



**STATE OF NEW YORK
DEPARTMENT OF HEALTH**

Office of Continuing Care 161 Delaware Avenue Delmar, New York 12054-1393

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The New York State Partnership for Long Term Care

QUARTERLY UPDATE

Volume 8 Number 4 October 1, 2000 – December 31, 2000

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Participating Insurers:

**American Progressive
CNA Insurance Companies
Conseco Life Insurance Co of NY
First Fortis Insurance Company
G. E. Capital Life Assurance Co of NY
John Hancock Life Insurance
Massachusetts Mutual Life Insurance**

**MedAmerica Insurance Co. of NY
Metropolitan Life Insurance
Mutual of Omaha
New York Life Insurance
The Prudential
Teachers Insurance and Annuity Assoc
The Travelers 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. Thirteen insurance companies are currently approved to sell Partnership policies, which includes three group offerings. 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 2000 (October 1 – December 31). Fourteen insurance companies marketed Partnership policies during this quarter: **American Progressive Life & Health Insurance Company of N.Y., Conseco Life Insurance Company, CNA Insurance Companies, MedAmerica Insurance Company of New York, First Fortis Insurance Company, GE Capital Life Assurance Company of NY, John Hancock Life Insurance Company, Metropolitan Life Insurance Company, Mutual of Omaha Insurance Company, New York Life Insurance Company, Prudential Insurance Company, Teachers Insurance and Annuity Association, The Travelers Insurance Company, and Massachusetts Mutual Life Insurance Company.**

From April 1993 through December 2000, the cumulative number of applications for the Partnership policies was **51,654**. Of the **46,143** applications which resulted in an underwriting decision **38,043** (82%) were approved for coverage while **8,100** (18%) were denied. As of December 31, 2000, there were **30,154** active Partnership policyholders. The majority of these policyholders were female (60%) and married (71%); their mean age was **65** years; they tended to be first-time purchasers of LTC insurance (94%); they purchased individual policies (92%).

During the 4th quarter of 2000, **2,022** applications were received by the 14 participating companies. Of the **2,022** applications which resulted in an underwriting decision, **1,473** (76%) were approved for coverage while **465** (24%) were denied. During the quarter, **181** policyholders lapsed or canceled their policies, including **28** who died. Another **118** individuals chose to relinquish their policy during the free-look period.

During the reporting quarter, **1,473** 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 **60** percent; married persons comprised **73** percent; and **94** percent were individual policies. The age of policyholders at purchase ranged from **36** to **86**, with a mean age of **63** years.

The average annual premium cost for all policyholders was **\$2,208**. Only **11.6** percent of all policies sold contained minimum daily benefit amounts, while packages as high as **\$300/day** for both nursing home and home care were also purchased. Seventy-six (76) percent of policyholders selected a 100-day deductible, while **21** percent chose a deductible of 30 days or less; only **14%** selected a non-forfeiture option. Thirty (30) percent of the **43** policyholders who were 80 years of age or older at the time of purchase elected to buy optional inflation protection.

NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE

SUMMARY CUMULATIVE STATISTICS ON PARTNERSHIP ACTIVITY SINCE APRIL 1993

APPLICATIONS RECEIVED^a	51,654
APPLICATIONS PROCESSED	46,143
APPLICATIONS APPROVED	38,043 (82%)
APPLICATIONS DENIED	8,100 (18%)
ACTIVE POLICYHOLDERS^b	30,154
MALE	12,197 (40%)
FEMALE	17,957 (60%)
MARRIED	21,296 (71%)
NOT MARRIED	7,899 (26%)
UNKNOWN	959 (3%)
AGE	65 (Mean) 65 (Median) 19 (Minimum) 93 (Maximum)
1st TIME PURCHASERS	28,281 (94%)
UPGRADES (Internal)	1,575 (5%)
REPLACEMENTS (External)	296 (1%)
INDIVIDUAL	27,531 (92%)
GROUP	1,072 (4%)
ORG. SPONSORED	1,551 (5%)
NYC (Metro Area)^c	7,844 (26%)
UPSTATE^d	22,310 (74%)
POLICIES DROPPED^e	7,909 4,039 Not Taken 372 Died 3,498 Other

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 QUARTER *OCTOBER 1 TO DECEMBER 31, 2000*

APPLICATIONS RECEIVED^a	2,022
APPLICATIONS PROCESSED^b	1,938
APPLICATIONS APPROVED	1,473 (76%)
APPLICATIONS DENIED	465 (24%)
APPROVED POLICYHOLDERS	1,473
MALE	594 (40%)
FEMALE	879 (60%)
MARRIED	1,073 (73%)
NOT MARRIED	340 (23%)
UNKNOWN	60 (4%)
AGE	63 (Mean) 63 (Median) 36 (Minimum) 86 (Maximum)
1st TIME PURCHASERS	1,449 (98%)
UPGRADES (Internal)	15 (1%)
REPLACEMENTS (External)	9 (1%)
INDIVIDUAL	1,388 (94%)
GROUP	14 (1%)
ORG. SPONSORED	71 (5%)
NYC (Metro Area)^c	306 (21%)
UPSTATE^d	1,167 (79%)
POLICIES DROPPED^e	299
	118 Not Taken
	28 Died
	153 Other
POLICIES REINSTATED	14

^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
QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS (N=1,473)**

October 1 TO December 31, 2000

DEMOGRAPHICS

AGE RANGE: 36-86

AGE DISTRIBUTION

<=35	36-45	46-55	56-60	61-65	66-70	71-75	76-80	81-85	86+
0 (0%)	18 (1%)	184 (13%)	336 (23%)	414 (28%)	287 (20%)	141 (10%)	69 (5%)	23 (2%)	1 (<1%)

<u>DEMOGRAPHIC CATEGORY</u>	<u>COMPOSITION</u>		<u>MEAN AGE</u>
	#	Pct.	
ALL POLICYHOLDERS	1,473	100	63
POLICY CATEGORY			
INDIVIDUAL	1,388	94	63
GROUP	14	1	58
ORGANIZATION-SPONSORED	71	5	62
GENDER			
MALES	594	40	63
FEMALES	879	60	63
MARITAL STATUS			
NOT MARRIED	340	23	66
MARRIED	1,073	73	62
UNKNOWN	60	4	69
PURCHASE TYPE			
UPGRADES (Internal Replacements)	15	1	66
REPLACEMENTS (External)	9	1	63
NEW PURCHASERS	1,449	98	63
GEOGRAPHIC REGIONS^a			
NEW YORK CITY ^b	71	5	65
DOWNSTATE COUNTIES ^c	248	17	64
UPSTATE COUNTIES ^d	1,152	78	63

a Excludes non-New York residents

b The five boroughs of New York

c Metropolitan PMSA counties: Nassau, Putnam, Rockland, Suffolk, and Westchester.

d All other counties in New York State.

➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP
FOR LONG TERM CARE**

QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS (N=1,473)

OCTOBER 1 TO DECEMBER 31, 2000

POLICY FEATURES

MAXIMUM LENGTH OF NURSING HOME AND HOME CARE COVERAGE

<u>NURSING HOME</u>	<u>HOME CARE</u>	<u>POLICYHOLDERS</u>	
		#	Pct.
3 years	6 years	1,434	98
5 years	6.67 years	9	1
	10 years	17	1
6 years	6 years	5	<1
	8 years	2	<1
	12 years	1	<1
Lifetime	Lifetime	5	<1

ELIMINATION PERIOD

<u>DAYS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
0	35	2
20	193	13
30	83	6
60	40	3
90	3	<1
100	1,119	76

WAIVER OF PREMIUM

<u>PREMIUM WAIVED</u>	<u>POLICYHOLDERS*</u>	
	#	Pct.
Nursing Home	1,473	100
Home Care	743	54

* Not mutually exclusive

> Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP
FOR LONG TERM CARE**

QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS (N=1,473)

OCTOBER 1 TO DECEMBER 31, 2000

POLICY FEATURES

NON-FORFEITURE BENEFIT

<u>NON-FORFEITURE OPTION</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	1,270	86
Shortened Benefit Period	203	14

PREMIUM PAYMENT MODE

<u>PAYMENT MODE</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
Monthly	253	17
Quarterly	179	12
Semi-Annual	106	7
Annual	935	64

INFLATION PROTECTION STATUS FOR AGE 80 AND OVER*

<u>INFLATION STATUS</u>	<u>POLICYHOLDERS</u>	
	#	Pct.
None	30	70
5% Compounded	13	30

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

> Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP
FOR LONG TERM CARE**

QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS (N=1,473)

OCTOBER 1 TO DECEMBER 31, 2000

POLICY FEATURES

MAXIMUM NURSING HOME DAILY BENEFIT

RANGE: \$134-\$300
MEAN: \$171
MEDIAN: \$160

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS (#)	(Pct.)
≤ \$141*	225	15
\$142 - \$149	12	1
\$150 - \$159	466	32
\$160 - \$169	89	6
\$170 - \$179	107	7
\$180 - \$189	166	11
\$190 - \$199	22	2
\$200	296	20
\$201 - \$249	30	2
\$250+	60	4

*** New York State Partnership for Long Term Care requires a minimum Nursing Home Daily Benefit Amount of \$141 in 2000. This report also includes policies issued prior to 2000.**

> Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP
FOR LONG TERM CARE**

QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS (N=1,473)

OCTOBER 1 TO DECEMBER 31, 2000

POLICY FEATURES

MAXIMUM HOME CARE DAILY BENEFIT

RANGE:	\$65-\$300
MEAN:	\$99
MEDIAN:	\$90

MAXIMUM DAILY BENEFIT (\$)	POLICYHOLDERS (#)	(Pct.)
≤ \$70*	182	12
\$71 - \$79	374	25
\$80 - \$89	156	11
\$90 - \$99	145	10
\$100 - \$124	330	22
\$125 - \$149	99	7
\$150 - \$199	144	10
\$200+	43	3

* New York State Partnership for Long Term Care requires a minimum Home Care Daily Benefit Amount of \$70 in 2000. This report also includes policies issued prior to 2000.
 ➤ Due to rounding, percents may not equal 100.

**NEW YORK STATE PARTNERSHIP FOR LONG TERM CARE
QUARTERLY STATISTICS OF APPROVED POLICYHOLDERS (N=1,473)**

OCTOBER 1 TO DECEMBER 31, 2000

AVERAGE (MEAN) POLICY PREMIUMS

AGE RANGE	POLICY TYPE							
	ALL	#	BASIC	#	OPTIONAL	#	BASIC+	#
ALL AGE	\$2,208	1,473	\$2,009	125	\$2,231	1,309	\$2,095	39
<40	\$615	2	\$754	1	\$475	1	-	-
40 - 44	\$763	13	\$713	1	\$767	12	-	-
45 - 49	\$1,016	28	\$854	3	\$1,005	23	\$1,392	2
50 - 54	\$1,182	123	\$845	11	\$1,182	101	\$1,519	11
55 - 59	\$1,408	305	\$1,044	18	\$1,405	274	\$1,975	13
60 - 64	\$1,740	390	\$1,366	24	\$1,750	357	\$2,368	9
65 - 69	\$2,373	335	\$1,809	30	\$2,422	302	\$3,064	3
70 - 74	\$3,335	171	\$2,770	19	\$3,405	152	-	-
75 - 79	\$5,277	63	\$4,161	11	\$5,513	52	-	-
80 +	\$6,103	43	\$4,791	7	\$6,368	35	\$6,030	1

BASIC: Basic policy includes the following policy features:

- 1) 3 years of nursing home care (\$141 daily benefit for 2000);
- 2) 6 years of home care (\$70 daily benefit for 2000);
- 3) inflation protection at the annual rate of 5% compounded;
- 4) 100 day elimination period;
- 5) no non-forfeiture benefit; and
- 6) all other benefit standards defined in New York State Insurance Department Regulation No. 144 (11 NYCRR 39). Enriched benefit coverage may be provided if there is no or minimal (2% or less) premium impact from the premium cost without such enriched benefits.

OPTIONAL: Optional policy includes the following policy features:

- 1) 3 years of nursing home (minimally \$141 DBA for 2000);
- 2) 6 years of home care (minimally \$70 for 2000);
- 3) inflation protection minimally at the annual rate of 5% compounded;
- 4) up to 100 day elimination period; and
- 5) at minimum, all other benefit standards defined in New York Insurance Department Regulation No. 144 (11 NYCRR 39).

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



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