



Quarterly UPDATE
Connecticut Partnership for Long-Term Care
July - September 2019



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I. PARTNERSHIP LOWER INFLATION PROTECTION MINIMUM

As originally reported in the April 2019 *Quarterly Update*, in March 2019, the Insurance Department's regulation governing the approval of Connecticut Partnership for Long-Term Care policies was revised to reduce the minimum inflation protection requirement from 3.5% compounded to **3.0% compounded**.

Transamerica Life has recently received approval of their rates for the 3% compound inflation protection option for their Partnership policies. Contact Transamerica Life directly to find out when the 3% compound option will be available to the public. The other Partnership carriers are currently considering adding the 3% compound option as well.

II. PARTNERSHIP PUBLIC FORUMS



Don't miss out on the following opportunities to educate your clients and prospects about long-term care insurance. These events provide basic information about long-term care and what features to look for in long-term care insurance. A description of the Partnership's enhanced standards, including Medicaid Asset Protection, is also provided.

- **October 1st - HAMDEN**
Keefe Community Center
- **October 9th – NORWALK**
Norwalk Public Library

Forums run from 6:00 P.M. to 8:00 P.M. and are free to the public. *Please remember, no sales materials or solicitations are allowed at these events.*

To register yourself and/or your clients, call the Partnership's Consumer Information Service at **(800) 547-3443** or you can register online at <https://portal.ct.gov/OPM/PDPD-HHS-Long-Term-Care/Consumer/Partnership-Consumer-Public-Forums>.

III. PARTNERSHIP EXPANSION & RECIPROCITY



There are now 41 new states that have implemented Partnership for Long-Term Care programs. Along with the four original Partnership states (California, Connecticut, Indiana and New York) this brings the total number of Partnership states to 45.

All of the Partnership states, with the one exception of California, are members of the National Reciprocity Compact (Compact).

The Deficit Reduction Act (DRA) of 2005 removed restrictions that had been in place since 1993 on new states who wished to develop Partnership for Long-Term Care programs. With these restrictions lifted, the DRA set the stage for Partnerships to expand to new states.

Only Alaska, Hawaii, Massachusetts, Mississippi and Vermont do not have Partnership programs.

As reported in previous *Quarterly Updates*, on March 27, 2009, Connecticut received approval from the federal government to join the Compact for the granting of Medicaid Asset Protection for states with Partnership programs. The approval was retroactive to January 1, 2009.

However, all Connecticut Partnership policyholders are covered under the Compact, regardless of when they purchased their Partnership policy.

Under the terms of the Compact, Connecticut Partnership policyholders who relocate to another state may be eligible to receive dollar-for-dollar Medicaid Asset Protection just as they would when they apply to Connecticut's Medicaid program. Two conditions must be met for a policyholder to be eligible for reciprocity in another state: (1) the policyholder must apply to and qualify under the other state's Medicaid program; and (2) at the time the policyholder applies to the other state's Medicaid program, Connecticut and the other state must be members of the Compact or Connecticut must have a separate reciprocal agreement with that state for the granting of Medicaid Asset Protection.

The Compact requires that any state participating in the Compact must agree to engage in reciprocity with every other state in the Compact for the purpose of granting dollar-for-dollar Medicaid Asset Protection. This means participating states must recognize Medicaid Asset Protection earned by a Partnership policyholder from any other participating state, regardless of when an individual's Partnership policy was purchased. The Partnership has recently confirmed that all participating states, with the exception of New Hampshire, are abiding by the federal rules for the Compact. New Hampshire has developed their own reciprocity rules that can result in limiting the ability of Partnership policyholders from other states to have their Medicaid Asset Protection recognized in New Hampshire. Connecticut, along with several other states, is working with New Hampshire to try and correct this problem.

As noted above, all of the new Partnership states are part of the Compact. Of the four original Partnership states (CA, CT, IN & NY), Connecticut, Indiana and New York have joined the Compact. California has indicated that, at this time, they do not plan to apply to join the Compact. In addition, states can opt out of the Compact by giving the federal government 60 days notice they are opting out.

In addition, the original reciprocity agreement between Connecticut and Indiana remains in effect.

For a list of states currently participating in the Compact, go to the following website - <https://nyspltc.health.ny.gov/reciprocitymap.htm> or call the Connecticut Partnership at 860-418-6318.

For more information for yourself, as well as for your clients, the Partnership has developed a handout on the Compact which includes a Frequently Asked Questions section. The handout can be accessed through the Partnership website at the following link:

http://www.ct.gov/opm/lib/opm/hhs/ltc/partnership_reciprocity_compact.pdf

IV. PARTNERSHIP SAVES MEDICAID MILLIONS

Since the Partnership's inception in 1992, the Partnership estimates it has saved Connecticut's Medicaid program over \$38 million in long-term care costs. This estimate is based on survey responses of Partnership policyholders and actual claim data. These savings will continue to increase as more Partnership policyholders utilize their benefits.

As of the quarter ending December 31, 2018, over **60,000** Partnership policies have been sold with over **72,800** Partnership applications submitted to date. 97% of purchasers are under the age of seventy and 61% are under the age of 60. The average age at time of purchase is 57 and the average maximum benefit purchased is \$259,501. More than **\$440 million** in Medicaid Asset Protection had been earned as of 12/31/18 by Partnership policyholders receiving benefits under their policies. Over **\$132 million** of the Medicaid Asset Protection that has been earned will never be utilized since the policyholders died before applying to Medicaid.

IV. RATE INCREASE ACTIVITY



BRIGHTHOUSE:

In April 2019, Brighthouse requested an average 37.5% rate increase for an older Partnership policy. **In June 2019, this request was approved in full by the Insurance Department.**

METLIFE:

In February 2019, MetLife requested an average 77.8% rate increase for some older Partnership and non-Partnership policies. **In April 2019, the Insurance Department disapproved this request but approved a range of increases from 0% to 46.98%, depending on the policy.**

PRUDENTIAL:

In June 2019, Prudential requested an average 105.2% rate increase for some older Partnership and non-Partnership policies. **This request is under review by the Insurance Department.**

TRANSAMERICA LIFE:

In April 2019, Transamerica Life requested an average 44.37% rate increase for some older Partnership and non-Partnership policies. **In June 2019, the Insurance Department disapproved this request but approved an increase of 10%.**

At the time of publication of this Update, there are no other rate increase requests under review by the Insurance Department for Partnership policies.

The Insurance Department's website - <https://www.catalog.state.ct.us/cid/portalApps/LongTermCareFiling.aspx> - includes a listing of long-term care insurance rate increase requests. For rate increase filings where the Insurance Department has made a final decision there will be a selection for the "Disposition" which is the Insurance Department's write-up of their decision. In the Disposition you can find out what increase was approved for a particular policy form since a filing will usually include several different policy forms. You can also sign up on the website for "e-alerts" so you will receive an e-mail whenever a new rate increase request is filed and also when the Insurance Department makes a decision about a rate increase filing.

VI. PARTNERSHIP PRODUCER TRAINING

In an effort to make the classroom portion of the Partnership Producer Training more affordable and accessible as a refresher course for those producers who have already been certified to sell Partnership-approved policies, **the attendance fee for those producers who are already Partnership certified has been reduced from \$150 to \$50**. In addition, **producers who are already certified to sell Partnership policies do not have to take the prerequisite online course in order to attend the four hour classroom training.**

Please note that agents who have not yet been certified must first complete the prerequisite online course in order to attend the classroom course and the fee for the classroom course remains \$150.

Significant changes to the Partnership program have been implemented in the last few years, such as the lowering of the minimum inflation protection requirement from 3.5% compound to 3% compound. The Partnership training provides an excellent opportunity for producers who have already been certified, especially those who attended the Partnership class many years ago, to receive a refresher course on the Partnership and recent changes. **The class also provides 4 Life and Health CE credits (for CT producers only).**

To register for one of our classroom courses, and for more information on the training class, please call 860-418-6318. You can also visit the Partnership website at:

<https://portal.ct.gov/OPM/PDPD-HHS-Long-Term-Care/Advisor/Partnership-Advisor-Producer-Training>.

VII. CT PARTNERSHIP TRAINING CERTIFICATES



The Partnership office has been conducting the required Partnership training sessions since 1994. If you attended a training session in 1994 or after and you've misplaced your training certificate, the Partnership office can provide you with a replacement copy from our files. Just call us at 860-418-6318 or email at david.guttchen@ct.gov.

If you attended a training conducted prior to 1994, the Partnership office will not have a copy of your certificate on file. In order to receive a copy of your certificate, you will need to contact Tanya Penman-Sterling at the Connecticut Insurance Department at **860-297-3882** or email at **Tanya.Penman.Sterling@ct.gov**.

VIII. PARTNERSHIP RESOURCES TO REMEMBER

Partnership Toll-free Consumer Information Line: The Partnership maintains a toll-free consumer information line. The information provided by state staff is unbiased and provides consumers with quick and clear answers to their general questions about long-term care and the Partnership. It is a useful resource to share with your clients. Consumers and policyholders may call 1-800-547-3443 toll-free from anywhere within Connecticut for assistance. Out-of-state callers should call 860-418-6318.

Online Resource Materials: The Partnership maintains a robust website with numerous materials for producers, policyholders, potential buyers and researchers. The website is updated frequently and includes most of the publications developed by the Partnership program, including the most popular publications *Before You Buy*, *Policy Comparisons Report*, *Frequently Asked Questions* and *Cost of Long-Term Care in Connecticut*.

Presentations: If you have a group of clients, employer clients or other organizations that are interested in learning about long-term care insurance, Partnership staff are available to provide presentations on the need for long-term care and the Partnership. No sales or solicitations are allowed at these presentations. If you're interested in organizing an event call Aldo Pantano at 860-418-6318.

<p>Quarterly UPDATE is published for certified producers and other professionals by the State of Connecticut, Office of Policy & Management. Direct inquiries to: Connecticut Partnership for Long-Term Care, 450 Capitol Ave.- MS# 52LTC, Hartford, CT 06106-1379, (860) 418-6318.</p>
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