

Richard F. Daines, M.D.
Commissioner



The New York State Partnership for Long-Term Care

QUARTERLY UPDATE

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Prepared by:
Adrianna Takada, Ph.D., Patrick Breen,
Amanda Sowle

Participating Insurers (as of the 4th 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 4th quarter of 2006 (October 1 – December 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 January 1st, 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 December 2006, the cumulative number of applications for the Partnership policies was **101,671**. Of the **90,954** applications which resulted in an underwriting decision, **73,790** (81%) were approved for coverage while **17,164** (19%) were denied. As of December 31, 2006, there were **56,765** 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 4th quarter of 2006, **3,401** applications were received by the **5** participating companies. Of the **2,721** applications which resulted in an underwriting decision, **2,279** (84%) were approved for coverage while **442** (16%) were denied. During the quarter, **236** policyholders lapsed or canceled their policies, including **105** who died. Another **26** individuals chose to relinquish their policy during the free-look period.

During the 4th quarter of 2006, **2,279** 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 **95** percent were individual policies. The age of policyholders at purchase ranged from **26** to **86**, with a mean age of **60** years.

The average annual premium cost for all policyholders was **\$2,644**. Only **3** 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-one (**41**) percent of policyholders selected a 100-day deductible, while **14** percent chose a deductible of 30 days or less; sixty-two (**62**) percent selected a non-forfeiture option. Sixty-three (**63**) percent of the **27** 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 4 2006	Through 12/31/06
<i>Applications Received:</i>	3,401	101,671
Applications Denied:	442	17,164
Applications Pending & Withdrawn:	N/A	10,717
<i>Policies Purchased:</i>	2,279	73,790
Policies Dropped (voluntarily & for unknown reasons*):	128	7,677
Policies Not Taken Up (dropped within 30 day free look period):	26	6,726
<i>Total Policies In Force (active):</i>	N/A	56,765
Policyholders Who Received Service Payments:	705	1,858

**** 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	101,671
APPLICATIONS PROCESSED	90,954
APPLICATIONS APPROVED	73,790 (81%)
APPLICATIONS DENIED	17,164 (19%)
ACTIVE POLICYHOLDERS^b	56,765
MALE	23,221 (41%)
FEMALE	33,544 (59%)
MARRIED	41,460 (73%)
NOT MARRIED	13,572 (24%)
UNKNOWN	1,733 (3%)
Age	
Mean	62
Median	62
Minimum	19
Maximum	96
1st TIME PURCHASERS	54,496 (96%)
UPGRADES (Internal)	1,794 (3%)
REPLACEMENTS (External)	475 (1%)
INDIVIDUAL	50,912 (90%)
GROUP	2,218 (4%)
ORGANIZATION-SPONSORED	3,635 (6%)
NYC (Metro Area) ^c	17,907 (32%)
UPSTATE ^d	38,858 (69%)
POLICIES DROPPED^e	17,058
Not Taken	6,726 (39%)
Died	2,577 (15%)
Other	7,755 (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 *October 1, 2006 –December 31, 2006*

APPLICATIONS RECEIVED^a	3,401
APPLICATIONS PROCESSED	2,721
APPLICATIONS APPROVED	2,279 (84%)
APPLICATIONS DENIED	442 (16%)
ACTIVE POLICYHOLDERS^b	2,279
MALE	973 (43%)
FEMALE	1,306 (57%)
MARRIED	1,710 (75%)
NOT MARRIED	434 (19%)
UNKNOWN	135 (6%)
Age	
Mean	60
Median	60
Minimum	26
Maximum	86
1st TIME PURCHASERS	2,247 (99%)
UPGRADES (Internal)	17 (1%)
REPLACEMENTS (External)	15 (1%)
INDIVIDUAL	2,158 (95%)
GROUP	48 (2%)
ORGANIZATION-SPONSORED	73 (3%)
NYC (Metro Area) ^c	899 (39%)
UPSTATE ^d	1,380 (61%)
POLICIES DROPPED^e	262
Not Taken	26 (10%)
Died	105 (40%)
Other	131 (50%)
POLICIES REINSTATED	13

^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= 2,279)**

October 1 – December 31, 2006

DEMOGRAPHICS

AGE RANGE: 26-86

AGE DISTRIBUTION

<=35	36-45	46-55	56-60	61-65	66-70	71-75	76-80	81-85	86+
12	51	484	661	626	300	82	46	16	1
<i>(1%)</i>	<i>(2%)</i>	<i>(21%)</i>	<i>(29%)</i>	<i>(28%)</i>	<i>(13%)</i>	<i>(4%)</i>	<i>(2%)</i>	<i>(1%)</i>	<i>(<1%)</i>

<u>DEMOGRAPHIC CATEGORY</u>	<u>COMPOSITION</u>		<u>MEAN AGE</u>
	#	Pct.	
ALL POLICYHOLDERS	2,279	100	60
POLICY CATEGORY			
INDIVIDUAL	2,158	95	60
GROUP	48	2	56
ORGANIZATION-SPONSORED	73	3	57
GENDER			
MALES	973	43	60
FEMALES	1,306	57	60
MARITAL STATUS			
NOT MARRIED	434	19	60
MARRIED	1,710	75	60
UNKNOWN	135	5	64
PURCHASE TYPE			
UPGRADES (Internal Replacements)	17	1	64
REPLACEMENTS (External)	15	1	57
NEW PURCHASERS	2,247	99	60
GEOGRAPHIC REGIONS			
NEW YORK CITY ^a	320	14	59
DOWNSTATE COUNTIES ^b	657	29	60
UPSTATE COUNTIES ^c	1,302	57	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= 2,279)

October 1 – December 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	15	1
2 years	2 years	2	<1
3 years	6 years	2,141	94
4 years	4 years	109	5
5 years	5 years	11	1
7 years	7 years	1	<1

ELIMINATION PERIOD

<u>DAYS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
20	269	12
30	40	2
45	52	2
60	173	8
90	805	35
100	940	41

WAIVER OF PREMIUM

<u>PREMIUM WAIVED</u>	<u>POLICYHOLDERS*</u>	
	#	Pct.
Nursing Home	2,279	100
Home Care	1,194	52

* 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=2,279)

October 1 – December 31, 2006

POLICY FEATURES

NON-FORFEITURE BENEFIT

<u>NON-FORFEITURE OPTION</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	862	38
Shortened Benefit Period	1,091	48
Other	326	14

PREMIUM PAYMENT MODE

<u>PAYMENT MODE</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
Monthly	231	10
Quarterly	428	19
Semi-Annual	157	7
Annual	1,463	64

INFLATION PROTECTION STATUS FOR AGE 80 AND OVER*

<u>INFLATION STATUS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	10	37
5% Compounded	17	63

* 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= 2,279)

October 1 – December 31, 2006

POLICY FEATURES

MAXIMUM NURSING HOME DAILY BENEFIT

RANGE: \$122-\$400
MEAN: \$215
MEDIAN: \$200

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$189*	156	7
\$190 - \$199	562	25
\$200	872	38
\$201 - \$249	197	9
\$250+	492	22

* 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= 2,279)

October 1 – December 31, 2006

POLICY FEATURES

MAXIMUM HOME CARE DAILY BENEFIT

RANGE: \$61 -\$400
MEAN: \$178
MEDIAN: \$190

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS	
	(#)	(Pct.)
≤ \$95*	288	13
\$100 - \$124	300	13
\$125 - \$149	114	5
\$150 - \$199	515	23
\$200+	1,062	47

* 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	750	33
50%< Nursing Home Benefit <100%	83	4
100% Nursing Home Benefit	1,446	64

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**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
SUMMARY STATISTICS OF APPROVED POLICYHOLDERS
(N= 2,279)**

October 1 – December 31, 2006

AVERAGE (MEAN) POLICY PREMIUMS

AGE RANGE	POLICY TYPE							
	ALL	#	BASIC	#	OPTIONAL	#	BASIC+	#
ALL AGE	\$2,644	2,279	\$2,015	2	\$2,632	2,265	\$5,110	12
<40	\$1,211	25	-	-	\$1,211	25	-	-
40-44	\$1,565	33	-	-	\$1,565	33	-	-
45-49	\$1,918	88	-	-	\$1,918	88	-	-
50-54	\$2,052	308	-	-	\$2,042	305	\$3,063	3
55-59	\$2,078	571	\$1,151	1	\$2,057	565	\$4,634	5
60-64	\$2,505	682	-	-	\$2,500	680	\$4,045	2
65-69	\$3,171	393	\$2,878	1	\$3,167	391	\$5,018	1
70-74	\$4,369	105	-	-	\$4,369	105	-	-
75-79	\$6,739	47	-	-	\$6,739	47	-	-
80+	\$8,414	27	-	-	\$8,128	26	\$15,849	1

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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