

# PARTNERSHIP PRESS

A Publication of the New York State Partnership for Long-Term Care



## NYSPLTC

### Participating Insurers

as of January 2017\*

- **GENWORTH LIFE INSURANCE COMPANY OF NEW YORK**
- **MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY**

*\*The list of participating insurers is subject to change. We recommend visiting our website for any updates or changes to this list. For information about group coverage offerings, please visit our website or inquire with your insurer directly.*

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## Latest Partnership Statistics

**Of individuals who purchased a policy during the 1st and 2nd quarter of 2015:**

- The average age was 59 years
- 56% were female, 84% were married
- 59% purchased 2-4-50 plan, 37% purchased 3-6-50 plan, 3% purchased 4-4-100 plan
- The average daily nursing home benefit was \$294
- 92% purchased 3.5% inflation protection, 8% purchased 5% inflation protection

## The Scoop on Long-Term Care Insurance

*Is it worth the money?*

A recent study completed by LifePlans Inc. (2016) explored the "Experience and Satisfaction Levels of LTCI Claimants". Eleven major LTC insurance companies participated in the study, with a total of 1,291 surveys completed by their respective claimants. Some of the key findings were as follows:

- ◆ Roughly 70% of claimants are very satisfied with their policy and less than 5% are dissatisfied.
- ◆ Nearly 90% of claimants are satisfied with the amount of LTC coverage they purchased; only 11% of claimants reported that they needed additional services not covered by the policy.
- ◆ 64% of claimants indicated that without insurance, they would not be able to pay for their current levels of care.
- ◆ Nearly half of individuals indicated that without insurance they would not be able to receive care in their current setting.
- ◆ Today, almost 78% of claimants found filing a claim with their LTC insurance company to be easy, while in 2005, about 64% found it easy; this suggests that claims processing has improved across companies.
- ◆ For every 100 people making claims under their LTC insurance policy, only two are likely to have had a disagreement about coverage that was not solved to their satisfaction.

Source: LifePlans (September 2016). *Experience and Satisfaction Levels of Long-Term Care Insurance Customers: A Study of Long-Term Care Insurance Claimants*

## Reciprocity Update

Recently, **Illinois** received approval from the federal government to implement a Partnership for Long-Term Care program. Additionally, Illinois will be participating in the Reciprocity Compact. The total number of Partnership states is now **45**.

For an overview of reciprocity standards, including a list of participating reciprocal states please visit:

<http://www.nyspltc.org/reciprocity.htm>

**Reminder:** With regard to Medicaid Extended Coverage, Total Asset Plans purchased in New York State will be considered Dollar for Dollar Plans in reciprocal states, allowing for asset disregard in the amount of benefits paid out by the insurer on behalf of the insured.

## Agent Training Update

The New York State Partnership for Long Term Care has a mandatory online training course for agents who would like to sell Partnership. If you are an agent who is already certified but would like to take a refresher, you can sign up for the training without paying the \$100. Please note you will not receive CE credits. If you would like to take the training and receive CE credits you will need to pay the \$100 registration fee; additionally, you will need to take and pass the final exam. To access the online training, please visit:

<http://www.nyspltc.org/agents/index.htm>

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## Medicaid Mention



**Q. Once a Partnership policyholder has met the minimum duration requirement under his/her policy, is he/she required to pursue all available income in determining eligibility for Medicaid Extended Coverage?**

**A.** Individuals applying for Medicaid coverage are required to pursue all available income and resources. However, for Partnership policyholders who have met the minimum durational requirement under the policy, the requirement does not apply when pursuit of the income will reduce the value of the protected asset. If a retirement account (e.g. 401k or IRA) is a protected asset, the policyholder is not required to pursue income payments from the principal. Since receipt of any interest earned does not reduce the value of the principal (the protected asset), the interest is countable unearned income for purposes of determining eligibility for coverage of nursing home care. When a retirement fund is in payout status, the periodic payments are considered unearned income.

Irregular withdrawals from a retirement account are considered the conversion of a resource, regardless of whether the account is in payout status. For example, if an individual is receiving a required minimum distribution (RMD) pursuant to IRS rules and withdraws additional funds to pay for a vacation, the RMD is countable income and the irregular withdrawal is a conversion of the resource. If the account is not in payout status and irregular withdrawals are taken, the withdrawal is the conversion of a resource.

## Don't Forget the 20% New York State Tax Credit!

Essentially, the State will support New Yorkers' efforts to plan for the future by paying 1/5 of the bill for their long term care insurance premiums. This credit is available to anyone paying premiums, including children who pay for coverage on behalf of their parents when they file a New York State income tax return.