



Florida's Long-Term Care Partnership Program

An Informational Fact Sheet



LOCAL HELP FOR PEOPLE WITH MEDICARE

1-800-963-5337

The Florida Department of Elder Affairs, SHINE Program

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At least 70 percent of people over the age of 65 will require long-term care services at some point in their lives. Medicare and private health insurance programs do not pay for the majority of long-term care services that most people need – help with personal care such as dressing or using the bathroom independently. Long-term care planning is essential for individuals to be able to receive the care they might need. (*National Clearinghouse for Long-Term Care*, www.longtermcare.gov)

The information contained in this fact sheet is provided by the SHINE (Serving Health Insurance Needs of Elders) Program to help consumers and their caregivers make informed choices about long-term care (LTC) insurance. It also serves to explain how the Long-Term Care Partnership Program helps to make LTC insurance more affordable and available to consumers.

Why Purchase Long-Term Care Insurance?

Most people are in favor of maintaining their independence and control over their financial resources. The following facts about the costs and coverage of LTC may help:

Medicare

- Medicare covers a very small portion of nursing facility and other long-term care costs.
- The average annual cost for a semi-private room in a Florida nursing facility is close to \$77,000. Visit the following site for updated information: http://www.longtermcare.gov/LTC/Main_Site/index.aspx.

Medicaid

- Medicaid requires individuals to spend down their assets to \$2,000 in order to qualify for LTC.
- There are strict rules and penalties for transferring assets to qualify for Medicaid.
- Many individuals entering a nursing facility as a private patient will eventually spend down their assets and then qualify for Medicaid.

What Is the Long-Term Care Partnership Program?

The Long-Term Care Partnership Program was developed in the 1980s to encourage individuals to purchase LTC insurance who might otherwise turn to Medicaid to finance their long-term care. In 2005, the Florida Legislature passed a bill to establish the foundation for development of the partnership program and directed the Agency for Health Care Administration (AHCA) to create a program that would provide incentives for an individual to purchase coverage and to establish standards and eligibility in coordination with the Office of Insurance Regulation. In 2006, Florida lawmakers approved a senior protection bill that provides reforms to make LTC insurance affordable, available and marketable.

The partnership is a balance between public and private programs which accomplishes the following:

- Encourages individuals to plan for their LTC needs by purchasing insurance that will match the amount (dollar-to-dollar) of assets he/she wishes to protect; and,
- Assures that when applying for Medicaid coverage, individuals with a qualified LTC partnership policy are eligible for asset protections. (They may keep assets in the amount equal to the amount paid out by their policy for the cost of their care.)

Example – An individual may buy a \$20,000 LTC insurance policy and as he ages, moves to a nursing home. If the policy paid out \$20,000 for the cost of care and the individual applied for the Institutional Care Program (ICP) to cover ongoing care, the state would not count \$20,000 of the individual's assets. In other words, the individual may keep \$20,000 in countable assets above the ICP asset limit and still qualify for Medicaid if all other eligibility requirements are met.

Medicaid Eligibility and Asset Disregard – for questions concerning the dollar-for-dollar asset disregard, please contact the Department of Children and Families ACCESS Call Center at 1-866-762-2237.

Agent and Product Standards

All agents selling, soliciting or negotiating policies must have sufficient training to fully understand the provisions of partnership policies. Two hours of Florida-specific partnership training must be completed. Agents who have already taken an 8-hour long-term care insurance course can meet the requirement by taking an additional two-hour course.

Companies must provide a “disclosure” statement to the public (*Partnership Status Disclosure Notice*). It explains the asset disregard, partnership policy status and what would disqualify the policy as a partnership policy, and the state agency to contact with questions.

The Partnership Program also requires companies to notify policyholders, in writing, when an action will result in the loss of partnership status, how this will impact their policy and advise how to retain partnership status, if possible. If a policyholder requests information on a Partnership Program policy, the company must provide them with a copy of the *Approved Long-Term Care Partnership Program Policy Summary (OIR-B2-1781)*.

To review other standard policy requirements such as coverage, benefits, protections, asset disregard, reciprocity, and inflation protection, visit the National Clearinghouse for Long-Term Care or the Florida Office of Insurance Regulation websites listed under the “LTC Information” section of this fact sheet.

LTC Partnership Companies

The following companies offer Long-Term Care Partnership Policies in Florida:

- Bankers Life Insurance Company
- Genworth
- John Hancock Life Insurance Company (USA)
- LifeSecure Insurance Company
- MedAmerica Insurance Company of Florida
- MetLife (LTC)
- Mutual of Omaha
- New York Life (LTC Division)
- Northwestern Mutual
- Prudential
- Transamerica Life Insurance Company
- United of Omaha

For the most updated listing of companies, visit the Office of Insurance Regulation (OIR) website at: <http://www.floir.com/LongTermCarePartnershipProgram.aspx>. To investigate a company’s complaint history, call the Department of Financial Services Consumer Helpline toll-free at 1-877-MY-FL-CFO (1-877-693-5236).



SHINE Assistance

The SHINE Program encourages individuals to consider what their future long-term care needs may be and to start planning for those needs. We provide a *Long-Term Care Insurance Self-Assessment Guide* that may prove helpful to consider various options and costs. To view a copy of this publication, go to the SHINE website listed below and click on “Long-Term Care” in the left-hand column.

LTC INFORMATION:

SHINE (Serving Health Insurance Needs of Elders)

<http://www.floridashine.org/longtermcare.html>

Florida Office of Insurance Regulation

<http://www.floir.com/LongTermCarePartnershipProgram.aspx>

Agency for Health Care Administration

http://ahca.myflorida.com/Medicaid/ltc_partnership_program/index.shtml

Frequently Asked Questions

http://ahca.myflorida.com/Medicaid/ltc_partnership_program/pdfs/faqs_march_2009.pdf

National Clearinghouse for Long-Term Care

<http://www.longtermcare.gov>

Centers for Medicare & Medicaid Services

<http://www.medicare.gov/LongTermCare/static/home.asp>

ASSISTANCE:

For more information on the partnership program or long-term care planning and insurance, you may contact the SHINE program by calling the *Elder Helpline* at 1-800-96ELDER (1-800-963-5337). The SHINE program website can be found at: <http://www.floridaSHINE.org>.

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