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## Medicaid Spotlight

The Medicaid Spotlight is a new feature article in the Partnership Press Newsletters.

This section will contain Medicaid definitions, changes, tips and hot topics

If you want a specific Medicaid issue addressed or a definition clarified, e-mail your request to [www.nyspltc.org](http://www.nyspltc.org).

All suggestions will be considered.

## Washington Update on LTC-2002 In Review

by Sam Morgante, GE

2002 has been a busy year in Washington for Long Term Care (LTC) Insurance activity. Early in the year, LTC was the subject of a series of hearings by the Senate Special Committee on Aging. One of those hearings in February targeted specifically the aspect of women and LTC needs.

The private insurance industry focused its lobbying activity in support of legislation (S627/HR831) which would create an above-the-line tax incentive for purchases of qualified LTC insurance. The tax clarification provided under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) provided only a minimal incentive for LTC Insur-

ance purchasers.

In May, supported by the two major Washington-based insurance trade associations, the American Council of Life Insurers (ACLI) and the Health Insurance Association of America (HIAA), private insurers joined with care givers for a Mother's Day rally and full day of lobbying activity on Capitol Hill in support of LTC tax incentive legislation.

In July, the House of Representatives passed legislation (HR 4946) that would phase in a modest federal tax deduction for the purchase of LTC insurance. Although the bill only provided for a limited tax incentive, it was regarded as a first step in creating an effective

tax policy to expand private LTC insurance coverage. The bill was not acted upon in the Senate.

Another development this past year in Washington directing attention to LTC has been the initial offering of a LTC insurance plan for federal employees.

### Outlook for 2003

With the 108<sup>th</sup> Congress convening in January, LTC insurance issues will likely pick up where they left off in 2002. Policymakers in Washington understand the significant impact of the aging baby-boom generation and the need for boomers to plan for their own retirement needs.

## Medicaid Spotlight

The Medicaid Spotlight will briefly cover one Medicaid topic each issue. In this edition we will define: **Assisted Living Program (ALP)**

The Assisted Living Program provides:

- Residential Care
- Room and Board
- Housekeeping
- Personal Care
- Supervision
- Arranges for Home health services

**Residential services** i.e. room and board, in an ALP are not covered by Medicaid, however, **home care services** i.e. home health services, provided in an ALP are covered.

## Director's Corner

As Director of the NYS Partnership program, I am excited to announce the development of a Continuing Education (CE) credit agent training curriculum. This curriculum is being made available in the traditional classroom style. In addition we are in the process of obtaining approval to award CE credits for the successful completion of the E-learning training that we highlighted in the last edition..

Additionally, I am delighted to welcome a new staff person to the Partnership family. This individual will work specifically on the agent training component. I feel it is imperative for agents to have a comprehensive understanding of the direct relationship between Medicaid eligibility and the Partnership program. Therefore, a large portion of the curriculum will be dedicated to interpreting the puzzle of Medicaid Extended Coverage. The goal is to have the training available in early Spring 2003. Stay tuned for updates.

Robert L. Borrelli

# The Best of Both for a Suitable Partnership Sale

by Austin Rinella, NYS Dept. of Insurance

As insurance agents and consumers educate themselves for selling and purchasing NYS Partnership for Long Term Care (LTC) insurance products (NYS Partnership products), emphasis is often placed upon what must be learned about Partnership benefits. The Partnership web site ([www.nyspltc.org](http://www.nyspltc.org)) is an excellent resource for discovering the minimum benefits of a basic NYS Partnership product. What one might overlook, however, are the general requirements for all NYS LTC insurance products. An agent or consumer familiar with the general NYS LTC insurance market may already know a great deal of information which also applies to NYS Partnership products.

We stress that the NYS Partnership product must be found suitable for a prospective insured. The Partnership "Consumer Booklet" is a good reference guide for learning how to make that determination. Once the NYS Partnership product is found suitable for a prospective insured, the agent or consumer can apply much information from the general NYS LTC insurance market.

NYS Insurance Department (SID) regulations contain many consumer protections for any LTC insurance product subject to SID regulations. Here are some examples. Once standard coverage is issued, conditions for which medical advice was given or treatment recommended by or received from a licensed health care provider within six months before coverage became effective are the only pre-existing conditions able to be excluded from coverage. They are only able to be excluded for up to six months after the coverage effective date. Mental or nervous disorders under standard coverage may be excluded from coverage or may have more limited coverage, but Alzheimer's disease and demonstrable organic brain disease must be covered. Coverage must be provided anywhere within the territorial limits of the United States and its possessions.

For any LTC insurance product subject to SID regulations, benefits must be extended as defined in regulation when the insurance terminates and there is total disability or benefit eligibility at time of termination. When a dependent such as a spouse is covered, the dependent has the right to convert to his/her own policy or continue group coverage upon the occurrence of certain defined regulatory events (e.g.-divorce or annulment) for a LTC insurance product subject to SID regulations. For any group LTC insurance product subject to SID regulations, the policy or certificate must provide the insured with the right to elect to continue or convert coverage under the group policy or certificate in certain situations. Three of those situations are termination of employment or termination of membership in the group or termination of the group policy or certificate. Where SID regulations apply to a LTC insurance product, certain disclosure statements summarizing coverage must be provided to applicants or insureds, and a conditional receipt or interim insurance agreement must be issued to an applicant who pays premium for an individual product at application time to safeguard the applicant's rights from the time premium is taken by an agent until an underwriting decision is made by the insurer.

Knowledge of an agent or consumer pertaining to any LTC insurance product which is tax qualified (TQ) under federal law can also be applied to TQ NYS Partnership products. The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) required consumer protections for TQ LTC insurance products many of which were already required by SID regulations. A HIPAA provision applicable to all TQ LTC insurance products, including TQ NYS Partnership products, requires that the issuer of a TQ LTC insurance policy disclose in the policy that the coverage is intended to be a qualified LTC insurance contract under Section 7702B(b) of the Internal Revenue Code.

Space does not permit an exhaustive listing of all the general requirements for all NYS LTC insurance products which apply equally to the NYS Partnership products. This article should not be used as a substitute for consulting applicable NYS and federal laws and regulations for NYS LTC insurance products. However, an agent or consumer should know that knowledge obtained about general requirements for all NYS LTC insurance products can often be applied to NYS Partnership products. If the NYS Partnership product is suitable for an insured, that insured has the protections of the general NYS LTC insurance product AND the protections of the NYS Partnership product as well.

# NYPERL UPDATE



To date, the number of Partnership certificates issued under the New York State Public Employee and Retiree Long Term Care Insurance Plan (NYPERL) is 837.

The majority (99%) of the certificate holders resided in New York at the time of purchase.

Seven certificate holders lived in 5 other states: CT; FL; MA; NJ; and PA. A little over two-thirds (68%) were married.

The age of certificate holders ranged from 30 to 83, with a mean age of 54 years. Forty-two percent of the nursing home daily benefits pur-

chased were at the \$180 level, 35% at the \$155 level, and 22% at the \$250 level. Of the certificates issued, 794 remain in force, as 43 certificates were dropped during the 30-day free look period.

**Partnership Training for Local DSS Medicaid Staff**

## Partnership Training

Staff from the NYS Partnership Program participated in the Department of Social Service (DSS) regional meetings. The two day training addressed various topics requested by the Counties.

The meetings was held in seven sites across the state. Over 500 DSS staff attended

the Partnership sessions. The training gave an overview of the Program, from how to purchase the Partnership policy through the Medicaid Extended Coverage process. A question and answer segment followed.

Consumer information packets were given to all attendees for

use as a reference, in planning their own financial needs.

The Partnership staff assured DSS staff they will assist in any way to expedite the Medicaid Extended Coverage applications.

**Complete Report available On The Partnership Website**

## Quarterly Report Summary

Listed below are some highlights from the fourth quarter report of 2001, ending December 31st.

- There were 33,141 active policies as of December 2001.
- Applications received totaled 1,344. Of those 1,065 policyholders were approved.
- The average annual premium cost for all policyholders in this quarter was \$2,364.
- Two hundred and fifty policyholders received benefits in this quarter.

The complete report is available at the NYS Partnership website ([www.nyspltc.org](http://www.nyspltc.org)).

## 2003 Medicaid Income Levels

The amounts listed below are the 2003 Medicaid net monthly income levels for home and community-based care.

**MA Income level for 1 = 642**  
**MA Income level for 2 = 934**  
**Congregate Care Level II (Assisted Living) = 957 + 124**

In addition to the income levels for home and community-based care, Medicaid allows a nursing home resident to keep **\$50** a month (\$600 a year) of income, whereas an at-home spouse of the nursing home resident can keep at least **\$2,267** a month (\$27,204 a year) of income.

If the in-home spouse's income is less than \$2,267 a month, an amount will be subtracted from the nursing home spouse's income in order to provide this amount.

If the community spouse's income is greater than \$2,267 a month, then Medicaid requests that she / he contribute 25% of the amount over \$2,267 toward the cost of his / her spouse's care.