



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Human Resources  
Products and Services  
Division

JAN 22 2007

Dear State Medicaid Director:

The U.S. Office of Personnel Management (OPM) sponsors and regulates the Federal Long Term Care Insurance Program (FLTCIP), which offers coverage to active and retired Federal and U.S. Postal Service employees, active and retired members of the uniformed services, and their qualified relatives. The law that created FLTCIP, set forth at 5 U.S.C. Sections 9001-9009, provides for the preemption of state insurance laws and regulations, with OPM standing in the place of state insurance departments.

Public Law 109-171, the Deficit Reduction Act of 2005 (DRA), allows for qualified state long term care (LTC) insurance partnership programs. The Centers for Medicare and Medicaid Services (CMS) has provided guidance to state Medicaid Directors on implementation of partnership programs. We understand your state is working with CMS on approval for your state plan amendment (SPA) to provide an exemption from estate recovery in an amount equal to the benefits paid by long-term care insurance policies, when those benefits were disregarded in determining an individual's Medicaid eligibility. We are writing to be sure you are aware that certain policies issued under FLTCIP qualify for this asset disregard. These policies meet the requirements of section 1917(b)(1)(C)(iii) of the Social Security Act (42 U.S.C. 1396p(b)(1)(C)(iii)).

OPM is requiring Long Term Care Partners, our FLTCIP administrator, to issue certificates to appropriate policy holders to substantiate that their long term care insurance includes the inflation protection required by the DRA. This letter is your notice that when the FLTCIP administrator or insured provides such certification, it should be acceptable evidence that the insured is entitled to asset disregard under your state's partnership program.

If you have any questions, please contact John Cutler, Senior Policy Analyst, at 202.606.0004.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. Danbeck", with a long horizontal flourish extending to the right.

Robert F. Danbeck  
Associate Director  
for Human Resources Products and Services