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*Commissioner*



## **The New York State Partnership for Long-Term Care**

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# **QUARTERLY UPDATE**

**Volume 15 Number 1 January 1, 2007 – March 31, 2007**

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**Participating Insurers (as of the 1st quarter, 2007):**

**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 designed 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, providing an in-depth description of activity which occurred during the 1<sup>st</sup> quarter of 2007 (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.**

In 2006, the New York State Partnership made available shorter, more affordable long-term care coverage. Currently, the Partnership offers four plans, including a Total Asset 50, Total Asset 100, Dollar for Dollar 50, and Dollar for Dollar 100 plans. 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 at the time of application 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 March 2007, the cumulative number of applications for the Partnership policies was **104,431**. Of the **93,483** applications which resulted in an underwriting decision, **75,820** (81%) were approved for coverage while **17,663** (19%) were denied. As of March 31, 2007, there were **58,400** 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 1<sup>st</sup> quarter of 2007, **2,760** applications were received by the **5** participating companies. Of the **2,529** applications which resulted in an underwriting decision, **2,030** (80%) were approved for coverage while **499** (20%) were denied. During the quarter, **360** policyholders lapsed or canceled their policies, including **165** who died. Another **41** individuals chose to relinquish their policy during the free-look period.

During the 1<sup>st</sup> quarter of 2007, **2,030** policyholders were approved for coverage (includes applicants from previous quarters.) Of these, **99** 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 **55** percent; married persons comprised **80** percent; and **92** percent were individual policies. The age of policyholders at purchase ranged from **20** to **86**, with a mean age of **59** years.

The average annual premium cost for all policyholders was **\$2,726**. Only **4** percent of all policies sold contained minimum daily benefit amounts, while packages as high as **\$400/day** for nursing home and **\$400/day** for home care were also purchased. Thirty-one (**31**) percent of policyholders selected a 100-day deductible, while **12** percent chose a deductible of 30 days or less; forty-two (**42**) percent selected a non-forfeiture option. Thirty-seven (**37**) percent of the **19** 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 2007	Through 3/31/07
<b><i>Applications Received:</i></b>	2,760	<b>104,431</b>
<b>Applications Denied:</b>	499	17,663
<b>Applications Pending &amp; Withdrawn:</b>	N/A	10,948
<b><i>Policies Purchased:</i></b>	2,030	<b>75,820</b>
<b>Policies Dropped (voluntarily &amp; for unknown reasons*):</b>	193	7,853
<b>Policies Not Taken Up (dropped within 30 day free look period):</b>	41	6,766
<b><i>Total Policies In Force (active):</i></b>	N/A	<b>58,400</b>
<b>Policyholders Who Received Service Payments:</b>	862	2,005

***\* 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

<b>APPLICATIONS RECEIVED<sup>a</sup></b>	<b>104,431</b>
<b>APPLICATIONS PROCESSED</b>	<b>93,483</b>
APPLICATIONS APPROVED	75,820 (81%)
APPLICATIONS DENIED	17,663 (19%)
<b>ACTIVE POLICYHOLDERS<sup>b</sup></b>	<b>58,400</b>
MALE	23,940 (41%)
FEMALE	34,460 (59%)
MARRIED	42,828 (73%)
NOT MARRIED	13,773 (24%)
UNKNOWN	1,799 ( 3%)
Age Mean	62
Median	62
Minimum	19
Maximum	96
1st TIME PURCHASERS	56,146 (96%)
UPGRADES (Internal)	1,777 ( 3%)
REPLACEMENTS (External)	477 ( 1%)
INDIVIDUAL	52,429 (90%)
GROUP	2,265 ( 4%)
ORGANIZATION-SPONSORED	3,706 ( 6%)
NYC (Metro Area) <sup>c</sup>	19,868 (34%)
UPSTATE <sup>d</sup>	38,532 (66%)
<b>POLICIES DROPPED<sup>e</sup></b>	<b>17,441</b>
Not Taken	6,766 (39%)
Died	2,741 (16%)
Other	7,934 (45%)

**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, 2007 – March 31, 2007***

<b>APPLICATIONS RECEIVED<sup>a</sup></b>	<b>2,760</b>
<b>APPLICATIONS PROCESSED</b>	<b>2,529</b>
APPLICATIONS APPROVED	2,030 (80%)
APPLICATIONS DENIED	499 (20%)
<b>ACTIVE POLICYHOLDERS<sup>b</sup></b>	<b>2,030</b>
MALE	914 (45%)
FEMALE	1,116 (55%)
MARRIED	1,629 (80%)
NOT MARRIED	315 (16%)
UNKNOWN	86 (4%)
Age	
Mean	59
Median	60
Minimum	20
Maximum	86
1st TIME PURCHASERS	2,011 (99%)
UPGRADES (Internal)	11 (1%)
REPLACEMENTS (External)	8 (<1%)
INDIVIDUAL	1,869 (92%)
GROUP	79 (4%)
ORGANIZATION-SPONSORED	82 (4%)
NYC (Metro Area) <sup>c</sup>	812 (40%)
UPSTATE <sup>d</sup>	1,218 (60%)
<b>POLICIES DROPPED<sup>e</sup></b>	<b>401</b>
Not Taken	41 (10%)
Died	165 (41%)
Other	195 (49%)
<b>POLICIES REINSTATED</b>	<b>6</b>

<sup>a</sup> Refers to applications received during the current quarter, only.

<sup>b</sup> Refers to underwriting decisions made during the current quarter, regardless of application date.

<sup>c</sup> Includes NYC five boroughs, Nassau, Suffolk, & Westchester.

<sup>d</sup> Also includes policyholders whose addresses are under review.

<sup>e</sup> 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= 2,030)**

*January 1 – March 31, 2007*

**DEMOGRAPHICS**

**AGE RANGE: 20-86**

**AGE DISTRIBUTION**

<b>&lt;=35</b>	<b>36-45</b>	<b>46-55</b>	<b>56-60</b>	<b>61-65</b>	<b>66-70</b>	<b>71-75</b>	<b>76-80</b>	<b>81-85</b>	<b>86+</b>
11	62	486	616	498	230	83	29	14	1
<i>(1%)</i>	<i>(3%)</i>	<i>(24%)</i>	<i>(30%)</i>	<i>(25%)</i>	<i>(11%)</i>	<i>(4%)</i>	<i>(1%)</i>	<i>(1%)</i>	<i>(&lt;1%)</i>

<b><u>DEMOGRAPHIC CATEGORY</u></b>	<b><u>COMPOSITION</u></b>		<b><u>MEAN AGE</u></b>
	<b>#</b>	<b>Pct.</b>	
<b>ALL POLICYHOLDERS</b>	2,030	100	59
<b>POLICY CATEGORY</b>			
INDIVIDUAL	1,869	92	60
GROUP	79	4	54
ORGANIZATION-SPONSORED	82	4	56
<b>GENDER</b>			
MALES	914	45	60
FEMALES	1,116	55	59
<b>MARITAL STATUS</b>			
NOT MARRIED	315	16	59
MARRIED	1,629	80	59
UNKNOWN	86	4	67
<b>PURCHASE TYPE</b>			
UPGRADES (Internal Replacements)	11	1	59
REPLACEMENTS (External)	8	<1	62
NEW PURCHASERS	2,011	99	59
<b>GEOGRAPHIC REGIONS</b>			
NEW YORK CITY <sup>a</sup>	333	16	58
DOWNSTATE COUNTIES <sup>b</sup>	542	27	59
UPSTATE COUNTIES <sup>c</sup>	1,155	57	59

<sup>a</sup> The five boroughs of New York

<sup>b</sup> Metropolitan PMSA counties: Nassau, Putnam, Rockland, Suffolk, and Westchester

<sup>c</sup> 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= 2,030)

*January 1 – March 31, 2007*

<b>POLICY FEATURES</b>
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**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	17	1
2 years	2 years	4	<1
3 years	6 years	1,854	91
4 years	4 years	150	7
5 years	5 years	4	<1
7 years	7 years	1	<1

**ELIMINATION PERIOD**

<u>DAYS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
20	151	7
30	83	4
45	24	1
60	128	6
90	1,016	50
100	628	31

**WAIVER OF PREMIUM**

<u>PREMIUM WAIVED</u>	<u>POLICYHOLDERS*</u>	
	#	Pct.
Nursing Home	2,030	100
Home Care	1,472	73

\* 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= 2,030)

*January 1 – March 31, 2007*

<b>POLICY FEATURES</b>
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## NON-FORFEITURE BENEFIT

<u>NON-FORFEITURE OPTION</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	1,170	58
Shortened Benefit Period	547	27
Other	313	15

## PREMIUM PAYMENT MODE

<u>PAYMENT MODE</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
Monthly	170	8
Quarterly	417	21
Semi-Annual	126	6
Annual	1,317	65

## INFLATION PROTECTION STATUS FOR AGE 80 AND OVER\*

<u>INFLATION STATUS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	12	63
5% Compounded	7	37

\* 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.

➤ Due to rounding, percents may not equal 100.

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

**(N= 2,030)**

*January 1 – March 31, 2007*

**POLICY FEATURES**

**MAXIMUM NURSING HOME DAILY BENEFIT**

**RANGE:               \$189-\$400**  
**MEAN:                \$216**  
**MEDIAN:             \$200**

<b>MAXIMUM DAILY BENEFIT (\$)</b>	<b>POLICYHOLDERS</b>	
	(#)	(Pct.)
<b>≤ \$198*</b>	431	21
<b>\$199 - \$200</b>	989	49
<b>\$201 - \$249</b>	144	7
<b>\$250+</b>	466	23

\* New York State Partnership for Long Term Care requires a minimum Nursing Home Daily Benefit Amount of \$198 in 2007. This report also includes policies issued prior to 2007.

➤ Due to rounding, percents may not equal 100.

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

(N= 2,030)

*January 1 – March 31, 2007*

<b>POLICY FEATURES</b>
------------------------

**MAXIMUM HOME CARE DAILY BENEFIT**

**RANGE:                 \$95 -\$400**  
**MEAN:                 \$180**  
**MEDIAN:               \$200**

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$99*	167	8
\$100 - \$124	310	15
\$125 - \$149	118	6
\$150 - \$199	319	16
\$200+	1,116	55

\* New York State Partnership for Long Term Care requires a minimum Home Care Daily Benefit Amount of \$99 in 2007. This report also includes policies issued prior to 2007.

HOME CARE DAILY BENEFIT	POLICYHOLDERS	
	(#)	(Pct.)
50% Nursing Home Benefit	633	31
50%< Nursing Home Benefit <100%	66	3
100% Nursing Home Benefit	1,331	66

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE  
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS  
(N= 2,030)**

*January 1 – March 31, 2007*

**AVERAGE (MEAN) POLICY PREMIUMS**

AGE RANGE	POLICY TYPE							
	ALL	#	BASIC	#	OPTIONAL	#	BASIC+	#
ALL AGE	\$2,726	2,030	\$1,831	44	\$2,745	1,981	\$2,897	5
<40	\$1,699	23	\$822	3	\$1,831	20	-	-
40-44	\$1,608	44	\$1,169	3	\$1,640	41	-	-
45-49	\$1,998	101	\$1,004	3	\$2,029	98	-	-
50-54	\$2,101	300	\$1,632	11	\$2,116	287	\$2,648	2
55-59	\$2,201	540	\$1,553	8	\$2,205	530	\$3,702	2
60-64	\$2,570	582	\$2,108	11	\$2,580	570	\$1,783	1
65-69	\$3,416	281	\$2,931	4	\$3,423	277	-	-
70-74	\$4,725	105	-	-	\$4,725	105	-	-
75-79	\$7,402	35	\$6,271	1	\$7,435	34	-	-
80+	\$10,125	19	-	-	\$10,125	19	-	-

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

**Total Asset Protection 50**

- 3 years of nursing home care (\$198 daily benefit for 2007)
- 6 years of home care (\$99 daily benefit for 2007)
- 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 (\$198 daily benefit for 2007)
- 4 years of home care (\$198 daily benefit for 2007)
- 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 (\$198 daily benefit for 2007)
- 3 years of home care (\$99 daily benefit for 2007)
- 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 (\$198 daily benefit for 2007)
- 2 years of home care (\$198 daily benefit for 2007)
- 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 \$198 daily benefit for 2007)
- 6 years of home care (minimally \$99 daily benefit for 2007)
- 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 \$198 daily benefit for 2007)
- 4 years of home care (minimally \$198 daily benefit for 2007)
- 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 \$198 daily benefit for 2007)
- 3 years of home care (minimally \$99 daily benefit for 2007)
- 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 \$198 daily benefit for 2007)
- 2 years of home care (minimally \$198 daily benefit for 2007)
- 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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