%)
ACTIVE POLICYHOLDERS^b	52,248
MALE	21,304 (41%)
FEMALE	30,944 (59%)
MARRIED	37,975 (73%)
NOT MARRIED	12,828 (25%)
UNKNOWN	1,445 (3%)
Age	
Mean	62
Median	62
Minimum	19
Maximum	96
1st TIME PURCHASERS	50,006 (96%)
UPGRADES (Internal)	1,778 (3%)
REPLACEMENTS (External)	454 (<1%)
INDIVIDUAL	46,758 (90%)
GROUP	2,164 (4%)
ORGANIZATION-SPONSORED	3,326 (6%)
NYC (Metro Area) ^c	16,127 (31%)
UPSTATE ^d	33,121 (69%)
POLICIES DROPPED^e	15,914
Not Taken	6,444 (40%)
Died	2,214 (14%)
Other	7,256 (46%)

a. Includes applications which were withdrawn or are currently pending.

b. Excludes purchasers who dropped their policies as of end of quarter.

c. Includes NYC five boroughs, Nassau, Suffolk, & Westchester.

d. Includes policyholders who live outside N.Y. State or whose addresses are under review.

e. Adjusted for reinstatements.

➤ Due to rounding, percents may not equal 100.

NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS FOR THE PERIOD *January 1 –March 31, 2006*

APPLICATIONS RECEIVED^a	2,001
APPLICATIONS PROCESSED	1,759
APPLICATIONS APPROVED	1,419 (81%)
APPLICATIONS DENIED	340 (21%)
ACTIVE POLICYHOLDERS^b	1,419
MALE	621 (44%)
FEMALE	798 (56%)
MARRIED	1,047 (74%)
NOT MARRIED	320 (22%)
UNKNOWN	52 (4%)
Age	
Mean	58
Median	59
Minimum	26
Maximum	84
1st TIME PURCHASERS	1,394 (96%)
UPGRADES (Internal)	15 (1%)
REPLACEMENTS (External)	10 (<1%)
INDIVIDUAL	1,357 (96%)
GROUP	27 (2%)
ORGANIZATION-SPONSORED	35 (3%)
NYC (Metro Area) ^c	558 (39%)
UPSTATE ^d	861 (61%)
POLICIES DROPPED^e	442
Not Taken	95 (22%)
Died	117 (26%)
Other	230 (52%)
POLICIES REINSTATED	9

^a Refers to applications received during the current quarter, only.

^b Refers to underwriting decisions made during the current quarter, regardless of application date.

^c Includes NYC five boroughs, Nassau, Suffolk, & Westchester.

^d Also includes policyholders whose addresses are under review.

^e Refers to policyholders who dropped policies during current quarter.

** Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS
(N= 1,419)**

January 1 – March 31, 2006

DEMOGRAPHICS

AGE RANGE: 26-84

AGE DISTRIBUTION

<=35	36-45	46-55	56-60	61-65	66-70	71-75	76-80	81-85	86+
15	58	358	416	350	149	57	11	5	-
<i>(1%)</i>	<i>(4%)</i>	<i>(25%)</i>	<i>(29%)</i>	<i>(25%)</i>	<i>(11%)</i>	<i>(4%)</i>	<i>(<1%)</i>	<i>(<1%)</i>	<i>(-)</i>

<u>DEMOGRAPHIC CATEGORY</u>	<u>COMPOSITION</u>		<u>MEAN AGE</u>
	#	Pct.	
ALL POLICYHOLDERS	1,419	100	58
POLICY CATEGORY			
INDIVIDUAL	1,357	96	59
GROUP	27	2	54
ORGANIZATION-SPONSORED	35	2	55
GENDER			
MALES	621	44	59
FEMALES	798	56	58
MARITAL STATUS			
NOT MARRIED	320	23	58
MARRIED	1047	74	59
UNKNOWN	52	4	64
PURCHASE TYPE			
UPGRADES (Internal Replacements)	15	1	60
REPLACEMENTS (External)	10	<1	58
NEW PURCHASERS	1394	98	58
GEOGRAPHIC REGIONS			
NEW YORK CITY ^a	180	13	58
DOWNSTATE COUNTIES ^b	426	30	58
UPSTATE COUNTIES ^c	813	57	59

^a The five boroughs of New York

^b Metropolitan PMSA counties: Nassau, Putnam, Rockland, Suffolk, and Westchester

^c All other counties in New York State, including those whose addresses are under review.

➤ Due to rounding, percents may not equal 100

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS**

(N= 1,419)

January 1 – March 31, 2006

POLICY FEATURES

MAXIMUM LENGTH OF NURSING HOME AND HOME CARE COVERAGE

<u>NURSING HOME</u>	<u>HOME CARE</u>	<u>POLICYHOLDERS</u>	
		#	Pct.
1.5 years	3 years	7	<1
2 years	2 years	2	<1
3 years	6 years	1,357	96
4 years	8 years	35	3
5 years	10 years	15	1
7 years	14 years	3	<1

ELIMINATION PERIOD

<u>DAYS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
0	6	<1
20	106	8
30	106	8
45	113	8
60	41	3
90	532	38
100	515	36

WAIVER OF PREMIUM

<u>PREMIUM WAIVED</u>	<u>POLICYHOLDERS*</u>	
	#	Pct.
Nursing Home	1,419	100
Home Care	385	27

* Not mutually exclusive

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS**

(N=1,419)

January 1 – March 31, 2006

POLICY FEATURES

NON-FORFEITURE BENEFIT

<u>NON-FORFEITURE OPTION</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	1105	78
Shortened Benefit Period	314	22

PREMIUM PAYMENT MODE

<u>PAYMENT MODE</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
Monthly	140	10
Quarterly	364	26
Semi-Annual	97	7
Annual	818	58

INFLATION PROTECTION STATUS FOR AGE 80 AND OVER*

<u>INFLATION STATUS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	4	67
5% Compounded	2	33

* New York State Partnership for Long Term Care mandates a minimum of inflation protection of 5% compounded annually for Program participants under purchase age 80.

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**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS**

(N= 1,419)

January 1 – March 31, 2006

POLICY FEATURES

MAXIMUM NURSING HOME DAILY BENEFIT

RANGE: \$180-\$500
MEAN: \$209
MEDIAN: \$200

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$189*	249	18
\$190 - \$199	335	24
\$200	453	32
\$201 - \$249	134	9
\$250+	248	18

*** New York State Partnership for Long Term Care requires a minimum Nursing Home Daily Benefit Amount of \$189 in 2006. This report also includes policies issued prior to 2006.**

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS**

(N= 1,419)

January 1 – March 31, 2006

POLICY FEATURES

MAXIMUM HOME CARE DAILY BENEFIT

RANGE: \$90 -\$500
MEAN: \$131
MEDIAN: \$100

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$95*	460	32
\$96 - \$99	1	<1
\$100 - \$124	400	28
\$125 - \$149	130	9
\$150 - \$199	186	13
\$200+	242	17

* New York State Partnership for Long Term Care requires a minimum Home Care Daily Benefit Amount of \$95 in 2006. This report also includes policies issued prior to 2006.

HOME CARE DAILY BENEFIT	POLICYHOLDERS	
	(#)	(Pct.)
50% Nursing Home Benefit	1,038	73
50%< Nursing Home Benefit <100%	35	3
100% Nursing Home Benefit	346	24

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS
(N= 1,419)**

January 1 – March 31, 2006

AVERAGE (MEAN) POLICY PREMIUMS

AGE RANGE	POLICY TYPE							
	ALL	#	BASIC	#	OPTIONAL	#	BASIC+	#
ALL AGE	\$2,452	1,419	\$2,723	12	\$2,443	1,354	\$2,609	53
<40	\$1,497	32	-	-	\$1,465	30	\$1,976	2
40-44	\$1,511	28	-	-	\$1,469	27	\$2,637	1
45-49	\$1,731	97	-	-	\$1,702	95	\$3,075	2
50-54	\$1,876	226	\$1,266	2	\$1,865	209	\$2,110	15
55-59	\$2,031	401	-	-	\$2,002	379	\$2,535	22
60-64	\$2,490	356	\$2,216	3	\$2,486	347	\$2,878	6
65-69	\$3,216	184	\$2,980	3	\$3,215	179	\$3,682	2
70-74	\$4,489	73	\$3,638	4	\$4,541	66	\$4,486	3
75-79	\$7,247	16	-	-	\$7,247	16	-	-
80+	\$10,035	6	-	-	\$10,036	6	-	-

1) BASIC: Basic policy includes the following policy features:

Total Asset Protection 50

- 3 years of nursing home care (\$189 daily benefit for 2006)
- 6 years of home care (\$95 daily benefit for 2006)
- 100 day elimination period
- Inflation protection at the annual rate of 5% compounded
- No non-forfeiture benefit
- All other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39)

Total Asset Protection 100

- 4 years of nursing home care (\$189 daily benefit for 2006)
- 4 years of home care (\$95 daily benefit for 2006)
- 100 day elimination period
- Inflation protection at the annual rate of 5% compounded
- No non-forfeiture benefit
- All other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39)

Dollar for Dollar Asset Protection 50

- 1.5 years of nursing home care (\$189 daily benefit for 2006)
- 3 years of home care (\$95 daily benefit for 2006)
- 60 day elimination period
- Inflation protection at the annual rate of 5% compounded
- No non-forfeiture benefit
- All other benefit standards defined in New York State Insurance

Department Regulation No. 144 (11 NYCRR 39)

Dollar for Dollar Asset Protection 100

- 2 years of nursing home care (\$189 daily benefit for 2006)
- 2 years of home care (\$95 daily benefit for 2006)
- 60 day elimination period
- Inflation protection at the annual rate of 5% compounded
- No non-forfeiture benefit
- All other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39)

2) OPTIONAL: Optional policy includes the following policy features:

Total Asset Protection 50

- 3 years of nursing home care (minimally \$189 daily benefit for 2006)
- 6 years of home care (minimally \$95 daily benefit for 2006)
- Up to 100 day elimination period
- Inflation protection minimally at the annual rate of 5% compounded
- At minimum, all other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39)

Total Asset Protection 100

- 4 years of nursing home care (minimally \$189 daily benefit for 2006)
- 4 years of home care (minimally \$95 daily benefit for 2006)
- Up to 100 day elimination period
- Inflation protection minimally at the annual rate of 5% compounded
- At minimum, all other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39)

Dollar for Dollar Asset Protection 50

- 1.5 years of nursing home care (minimally \$189 daily benefit for 2006)
- 3 years of home care (minimally \$95 daily benefit for 2006)
- Up to elimination period
- Inflation protection minimally at the annual rate of 5% compounded
- At minimum, all other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39)

Dollar for Dollar Asset Protection 100

- 2 years of nursing home care (minimally \$189 daily benefit for 2006)
- 2 years of home care (minimally \$95 daily benefit for 2006)
- Up to 60 day elimination period
- Inflation protection minimally at the annual rate of 5% compounded
- At minimum, all other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39)

3) BASIC+: Basic+ policy is defined as policies offering benefit coverage beyond those provided by Basic and Optional policies.



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