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*Commissioner*



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

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# **QUARTERLY UPDATE**

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**Participating Insurers (as of the 3rd 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 3<sup>rd</sup> quarter of 2006 (July 1 – September 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.**

Beginning with January 1<sup>st</sup>, 2006, the New York State Partnership has 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 September 2006, the cumulative number of applications for the Partnership policies was **98,270**. Of the **88,233** applications which resulted in an underwriting decision, **71,511** (81%) were approved for coverage while **16,722** (19%) were denied. As of September 30, 2006, there were **54,735** 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 3<sup>rd</sup> quarter of 2006, **3,401** applications were received by the **5** participating companies. Of the **2,263** applications which resulted in an underwriting decision, **1,821** (80%) were approved for coverage while **442** (20%) were denied. During the quarter, **377** policyholders lapsed or canceled their policies, including **147** who died. Another **61** individuals chose to relinquish their policy during the free-look period.

During the 3<sup>rd</sup> quarter of 2006, **1,821** 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 **75** percent; and **90** percent were individual policies. The age of policyholders at purchase ranged from **24** to **86**, with a mean age of **60** years.

The average annual premium cost for all policyholders was **\$2,714**. 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. Forty-three (**43**) percent of policyholders selected a 100-day deductible, while **14** percent chose a deductible of 30 days or less; sixty-seven (**67**) percent selected a non-forfeiture option. Fifty (**50**) percent of the **18** 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 3 2006	Through 9/30/06
<i>Applications Received:</i>	2,701	<b>98,270</b>
<b>Applications Denied:</b>	444	16,722
<b>Applications Pending &amp; Withdrawn:</b>	N/A	10,037
<i>Policies Purchased:</i>	1,821	<b>71,511</b>
<b>Policies Dropped (voluntarily &amp; for unknown reasons*):</b>	223	7,549
<b>Policies Not Taken Up (dropped within 30 day free look period):</b>	61	6,700
<i>Total Policies In Force (active):</i>	N/A	<b>54,735</b>
<b>Policyholders Who Received Service Payments:</b>	841	1,733

*\* 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>98,270</b>
<b>APPLICATIONS PROCESSED</b>	<b>88,233</b>
APPLICATIONS APPROVED	71,511 (81%)
APPLICATIONS DENIED	16,722 (19%)
<b>ACTIVE POLICYHOLDERS<sup>b</sup></b>	<b>54,735</b>
MALE	22,356 (41%)
FEMALE	32,379 (59%)
MARRIED	39,893 (73%)
NOT MARRIED	13,240 (24%)
UNKNOWN	1,602 ( 3%)
Age	
Mean	62
Median	62
Minimum	19
Maximum	96
1st TIME PURCHASERS	52,486 (96%)
UPGRADES (Internal)	1,788 ( 3%)
REPLACEMENTS (External)	461 (<1%)
INDIVIDUAL	48,985 (90%)
GROUP	2,174 ( 4%)
ORGANIZATION-SPONSORED	3,576 ( 7%)
NYC (Metro Area) <sup>c</sup>	17,105 (31%)
UPSTATE <sup>d</sup>	37,630 (69%)
<b>POLICIES DROPPED<sup>e</sup></b>	<b>16,797</b>
Not Taken	6,700 (40%)
Died	2,473 (15%)
Other	7,624 (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 *July 1, 2006 – September 30, 2006*

<b>APPLICATIONS RECEIVED<sup>a</sup></b>	<b>3,401</b>
<b>APPLICATIONS PROCESSED</b>	<b>2,263</b>
APPLICATIONS APPROVED	1,821 (80%)
APPLICATIONS DENIED	442 (20%)
<b>ACTIVE POLICYHOLDERS<sup>b</sup></b>	<b>1,821</b>
MALE	785 (43%)
FEMALE	1,036 (57%)
MARRIED	1,370 (75%)
NOT MARRIED	355 (19%)
UNKNOWN	96 (5%)
Age	
Mean	60
Median	60
Minimum	24
Maximum	86
1st TIME PURCHASERS	1,795 (99%)
UPGRADES (Internal)	19 (1%)
REPLACEMENTS (External)	7 (<1%)
INDIVIDUAL	1,642 (90%)
GROUP	15 (1%)
ORGANIZATION-SPONSORED	164 (9%)
NYC (Metro Area) <sup>c</sup>	669 (37%)
UPSTATE <sup>d</sup>	1,152 (63%)
<b>POLICIES DROPPED<sup>e</sup></b>	<b>438</b>
Not Taken	61 (14%)
Died	147 (34%)
Other	230 (52%)
<b>POLICIES REINSTATED</b>	<b>8</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= 1,821)**

*July 1 – September 30, 2006*

**DEMOGRAPHICS**

**AGE RANGE: 21-85**

**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>
15	47	328	538	470	269	105	37	11	1
<i>(1%)</i>	<i>(3%)</i>	<i>(18%)</i>	<i>(30%)</i>	<i>(26%)</i>	<i>(15%)</i>	<i>(6%)</i>	<i>(2%)</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>	1,821	100	60
<b>POLICY CATEGORY</b>			
INDIVIDUAL	1,642	90	61
GROUP	15	<1	59
ORGANIZATION-SPONSORED	164	9	54
<b>GENDER</b>			
MALES	785	43	61
FEMALES	1,036	57	60
<b>MARITAL STATUS</b>			
NOT MARRIED	355	19	60
MARRIED	1,370	75	60
UNKNOWN	96	5	68
<b>PURCHASE TYPE</b>			
UPGRADES (Internal Replacements)	19	1	63
REPLACEMENTS (External)	7	<1	58
NEW PURCHASERS	1,795	99	60
<b>GEOGRAPHIC REGIONS</b>			
NEW YORK CITY <sup>a</sup>	224	12	61
DOWNSTATE COUNTIES <sup>b</sup>	520	29	61
UPSTATE COUNTIES <sup>c</sup>	1,077	59	60

<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= 1,821)

*July 1 – September 30, 2006*

<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	4	<1
2 years	2 years	12	1
3 years	6 years	1,657	91
4 years	4 years	99	5
4 years	8 years	5	<1
5 years	5 years	9	<1
5 years	10 years	34	2
7 years	7 years	1	<1

**ELIMINATION PERIOD**

<u>DAYS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
20	229	13
30	33	2
45	87	5
60	143	8
90	552	30
100	777	43

**WAIVER OF PREMIUM**

<u>PREMIUM WAIVED</u>	<u>POLICYHOLDERS*</u>	
	#	Pct.
Nursing Home	1,821	100
Home Care	971	53

\* 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=1,821)

*July 1 – September 30, 2006*

**POLICY FEATURES**

**NON-FORFEITURE BENEFIT**

<u>NON-FORFEITURE OPTION</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	595	33
Shortened Benefit Period	843	46
Other	383	21

**PREMIUM PAYMENT MODE**

<u>PAYMENT MODE</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
Monthly	220	12
Quarterly	333	18
Semi-Annual	148	8
Annual	1,120	62

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

<u>INFLATION STATUS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	9	50
5% Compounded	9	50

\* 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= 1,821)**

*July 1 – September 30, 2006*

**POLICY FEATURES**

**MAXIMUM NURSING HOME DAILY BENEFIT**

**RANGE:                 \$180-\$400**  
**MEAN:                 \$213**  
**MEDIAN:               \$200**

<b>MAXIMUM DAILY BENEFIT (\$)</b>	<b>POLICYHOLDERS</b>	
	<b>(#)</b>	<b>(Pct.)</b>
<b>≤ \$189*</b>	135	7
<b>\$190 - \$199</b>	437	24
<b>\$200</b>	718	39
<b>\$201 - \$249</b>	173	10
<b>\$250+</b>	358	20

**\* 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= 1,821)

*July 1 – September 30, 2006*

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

**MAXIMUM HOME CARE DAILY BENEFIT**

**RANGE:               \$95 -\$400**  
**MEAN:               \$171**  
**MEDIAN:            \$190**

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$95*	223	12
\$100 - \$124	329	18
\$125 - \$149	85	5
\$150 - \$199	441	24
\$200+	743	41

\* 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	676	37
50%< Nursing Home Benefit <100%	107	6
100% Nursing Home Benefit	1,038	57

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE  
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS  
(N= 1,821)**

*July 1 – September 30, 2006*

**AVERAGE (MEAN) POLICY PREMIUMS**

AGE RANGE	POLICY TYPE							
	ALL	#	BASIC	#	OPTIONAL	#	BASIC+	#
ALL AGE	\$2,714	1,821	\$1,921	4	\$2,713	1807	\$3,256	10
<40	\$1,315	25	-	-	\$1,314	25	-	-
40-44	\$1,849	30	-	-	\$1,849	30	-	-
45-49	\$1,984	67	-	-	\$1,996	65	\$1,620	2
50-54	\$1,932	211	-	-	\$1,931	210	\$2,173	1
55-59	\$2,038	472	-	-	\$2,033	470	\$3,070	2
60-64	\$2,495	512	\$1,921	4	\$2,489	504	\$3,780	4
65-69	\$3,229	296	-	-	\$3,229	296	-	-
70-74	\$4,423	144	-	-	\$4,413	143	\$5,887	1
75-79	\$7,126	46	-	-	\$7,126	46	-	-
80+	\$8,506	18	-	-	\$8,506	18	-	-

**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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