# Module 16: PAYING FOR LONG-TERM CARE

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## MODULE 16 OBJECTIVES

1. Define what long-term care is
2. Identify different ways that clients can get coverage for long-term care services and supports
3. Help clients make decisions about coverage for long-term care, and refer them to appropriate resources for help

Disclaimer: The information provided is intended for the sole purpose of educating consumers in regard to the choices available for financing their future long-term care needs. Particular emphasis is placed on understanding long-term care insurance. Nothing herein is intended nor should it be construed as an endorsement by the State of New York of any specific insurance product or insurer.

Materials compiled from the resources of the following agencies:

- New York State Office for the Aging (NYSOFA);
- New York State Department of Financial Services (DFS);
- New York State Department of Health (DOH);
- New York State Partnership for Long-Term Care (NYSPLTC);
- Centers for Medicare & Medicaid Services (CMS); and
- New York City Department for the Aging (NYCDFTA).

## WHAT IS LONG-TERM CARE?

Long-term care is medical and nonmedical support services needed by individuals who are unable to care for themselves because of prolonged illness or disability lasting greater than 90 days. Care can range from personal care to skilled care and care can take place in a variety of settings.

Care can range from:

- Custodial care - nonmedical care that generally includes simple help with activities of daily living (ADLs) such as eating, toileting, transferring, bathing, dressing, maintaining continence, provided by family, friends, or aides, to
- Skilled nursing care- services such as rehabilitative or restorative therapy, medical or drug therapy, dietary supervision, or professional observation that can be provided only by a health care professional, a physician, nurse, or therapist.

Long-term care services can be provided in a wide range of settings:

- In the home by family, friends, volunteer groups, aging organizations and agencies, and home health care agencies;
- In the community at senior centers, adult day care programs, and adult care homes; or
- In institutions such as nursing homes, assisted living communities, or continuing care retirement communities.

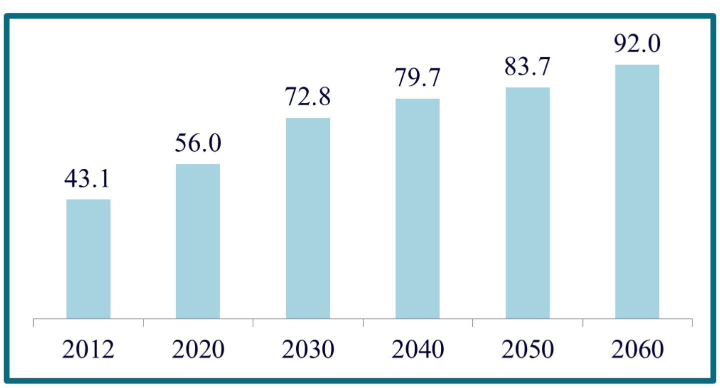
**Risks of needing long-term care**

People in the U.S. are living longer due to advances in medical advances, preventive care, and healthier lifestyles. While this increased longevity is good news, it also has a downside. As people age, their chances of living with chronic conditions, disabilities and functional limitations that require on-going care increase.

In 2018, 14 million adults in the United States needed long-term services and supports. Of that population, 7.9 million (56%) were over age 65 and 6.1 million (44%) were ages 18 to 64. (Hado & Komisar, 2019)

Recent research suggests that about half of Americans turning age 65 will need long-term care services at some point in their lives. The "baby boom" generation began reaching age 65 in 2011. This "generation bulge," combined with increasing longevity over all, creates the largest over-65 population in history. This means there will be a greater need for long-term care services and consequently, a need to pay for those services.

POPULATION AGED 65 AND OVER: 2012 TO 2060 (IN MILLIONS)



Note: The reference population for these data is the resident population.
Sources: U.S. Census Bureau, Population Division, December 2012.

The duration and level of long-term care will vary from person to person and often change over time. Among people in the U.S. who turn 65, women need care longer (4.4 years) than men (3.2 years). One-third of today's 65 year-olds may never need long-term care support, but 20 percent will need it for longer than five years.

**Assessing a client's risk of needing long-term care**

Risk depends on a number of factors including age, marital/partnership status, gender, lifestyle, health and family history.

- Age
    - The risk of needing long-term care increases as people age.
- Marital/Partnership Status
    - For a single individual, the risk of needing "formal" long-term care is especially high. This is because they are less likely to have informal care options available (e.g., spouse/partner, children).
- Gender
    - Women, who tend to outlive men, are at greater risk of needing long-term care services.
- Lifestyle
    - Overindulgence (especially of alcohol and fats), unhealthy habits (especially smoking), too little exercise, and high stress levels all lead to a higher risk of developing chronic health conditions which require long-term care services.
- Health
    - Any current chronic conditions such as emphysema, diabetes, or arthritis increase risk.
- Family History
    - If one's family health history predisposes individuals to serious physical or mental illness, the risk is greater. Those with a family history of Dementia are at a greater risk.

**Importance of planning ahead for long-term care needs**

Most people neglect to think about their need for long-term care and learn about long-term care the hard way—when they or a loved one needs care. Moreover, long-term care insurance is a planning tool, not something to purchase when you need the services.

**Cost of care in New York State**

- The median annual cost for a semi-private room in a nursing home is $153,300 ($420/day)*
- The median monthly cost for an assisted living facility is $4,580 or $54,960 yearly*
- The median daily rate for adult day health care is $88/day or $22,880/year*

- On average, home health aide services cost $182/day. Homemaker services are averaging $176/day*
- Costs vary by type of care and region; these figures are for New York State.
- *Genworth 2021 Cost of Care Survey

**Nursing facility resident by primary payer source**

Medicaid is the primary payer source for most certified nursing facility residents, with more than six in ten (62%) residents having Medicaid as their primary payer as of 2022. Medicare paid for 13% of residents and the remaining 25% of residents had another primary payer (ex. private insurance, out-of-pocket, etc.). (KFF, 2022)

**NYS Medicaid spending for long-term care**

- Medicaid covered services in the category of long-term care services and supports are broad. As of August 2022, a total of 7.6 million people were covered by Medicaid, one-third of the state's total population.
- New York currently spends about $12 billion per year on personal care.
- In the five years leading up to the COVID-19 pandemic, spending on personal care services more than doubled, from $4.6 billion to $11.4 billion.
- New York's per capita Medicaid spending on nursing home is the highest in the U.S. and more than double the national average. The average expense for a nursing home place in New York was $8,300 in 2020.
- Medicaid is the largest payer of LTSS, accounting for nearly 43% of expenditures nationwide.
- Source: CRS Analysis of National Health Expenditure Account (NHEA) data obtained from the Centers for Medicare & Medicaid Services (CMS), Office of the Actuary.

## PAYING FOR LONG-TERM CARE: AN OVERVIEW

The following sections will outline the different ways that your client could pay for long-term care. These options include:

- Self-pay
- Medicaid
- Long-term care insurance
- Combination of methods

Medicare generally does not cover long-term care. Although it does cover home health and skilled nursing facility care, this coverage is limited. See HIICAP Notebook Module 3: Medicare Part A (Hospital Insurance) for more information.

Also note that other private health insurance a client might already have covers mainly acute conditions and probably does not cover custodial care.

## SELF-PAY OPTIONS

- Income
- Savings/Investments
- Home Equity/Reverse Mortgage
- Life Insurance
    - Combination (Life/Long Term Care) Products
    - Accelerated Death Benefits (ADBs)
    - Life settlements
    - Viatical settlements
- Fixed Annuity with Long Term Care Options
- Other Housing
- Trusts
- Long-Term Care Insurance
- Income

Monthly income may not be sufficient to pay for long-term care expenses.

**Savings and Investments**
A savings or investment plan may help pay for long-term care services. A retirement plan such as an IRA or 401K plan may also be available to pay for care.

**Home Equity/Reverse Mortgages**
If a client has built up equity in their home, they could use the profit from the sale of their home to fund long-term care costs. Another option is a "reverse mortgage," which is a loan based on the amount of equity someone has built up in their home.

**Life Insurance**
A life insurance policy MAY offer one or more ways to cover the cost of long-term care:

- Combination Life/Long Term products. These products are relatively new and the features are changing as the product evolves. In general, the amount of the long-term care benefit is often expressed in terms of a percentage of the life insurance benefit.
- Accelerated Death Benefits (ADBs). A feature included in some life insurance policies that allows you to receive a tax-free advance on your life insurance death benefit while you are still alive. Sometimes you must pay an extra premium to add this feature to your life insurance policy. Accelerated payment of part or all of the value if:
    - Terminally ill
    - Chronically ill and condition requires continuous care for the remainder of life in facility or home

  - Chronically ill
- Life Settlements. These plans allow you to sell your life insurance policy for its present value to raise cash for any reason. This option is usually only available to women age 74 and older and to men age 70 and older. (ACL)
- Viatical Settlement. These plans allow you to sell your life insurance policy to a third party and use the money you receive to pay for long-term care. A viatical settlement is like a life settlement, but it is only possible if you are terminally ill. Note: If you use the viatical settlement option, your life insurance policy will not pay a death benefit to your heirs*
- Fixed Annuity with Long Term Care Options. Some fixed annuities, a CD-like investment vehicle, can provide an income stream for long- term care.

**Other housing**

- Independent Housing
- Shared Housing and Supportive Housing
- Adult Homes or Enriched Housing
- Assisted Living Communities
- Continuing Care Retirement Community (CCRC)
  - The chief benefit of CCRCs is that they provide a wide range of care, services and activities in one place, offering residents a sense of stability and familiarity as their abilities or health conditions change. But that comes at a cost.
  - Nearly two-thirds of the communities charge an entry fee, according to a study from commercial real estate services firm CBRE. The average initial payment is $329,000, but it can top $1 million at some communities.
  - Once residents move in, they pay monthly maintenance or service fees that typically run $2,000 to $4,000.
  - Other continuing care communities operate on a rental model with no up-front fee. Rent for an independent living unit is often $3,000 to $6,000 a month. (AARP, 2019)

**Trusts**

Some middle class and affluent elders create living trusts to shelter their assets so that they will qualify for Medicaid if they ever require long-term care. There is great concern that these controversial Medicaid qualifying trusts add to the cost of the Medicaid program, a taxpayer supported program which was designed to help those who are unable to pay for their own care. The Deficit Reduction Act of 2005 has reduced the option of Trusts as a means of protecting money from Medicaid.

## MEDICAID

Medicaid is the most frequent payer of long-term skilled nursing home care. It is a needs-based payer of last resort for medically necessary expenses and ensures that everyone receives the care they need. To qualify, an individual must meet income and resource limits. There are different types of Medicaid that someone may qualify for to help pay for long-term care.

**Institutional (Nursing Home) Medicaid**

A single person is allowed to retain the following assets:

- $31,175 in resources (2024)
- $1,500 for funeral fund and/or any amount in an irrevocable funeral fund
- Can retain car, house (with signed “intent to return home”)

Income applied to the cost of care

- Except for $50/month

A married couple is allowed to retain the following assets (using spousal budgeting):

- $42,312 maximum applicant resource allowance (2024)
- $154,140 maximum community spouse resource allowance (2023)
- $3,000 for funeral fund and/or any amount in an irrevocable funeral fund
- Can retain one car, house (for community spouse)

Income applied to the cost of care

- Except for $50/month (for institutional spouse), $3,853.50/month (for community spouse)*
  - *2024 Increase to Spousal Impoverishment Income and Resource Levels.
  - *POLICY AND BILLING GUIDANCE. New York State Medicaid Update: THE OFFICIAL NEWSLETTER OF THE NEW YORK STATE MEDICAID PROGRAM
  - Spousal Impoverishment Protection Act applies to the community spouse.

**Community (Homecare) Medicaid**

A single person is allowed to retain the following assets:

- $31,175 in resources (2024)
- $1,500 for funeral fund and/or any amount in an irrevocable funeral fund

Income applied to the cost of care

- Except for $1,752/month and allowable deductions (Healthcare insurance, long term care insurance, court ordered support)

A married couple is allowed to retain the following assets:

- $42,312 in shared resources (2024)
- $1,500 for funeral fund and/or any amount in an irrevocable funeral fund
- Can retain car, house

Income applied to the cost of care

- Except for $2,371/month and allowable deductions (Healthcare insurance, long term care insurance, court ordered support)
- NYS Partnership policyholders have enhanced Community income allowances: $1,926.75 for singles, $3,853.50 for married couples (2024)

- Assisted Living has its own income allowance: $1,637 for each individual (through SSI reimbursement). https://otda.ny.gov/programs/ssp/2024-Maximum-Monthly-Benefit-Amounts.pdf

## LONG-TERM CARE INSURANCE

A long-term care insurance policy pays for long-term care expenses. Purchasing a policy can help an individual protect their resources, expand care options, and maintain independence and financial control.

### Long-Term Care Insurance General Guidelines

According to "A Shopper's Guide to Long-Term Care Insurance" published by the National Association of Insurance Commissioners, with regard to assets and income:

- Assets: An individual should not buy long–term care insurance if "[they] don't have many assets."
- Income: Is the long-term care policy premium less than 7% of your income (rule of thumb for affordability)?

An individual should **not** buy long–term care insurance if:

- Their only source of income is Social Security benefit.
- Their only source of income is Supplemental Security Income (SSI).
- They often have trouble paying for utilities, food, medicine, or other important needs.
- They are on Medicaid.

Long-Term Care Insurance is medically underwritten. This means that:

- Somone may be ineligible at the time of purchase due to health status.
- Underwriting standards may vary from company to company,

### Individual Long-term Care Insurance Policies

- Long-term care insurance
- Nursing home and home care insurance
- Nursing home only insurance
- Home care only insurance

### Policy options to consider

- Daily Benefit Amount
- Elimination Period
- Benefit Trigger
- Length of Benefit
- Inflation Protection
- Premium Waiver

- Non-Forfeiture
- Tax Qualified

**Daily Benefit Amount for nursing home**

- Benefit amount per day for skilled nursing care
- For a list of averages nursing home rates by region visit: https://nyspltc.health.ny.gov/rates.htm
- Determine the amount you can afford, then choose a policy that covers the remainder

**Daily Benefit Amount for Home Care**

- Usually between 50% and 100% of the Nursing Home Daily Benefit to cover home care
- At least 50%
- Includes care at home, adult day care, assisted residential settings
- Provides for custodial care that increasingly is needed to meet the needs of older adults

**Elimination Period**

- Amount of time an individual must pay out of pocket before policy begins to pay daily benefit
- Most policies offer a single elimination period for the life of the policy

**Benefit Trigger**

Policies require a “trigger” before the elimination period begins. Usually, trigger is tied to requiring help with:

- Performing a certain number of ADLs; or
- Severe cognitive impairment.

**Length of Benefit**

- Number of years of coverage
- Beginning at the end of the elimination period
- New York State Insurance law regulates policy coverage period.
- For example: Long-Term Care Insurance must cover at least 24 months of nursing home coverage.

Note: The New York State Partnership for Long-Term Care Plan 1.5/3/50 is an exception to this regulation.

**Inflation Protection**

In New York State, insurers must offer inflation protection. There are two common options:

- An automatic increase in benefit per year with no increase in premium. Premium is set initially to reflect inflation protection coverage on the policy that is chosen; or

- An increased benefit amount is offered periodically to the policy holder without requiring proof of insurability.  The cost of the premium will increase if the policy holder chooses to increase the benefit amount when it is offered.

**Premium Waiver**

A premium waiver permits the insured to stop making premium payments when receiving certain benefits.

**Non-Forfeiture**

- A benefit designed to ensure that if an insurance policy is lapsed after a specific number of years, some of the benefits from the policy will be retained.
- A policy is considered lapsed when the insured ceases to make premium payments.

**Tax Deductibility of Premiums**

- Policies must be labeled as "Qualified" for the federal tax deduction.
- Policies identified as meeting federal requirements also meet requirements for the state and city tax deduction.
    - A listing of insurers that have policies that qualify for federal, state, and city income tax deduction is available from the Department of Financial Services website or upon request.

**Tax Qualified Summary**

- Federal Income Tax
    - Itemized deduction as a medical expense
    - Total medical expenses must exceed 7.5% of adjusted gross income to claim a deduction
    - Maximum allowable deduction according to age. See more information here: https://www.irs.gov/pub/irs-pdf/p502.pdf
- NY State Income Tax
    - Above the line tax credit: 20% of premium paid. Legislation was passed capping the tax credit for long term care insurance premiums at $1,500 and making the tax credit only applicable to tax returns wherein adjusted gross income is below $250,000 for taxable years beginning in 2020. (IT-249 Claim for Long-Term Care Insurance Credit)
- Not all long-term care policies qualify for favorable tax treatment.
- Also, many older adults cease filing income tax returns and therefore may not benefit from the tax qualified status in the future.
- Insurers who market tax-qualified policies may also market non-tax-qualified policies.

**Long-Term Care Insurance Costs**

- Long-term care insurance policies cost less when purchased at a younger age.

- Premium cost is determined by the insured's age at the time the policy is issued; it is designed to stay level as one grows older.
- Premiums may only be raised for the entire class of contracts and may be reviewed more than once in a given year.
    - Only with permission from the NYS Department of Financial Services.
- A number of insurance companies give a discount to couples who both purchase policies at the same time.
- The cost of Long-Term Care Insurance is also determined by the policy options one selects.
    - Features that may make this insurance more costly include: high maximum policy benefits, inflation protection, high daily payment amounts, and short or zero day elimination periods.

**Long-Term Care Insurance Choices**

- Employer Sponsored Long-Term Care Plan
    - Some employers now offer a group Long-Term Care Insurance policy to their employees and/or their retirees; some employers will pay part of the premiums.
    - A spouse and parents may be eligible to buy into this group plan as well.
- Association Sponsored Long-Term Care Plan
- Individual Long-Term Care Insurance Policies

## FACTORS TO CONSIDER BEFORE PURCHASING INSURANCE COVERING LONG-TERM CARE SERVICES

- Is the client eligible for Medicaid?
    - If so, Medicaid will pay for their long-term care expenses.
- How much can the client afford to pay out-of-pocket for long-term care expenses?
- How much can the client comfortably afford to pay for an insurance policy covering long-term care services?
- If the client is planning to retire, will their reduced income be adequate to meet the annual costs of the premium?
- How much of an additional premium could the client tolerate if their rates were to increase?
    - All long-term care policies are medically underwritten, i.e., the client's physical/mental condition and health history will be evaluated
    - If the client intends to purchase a policy, they should not wait until they have a medical condition that could make Long-Term Care coverage more expensive or unavailable to them.
    - In most cases, the premium for a policy will be lower when purchased at a younger age.
- What types of long-term care settings would best meet the client's own personal needs and preferences?

- What are the costs of care in these settings in the locality where the client would be receiving them?

## TIPS FOR SHOPPING FOR LONG-TERM CARE POLICIES

Here are some points that individuals should keep in mind as they shop. Consider sharing these tips with clients. These are adapted from A Shopper's Guide to Long-Term Care Insurance, National Association of Insurance Commissioners: http://www.naic.org/documents/prod_serv_consumer_ltc_lp.pdf

**Ask questions**

- If you have questions about the agent, the insurance company, or the policy contact the New York State Department of Financial Services. Check with Several Companies and Agents.
    - Contact several companies (and agents) before you buy.
    - Be sure to compare benefits, the types of facilities you have to be in to get coverage, the limits on your coverage, what's not covered, and, of course, the premium.
    - Note: Policies that have the same coverage and benefits may have different premiums

**Check out companies' premium increase histories**

- Ask companies about their premium increase histories and whether they have increased rates on Long-Term Care insurance policies that they sell.

**Take your time and compare outlines of coverage**

- Never let anyone pressure or scare you into making a quick decision.
- Don't buy a policy the first time you see an agent. Ask for an outline of coverage. It outlines the policy's benefits and points out important features.
- Compare outlines of coverage for several policies and make sure the outlines are similar (if not the same) when comparing premiums.

**Understand the policies**

- Make sure you know what the policy covers and what it doesn't. If you have any questions, call the insurance company before you buy, or seek assistance from the New York State Department of Financial Services.
- If you receive any information that confuses you or is different from the information in the company literature, don't hesitate to call or write the company to answer your questions. Don't trust any sales presentation or literature that claims you have only one chance to buy a policy.
- Some companies sell their products through agents, and others may sell their policies through the mail, skipping agents entirely. No matter how you buy your policy, check with the company if you don't understand how the policy works.
- Talk about the policy with a friend or relative.

- In New York State you may want to contact the Department of Financial Services. https://www.dfs.ny.gov/

**Don't be misled by advertising**

- Most celebrity endorsers are professional actors paid to advertise. They are not insurance experts.
- Medicare does not endorse or sell long-term care insurance policies.
- Be wary of any advertising that suggests Medicare is involved.
- Don't trust cards you get in the mail that look like official government documents until you check with the government agency identified on the cards.
  - Insurance companies or agents trying to find buyers may have sent them.

**Be careful if anyone asks you questions over the telephone about Medicare or your insurance**

- They may sell any information you give to long-term care insurance marketers, who might call you, come to your home, or try to sell you insurance by mail.

**Don't buy more coverage than you need**

- You don't have to buy more than one policy to get enough coverage. One good policy is enough. Also, don't buy more insurance than you need.
- If you already own a policy and you are considering switching plans or upgrading your coverage, investigate your options thoroughly. If your health status changed, then you may not be medically underwritten under a new policy. Be certain that the replacement policy is effective before you terminate the older policy.
- Be sure to discuss any change in your coverage with your financial advisor.

**Accurately complete your application**

- Don't be misled by long-term care insurance marketers who say your medical history isn't important because it is! Give correct information.
- If an agent fills out the application for you, don't sign it until you have read it.
  - Make sure that all medical information is correct.
  - If you provide inaccurate information and the company used that information to decide whether to insure you, it can refuse to pay your claims and even cancel your policy.

**Never pay in cash**

- Use a check, an electronic bank draft made payable to the insurance company or a credit card.

**Take notes**

- Be sure to get the name, address, and telephone number of the agent and the company.
- Get a local or toll-free number for both the agent and the company.

**If you don't get your policy within 60 days, contact the company or agent**

- You have the right to expect prompt delivery of your policy.
    - When you get it, keep it somewhere that you can easily find it.
    - Tell a trusted friend or relative where it is.

**Look at your policy during the free-look period**

- If you decide you don't want the policy soon after you bought it, you can cancel it and get your money back. You must tell the company you don't want the policy within a certain number of days after you get it.
    - In New York State this period is 30 days.
- If you want to cancel, keep the envelope the policy was mailed in. Or ask the agent for a signed delivery receipt when he or she hands you the policy
    - Send the policy to the insurance company along with a short letter asking for a refund.
    - Send both the policy and the letter by certified mail. Keep the mailing receipt.
    - Keep a copy of all letters
    - It usually takes four to six weeks to get your refund.

**Read the policy again and make sure it gives you the coverage you want**

- Check the policy to see if the benefits are what you expected.
- If you have any questions, call the agent or company right away.
- Also reread the application you signed. It is part of the policy. If it is not filled out correctly, contact the agent or company right away.

**Consider having the premium automatically taken out of your bank account**

- Automatic withdrawal may mean that you won't lose your coverage if an illness or other situation results in a lapse of premium payments.
- If you decide not to renew your policy, be sure you tell the bank to stop the automatic withdrawals.

**Check the financial stability of the insurance company**

- Insurer ratings can show you how analysts see the financial health of individual insurance companies. Different rating agencies use different rating scales. Be sure to find out how the agency labels its highest ratings and the meaning of the ratings for the companies you're considering.
- You can get ratings from some insurer rating services for free at most public libraries. You can also get information from these services on the internet.
- Some companies provide credit ratings that show the financial strength ratings of insurers, such as:

  - A.M. Best Company
  - Moody's Investor Service, Inc.
  - Weiss Ratings, Inc.
- If your insurer is not rated by these companies, you can refer to the link from the U.S. Securities and Exchange Commission (SEC) for a current list of credit rating agencies approved by the SEC: https://www.sec.gov/ocr/ocr-current-nrsros.html. You should always ask your trusted financial advisor or agent for information on the credit rating of your insurer

## NEW YORK STATE PARTNERSHIP FOR LONG-TERM CARE PROGRAM

IMPORTANT: **As of January 1, 2021, there are no insurance companies currently offering new policy purchases of Partnership qualified products in New York State. This means that there are no new Partnership policies available for purchase at this time. This does not affect current, active insureds who are Partnership qualified.**

The New York State Partnership for Long-term Care Program combines private long-term care insurance with Medicaid Extended Coverage. It permits New Yorkers to protect some or all of their assets, while remaining eligible for Medicaid Extended Coverage. The partnership was created to shift the burden of long-term care costs from Medicaid, which is funded by NY resident tax dollars, to private insurance. Medicaid has become the primary payer of long-term care costs.

In New York State:
- CHAPT. 659 of the LAWS OF 1997 (Integrated Long Term Care Financing Act) officially makes the Partnership for Long-Term Care a permanent State program among other key provisions.
- CHAPT. 58 of the LAWS OF 2004 expands the Partnership for Long-Term Care program with new policy offerings and increases NYS income tax credit for long-term care premiums paid to 20%.
- Federal Deficit Reduction Act of 2005 (DRA) Allows for expansion of the Partnership program, allowing all states to create Partnership programs.

Reciprocity is available in the states listed on the following map (subject to change): https://nyspltc.health.ny.gov/reciprocitymap.htm. Effective June 1, 2012, New York State participates in reciprocity with all other Partnership states except the following: California, Mississippi, Vermont, Massachusetts, Alaska and Hawaii (see updates to these exceptions by using link above). Reciprocity will be accepted based on Dollar for Dollar rules in reciprocal states even if a Total Asset policy is purchased.

**Active Partnership Policyholders**

New York State Partnership policies offer:
- Total or Dollar for Dollar Asset Protection

- Only LTC product endorsed by New York State
- Only way to qualify for Medicaid with asset protection
- Lifetime Coverage
- Consumer Safeguards

Many Partnership policyholders are experiencing dramatic rate increases on their policies. The Department of Financial Services is the regulatory agency that approves or denies these rate increases. The Consumer Assistance Bureau within the Department of Financial Services can provide insight and guidance on these rate increases. 1-800-342-3736

**Medicaid extended coverage eligibility determination process for active partnership policyholders**
Purchase policy → Benefit period → 90 days' notice → Local Department of Social Services (LDSS) → LDSS contacts NYS Partnership Office → Medicaid eligibility

**Key Difference When Applying for Medicaid Extended Coverage**

- Total Asset Protection plans protect ALL assets (resources) if you apply for Medicaid Extended Coverage in New York State. In a reciprocal state it will only be dollar for dollar.
- Under Dollar for Dollar Asset protection plans, the assets protected are equal to the amount of benefits paid by the insurer.

**Total Asset Protection Plans**

- Assets are fully protected when you apply for Medicaid Extended Coverage
- However, the individual will be required to contribute their income to the cost of their care following Medicaid guidelines
- Total Asset 50 - Two home care days equal one nursing home day
- Total Asset 100 - Home care days and nursing home days (daily benefit) are equivalent

**Dollar For Dollar Asset Protection Plans**

- Will provide asset protection equal to the amount paid out in benefits up to the policy maximum. Recommended for those with fewer assets.
- Assets in excess of asset protection and income will be subject to Medicaid rules in determining eligibility for Medicaid Extended Coverage.
- You will be required to contribute your income to the cost of your care following Medicaid guidelines.
- Two home care days equal one nursing home day (Dollar for Dollar 50)
- Additional New York State Partnership for Long-Term Care Training
- Coordinators and counselors are invited to take the online Agents Training free of charge
    - Go to https://nyspltc.teachable.com/ for more information

**The New York State Partnership for Long-Term Care**

- Insurance benefit portable to any state
- Can apply for Medicaid Extended Coverage in any of the reciprocal states, once the private insurance portion of the plan has been utilized.
- Must return to New York State for Total Asset protection; in a reciprocal state, asset protection will be honored on a dollar-for-dollar basis.

## Sources of Assistance

**New York State Office for the Aging**
www.aging.ny.gov

**NYSOFA HIICAP Hotline**
1-800-701-0501

1-800-MEDICARE (1-800-633-4227)

**Insurance Questions, Problems & Complaints**
New York State Department of Financial Services
1-800-342-3736
www.dfs.ny.gov
Consumer Assistance Unit
1 Commerce Plaza
Albany, NY 12257

**New York State Department of Financial Services**
1-212-480-6400
www.dfs.ny.gov
Consumer Assistance Unit
1-800-342-3736
1 State Street
New York, NY 10004-1511

**New York State Partnership for Long-Term Care**
1-866-950-7526

NYS Department of Health

518-474-0662
www.nyspltc.health.ny.gov
99 Washington Avenue, Suite 1620
Albany, NY 12210

## Additional Resources

A Shopper's Guide to Long-Term Care Insurance, National Association of Insurance Commissioners
http://www.naic.org/documents/prod_serv_consumer_ltc_lp.pdf

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