

# Virginia's Long-Term Care Partnership

## Your TICKET to Choice, Control, and Independence



### **Introduction**

Virginia's Long-Term Care (LTC) Partnership is an alliance between the private insurance industry and state government, designed to encourage Virginians to plan ahead for future Long-Term care needs. The protection of a LTC Partnership policy will help Virginian's pay for LTC without depleting all of their assets.

The future demand for LTC services is expected to rise. Virginians need to plan ahead to ensure that the widest array and highest quality of services will be available to them. Individuals should begin planning now, and avoid waiting until there is a need for LTC!

**Virginia successfully launched its LTC Partnership on September 1, 2007.**

### **Be Informed!**

Medicare or other types of general health insurance generally do not cover LTC costs. LTC insurance policies vary greatly in the amount and scope of services they cover and the settings in which services are delivered.

### **What Does Long-Term Care Insurance Cover?**

Long-Term care insurance helps pay for a variety of supportive services that assist individuals with health or personal needs that may result from a chronic disease, serious accident, sudden illness, or cognitive impairment such as Alzheimer's disease. LTC services are different from traditional medical care in that their focus is not necessarily to improve the medical condition of an individual, but to help maintain the individual's quality of life.

LTC services may be provided by a health care professional such as a nurse, a home health aide, or other personal care provider. Varying amounts and levels of care can take place in a variety of locations. This can range from a few hours of care per week in one's home to around-the-clock care in a nursing facility.

### **How will the Long-Term Care Partnership Work?**

For every dollar that a LTC Partnership insurance policy pays out in benefits, a dollar of personal assets can be protected (disregarded during the eligibility review and asset recovery) if the individual chooses to apply for Medicaid.

In other words, LTC Partnership policy holders who apply for Medicaid coverage are able to maintain their assets (equal to the LTC insurance benefit paid) above the \$2,000 Medicaid asset limit currently in place for eligibility purposes.

Federal regulation outlines **specific requirements** for Partnership policies.

- All Partnership policies must include annual compound inflation protection for individuals under age 61 and some form of inflation protection for individuals ages 61 – 76. Inflation protection helps the policy keep up with the rising cost of LTC services.
- All Partnership policies must be issued after the program began in Virginia (September 1, 2007).
- LTC policies issued prior to September 1, 2007, will not automatically convert to Partnership policies. Current Long-Term care insurance policy holders who wish to obtain a Partnership policy should contact their agent, carrier, or the carrier of their choice regarding issuance of a new Partnership qualified policy.



### **What is Medicaid?**

Medicaid is a health insurance program jointly administered and funded by the federal and state government. It provides health care services for eligible low-income individuals. People qualify for Medicaid by meeting set financial standards and by fitting into a specific covered group such as children, pregnant women, and individuals who are elderly or who have disabilities. The Department of Medical Assistance Services administers the Virginia Medicaid program. ([www.dmas.virginia.gov](http://www.dmas.virginia.gov))

*The Department of Medical Assistance Services strives to provide a system of high quality comprehensive health services to qualifying Virginians and their families. The list of insurance carriers is given to you for informational purposes only and does not constitute an endorsement by DMAS of any policy or service or of any person or organization offering any policy or service.*

**For more information, visit our website ~ [www.valtccpartnership.org](http://www.valtccpartnership.org)**

### ***Medicaid Eligibility is extremely complex!***

**It is important to understand that the purchase of a LTC Partnership policy does not guarantee access to Medicaid.**

- Medicaid eligibility is extremely complex and must be determined on an individual, case-by-case basis.
- Medicaid eligibility determinations are completed by the applicant's local department of social services.
- Medicaid eligibility has both financial and non-financial requirements.
- Financial requirements include evaluation of both income and resources (assets).
- Non-financial requirements include Virginia residency, proof of citizenship and identity, provision of a Social Security number, and meeting the required level of care (for LTC services).
- Medicaid eligibility has special rules for married people, when only one is receiving Long-Term care services.
- Medicaid eligibility has special rules that apply to home property in which the applicant resides, vehicles, and burial arrangements.

### ***Virginia's LTC Partnership Frequently Asked Questions***

What is the advantage of a Partnership policy over a non-Partnership LTC insurance policy?

- Partnership and non-Partnership policies are virtually the same except that Partnership policies have the added benefit of allowing policyholders to protect a portion of their assets if they choose to apply for Medicaid.

Will LTC Partnership policies be more expensive than non-Partnership LTC insurance policies?

- Partnership policies will likely be priced roughly the same as non-Partnership policies that have similar benefit, policy, and inflation protection features.

How will owners of Partnership policies and their family members know that a policy qualifies as a Partnership policy?

- This information will be included with the policy, but may not be printed on the policy itself.
- If there is any doubt, ask your insurance agent or call the carrier.

Will my Virginia Partnership policy qualify me for dollar-for-dollar asset protection in other states?

- Yes, Virginia plans to participate in a national reciprocity agreement beginning January, 2009. It is likely that most, but not all states will participate in the agreement. Also, the applicant must meet the Medicaid requirements in the state of application.

Which insurance carriers will offer Partnership policies?

- Every carrier authorized to offer health insurance in Virginia is eligible to offer Partnership policies, but the policies must be approved by the Virginia Bureau of Insurance. Currently, fifteen carriers have been approved to offer Partnership Policies:

### **Virginia's Approved Carriers**

American General Life Insurance Co.  
Assurity Life Insurance Co.  
Bankers Life and Casualty Co.  
CUNA Mutual Insurance Society  
Equitable Life and Casualty Insurance Co.  
Genworth Life Insurance Co.  
Great American Life Insurance Co.  
John Hancock Life Insurance Co.  
Massachusetts Mutual Life Insurance Co.  
MedAmerica Insurance Co.  
Metropolitan Life Insurance Co.  
Minnesota Life Insurance Co.  
Mutual of Omaha Insurance Co.  
New York Life Insurance Co.  
Northwestern Long Term Care Insurance Co.  
Prudential Insurance Company of America  
State Farm Mutual Automobile Insurance Co.  
Transamerica Life Insurance Co.  
United of Omaha Life Insurance Co.

For up to date information visit:

[http://www.scc.virginia.gov/division/boi/webpages/ins\\_pagedocs/ltclist.pdf](http://www.scc.virginia.gov/division/boi/webpages/ins_pagedocs/ltclist.pdf)

When should Partnership policy holders apply for Medicaid?

- Everyone has the right to apply for Medicaid at anytime.
- If the Partnership policy holder exhausts the benefits of his or her LTC Partnership policy (policy exhaustion, however, is not required in Virginia).
- When the Partnership policyholder/spouse/family/friend feels that the individual is having a difficult time paying for care.

If I exhaust my LTC Partnership policy, will I automatically qualify for Medicaid?

- **No!** You must still meet level of care requirements (for LTC) and the income and resource requirements (minus the amount of assets you can protect from your Partnership policy, i.e., the amount of benefits paid out by the insurer on your behalf).

### **Partnership Quick Guide:**

1. **Asset protection is based on what the insurance company has paid out (dollar-for-dollar) in benefits.** (It is NOT based on the amount of premiums paid or the total value of the policy)
2. Existing LTC insurance policies will **not** convert to Partnership policies.
3. Exhausting a Partnership policy does **not** guarantee access to Medicaid – other eligibility criteria must still be met.

Virginia Department for the  
Aging & Virginia Insurance  
Counseling & Assistance  
Program

1-800-552-3402  
<http://vda.virginia.gov/vicap2.asp>

Virginia Bureau of  
Insurance – Life and  
Health Consumer  
Outreach

1-877-310-6560  
[www.scc.virginia.gov](http://www.scc.virginia.gov)