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Commissioner



The New York State Partnership for Long-Term Care

QUARTERLY UPDATE

Volume 15 Number 2 April 1, 2007 – June 30, 2007

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Participating Insurers (as of the 2nd 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 2nd quarter of 2007 (April 1 – June 30). 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 June 2007, the cumulative number of applications for the Partnership policies was **106,753**. Of the **95,370** applications which resulted in an underwriting decision, **77,330** (81%) were approved for coverage while **18,040** (19%) were denied. As of June 30, 2007, there were **59,494** active Partnership policyholders. The majority of these policyholders were female (**59%**) and married (**74%**); their mean age was **62** years; they tended to be first-time purchasers of LTC insurance (**96%**); they purchased individual policies (**90%**).

During the 2nd quarter of 2007, **2,322** applications were received by the **5** participating companies. Of the **1,887** applications which resulted in an underwriting decision, **1,510** (80%) were approved for coverage while **377** (20%) were denied. During the quarter, **380** policyholders lapsed or canceled their policies, including **169** who died. Another **46** individuals chose to relinquish their policy during the free-look period.

During the 2nd quarter of 2007, **1,510** 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 **57** percent; married persons comprised **79** percent; and **92** percent were individual policies. The age of policyholders at purchase ranged from **28** to **83**, with a mean age of **60** years.

The average annual premium cost for all policyholders was **\$2,809**. 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. Seventeen (**17**) percent of policyholders selected a 100-day deductible, while **15** percent chose a deductible of 30 days or less; Sixty-four (**64**) percent purchased a non-forfeiture option. Four (**4**) out 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 2 2007	Through 6/30/07
<i>Applications Received:</i>	2,322	106,753
Applications Denied:	377	18,040
Applications Pending & Withdrawn:	N/A	11,383
<i>Policies Purchased:</i>	1,510	77,330
Policies Dropped (voluntarily & for unknown reasons*):	208	8,052
Policies Not Taken Up (dropped within 30 day free look period):	46	6,812
<i>Total Policies In Force (active):</i>	N/A	59,494
Policyholders Who Received Service Payments:	893	2,065

**** 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	106,753
APPLICATIONS PROCESSED	95,370
APPLICATIONS APPROVED	77,330 (81%)
APPLICATIONS DENIED	18,040 (19%)
ACTIVE POLICYHOLDERS^b	59,494
MALE	24,393 (41%)
FEMALE	35,101 (59%)
MARRIED	43,728 (74%)
NOT MARRIED	13,966 (24%)
UNKNOWN	1,800 (3%)
Age	
Mean	62
Median	62
Minimum	19
Maximum	96
1st TIME PURCHASERS	57,244 (96%)
UPGRADES (Internal)	1,761 (3%)
REPLACEMENTS (External)	489 (1%)
INDIVIDUAL	53,461 (90%)
GROUP	2,268 (4%)
ORGANIZATION-SPONSORED	3,765 (6%)
NYC (Metro Area) ^c	20,332 (34%)
UPSTATE ^d	39,162 (66%)
POLICIES DROPPED^e	17,857
Not Taken	6,812 (38%)
Died	2,910 (16%)
Other	8,135 (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 April 1, 2007 – June 30, 2007

APPLICATIONS RECEIVED^a	2,322
APPLICATIONS PROCESSED	1,887
APPLICATIONS APPROVED	1,510 (80%)
APPLICATIONS DENIED	377 (20%)
ACTIVE POLICYHOLDERS^b	1,510
MALE	646 (43%)
FEMALE	864 (57%)
MARRIED	1,196 (79%)
NOT MARRIED	310 (21%)
UNKNOWN	4 (<1%)
Age	
Mean	60
Median	60
Minimum	28
Maximum	83
1st TIME PURCHASERS	1,493 (99%)
UPGRADES (Internal)	5 (<1%)
REPLACEMENTS (External)	12 (1%)
INDIVIDUAL	1,392 (92%)
GROUP	29 (2%)
ORGANIZATION-SPONSORED	89 (6%)
NYC (Metro Area) ^c	547 (36%)
UPSTATE ^d	963 (64%)
POLICIES DROPPED^e	426
Not Taken	46 (11%)
Died	169 (40%)
Other	211 (50%)
POLICIES REINSTATED	10

^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= 1,510)**

April 1, 2007 – June 30, 2007

DEMOGRAPHICS

AGE RANGE: 28-83

AGE DISTRIBUTION

<=35	36-45	46-55	56-60	61-65	66-70	71-75	76-80	81-85	86+
4	36	287	480	431	197	59	11	5	-
(<1%)	(2%)	(19%)	(32%)	(29%)	(13%)	(4%)	(1%)	(<1%)	(0%)

<u>DEMOGRAPHIC CATEGORY</u>	<u>COMPOSITION</u>		<u>MEAN AGE</u>
	#	Pct.	
ALL POLICYHOLDERS	1,510	100	60
POLICY CATEGORY			
INDIVIDUAL	1,392	92	60
GROUP	29	2	56
ORGANIZATION-SPONSORED	89	6	58
GENDER			
MALES	646	43	60
FEMALES	864	57	60
MARITAL STATUS			
NOT MARRIED	310	21	61
MARRIED	1,196	79	60
UNKNOWN	4	<1	72
PURCHASE TYPE			
UPGRADES (Internal Replacements)	5	<1	56
REPLACEMENTS (External)	12	1	62
NEW PURCHASERS	1,493	99	60
GEOGRAPHIC REGIONS			
NEW YORK CITY ^a	181	12	60
DOWNSTATE COUNTIES ^b	427	28	60
UPSTATE COUNTIES ^c	902	60	60

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= 1,510)

April 1, 2007 – June 30, 2007

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	4	<1
2 years	2 years	24	2
3 years	6 years	981	65
4 years	4 years	463	30
5 years	5 years	15	1
7 years	7 years	23	2

ELIMINATION PERIOD

<u>DAYS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
20	93	6
30	129	9
45	36	2
60	137	9
90	852	56
100	263	17

WAIVER OF PREMIUM

<u>PREMIUM WAIVED</u>	<u>POLICYHOLDERS*</u>	
	#	Pct.
Nursing Home	1,510	100
Home Care	906	60

* 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= 1,510)

April 1, 2007 – June 30, 2007

POLICY FEATURES

NON-FORFEITURE BENEFIT

<u>NON-FORFEITURE OPTION</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	539	36
Shortened Benefit Period	612	41
Other	359	24

PREMIUM PAYMENT MODE

<u>PAYMENT MODE</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
Monthly	155	10
Quarterly	238	16
Semi-Annual	122	8
Annual	995	66

INFLATION PROTECTION STATUS FOR AGE 80 AND OVER*

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

* 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= 1,510)

April 1, 2007 – June 30, 2007

POLICY FEATURES

MAXIMUM NURSING HOME DAILY BENEFIT

RANGE: \$189-\$400
MEAN: \$220
MEDIAN: \$200

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$199*	61	4
\$200	941	62
\$201 - \$249	136	9
\$250 - \$299	255	17
\$300 +	117	8

*** 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= 1,510)

April 1, 2007 – June 30, 2007

POLICY FEATURES

MAXIMUM HOME CARE DAILY BENEFIT

RANGE: \$94.⁵⁰-\$400
MEAN: \$160
MEDIAN: \$200

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$99*	42	3
\$100 - \$124	462	31
\$125 - \$149	125	8
\$150 - \$199	82	5
\$200 - \$249	614	41
\$250 - \$299	130	9
\$300 +	55	4

* 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 AMOUNT

HOME CARE DAILY BENEFIT AMOUNT	POLICYHOLDERS	
	(#)	(Pct.)
Equals 50% of Nursing Home Benefit	691	46
Greater than 50%, but less than 100% of Nursing Home Benefit	2	<1
Equals 100% of Nursing Home Benefit	817	54

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS
(N= 1,510)**

April 1, 2007 – June 30, 2007

AVERAGE (MEAN) POLICY PREMIUMS

AGE RANGE	POLICY TYPE							
	ALL	#	BASIC	#	OPTIONAL	#	BASIC+	#
ALL AGE	\$2,809	1,510	\$2,509	13	\$2,790	1,459	\$3,651	38
<40	\$1,589	14	\$715	1	\$1,657	13	-	-
40-44	\$1,675	18	-	-	\$1,634	17	\$2,368	1
45-49	\$1,799	64	\$808	1	\$1,785	61	\$2,725	2
50-54	\$2,011	190	\$1,677	4	\$1,987	175	\$2,520	11
55-59	\$2,272	411	\$2,945	6	\$2,226	394	\$3,563	11
60-64	\$2,695	454	\$6,715	1	\$2,663	444	\$4,088	10
65-69	\$3,600	251	-	-	\$3,591	249	\$4,646	2
70-74	\$5,223	88	-	-	\$5,124	87	\$13,842	1
75-79	\$8,256	14	-	-	\$8,256	14	-	-
80+	\$9,426	6	-	-	\$9,969	5	-	-

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

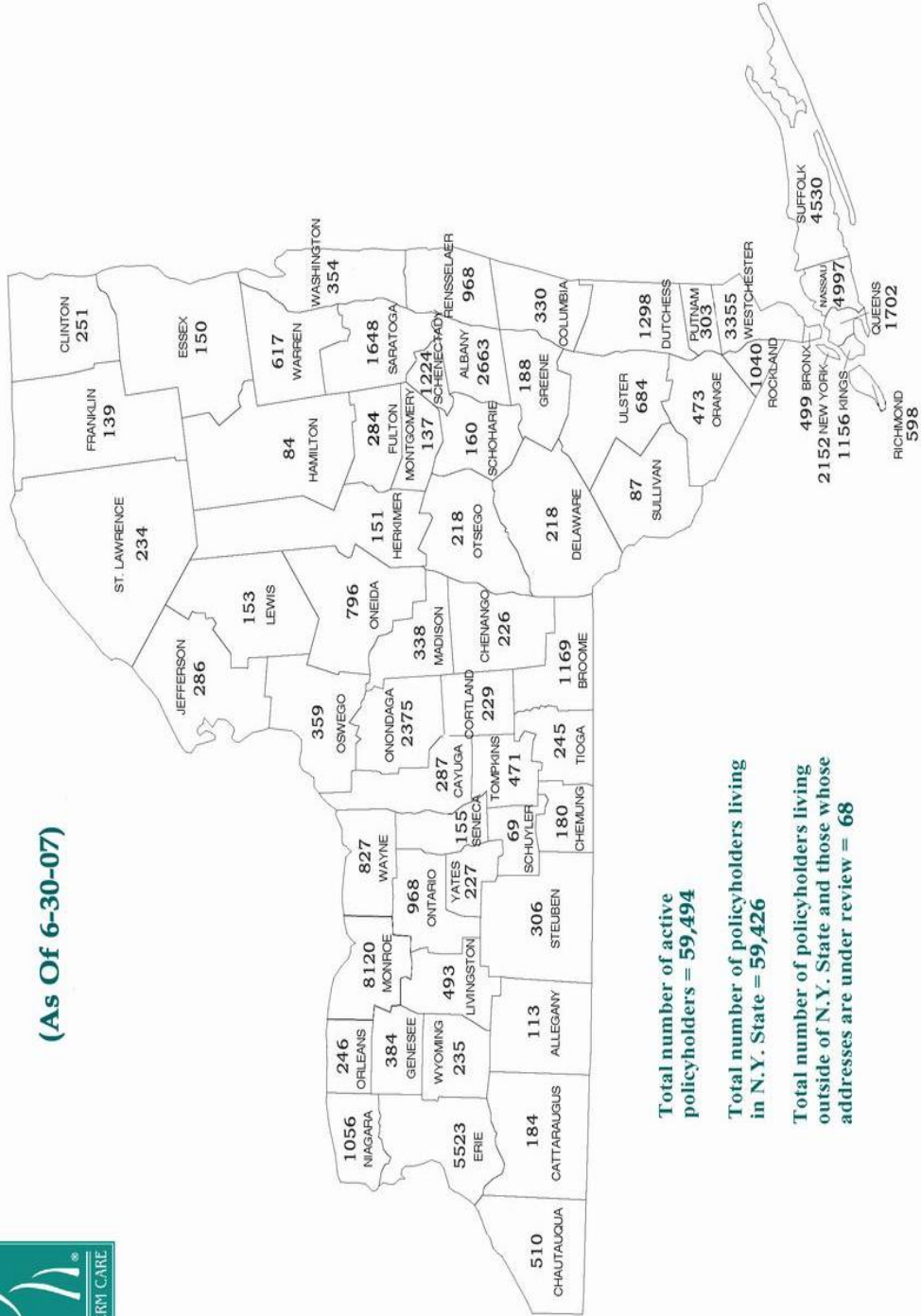
- 2 years of nursing home care (minimally \$198 daily benefit for 2007)
- 2 years of home care (minimally \$198 daily benefit for 2007)
- Up to 60 day elimination period
- Inflation protection minimally at the annual rate of 5% compounded
- At minimum, all other benefit standards defined in New York 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.



ACTIVE PARTNERSHIP POLICYHOLDERS, By County

(As Of 6-30-07)





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