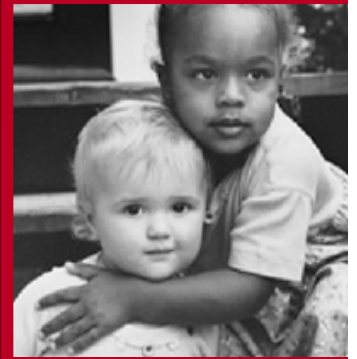


# 2008 Long Term Care Partnership Expansion Project Summit: Oregon

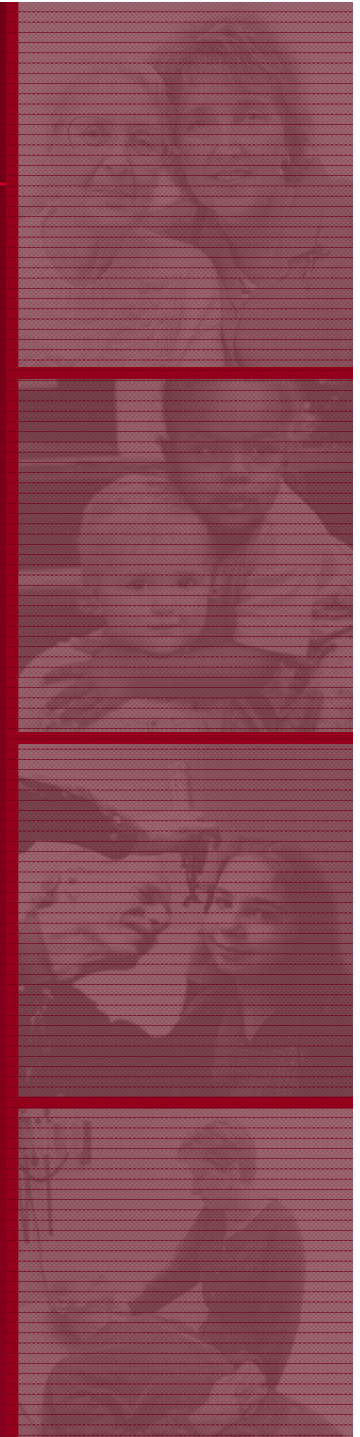
## TEAM MEMBERS

- Joanne Schiedler, DHS, Seniors and People with Disabilities
- Lauren Mitchell, DHS, Seniors and People with Disabilities
- Gayle Woods, Insurance Division



## Key Implementation Dates and Program Features

State Plan Amendment	Approved October 18, 2007 with an effective date of January 1, 2008.
Policies for Sale	January 31, 2008
Inflation Protection	< 61 – annual increases compounded at rate not less than 3%  61 -75 – must offer annual increases compounded at rate not less than 3% or offer periodic benefit increase without evidence of insurability or provide coverage at a percentage of cost with no maximum benefit  76+ - must provide at least one of three features described for 61 - 75
Agent Training	One-time training course of not less than 8 hours. At least 4 hours of LTC continuing education in each 24-month period following the one-time training course. Training must consist of topics related to LTC insurance, LTC services and, if applicable, qualified state LTC care insurance partnership programs.



# Key Challenges

- Challenges
  - Tracking program progress when there is no current requirement for insurance companies to report.
  - Having the funding to outreach to people who may benefit from this program.



# Key Lessons

- Lessons for Other States
  - Include all partners in program planning, i.e., Insurance Division staff, Medicaid field staff, Medicaid central office staff, Estate Administration collection staff, insurance producers, and client advocates.



# Reaching Partnership Consumers

## *Key components of your consumer outreach/communications strategy*

- Press release December 27, 2007
- Obtaining funding for outreach by applying for the Own Your Future Initiative
- No timeline until funding secured.





### What to consider before buying long-term care insurance

- **Age and life expectancy:** The longer you live, the more likely you will need long-term care. The younger you are when you buy the insurance, the lower your premiums will be.
- **Gender:** Women are more likely to need long-term care because they have longer life expectancies and often outlive their husbands.
- **Family situation:** If you have a spouse or adult children, you may be more likely to receive care at home from family members. If family care is not available and you cannot care for yourself, paid care may be the only option.
- **Health status:** If chronic or debilitating health conditions run in your family, you could be at greater risk than another person of the same age and gender.
- **Income and assets:** You may choose to buy a long-term care policy to protect assets you have accumulated. On the other hand, a long-term care policy is not a good choice if you have few assets or a limited income. Some experts recommend you spend no more than 5 percent of your income on a long-term care policy.

### Key points to remember

- Long-term care insurance policies cover a wide range of medical, personal, and social services.
- Understand what must happen for a policy to begin paying benefits.
- Understand the elimination period.
- Understand the daily benefits provided.
- Understand your coverage and exclusions.
- Match your need for long-term care with your need to protect assets and your ability to pay premiums.
- Understand how much your premium will be and how often it must be paid.
- Remember that your premium may increase after your purchase.



### Department of Consumer & Business Services Consumer Advocacy Unit

(888) 877-4894 toll-free  
(503) 947-7984 in Salem  
(503) 947-7280 TTY

[dcbs.oregon.gov](http://dcbs.oregon.gov)

440-3643 (9/07/COM)

# Long-term Care Insurance: What you should know



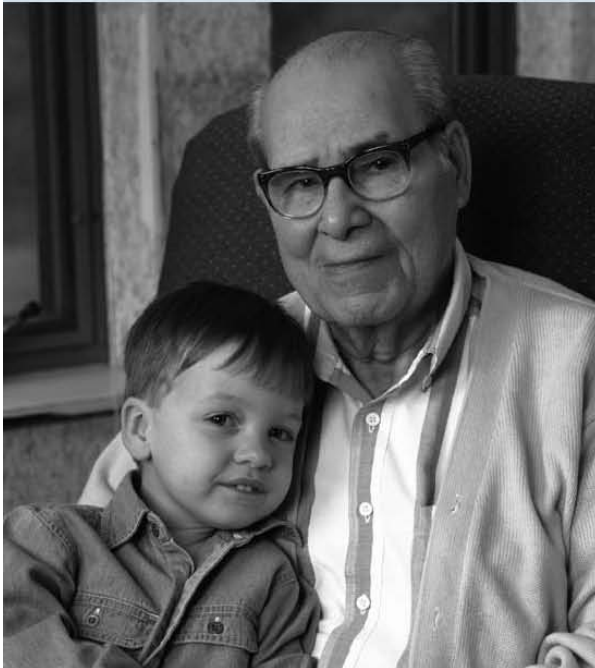
Senior and Family Education on  
Insurance and Financial Issues



# LONG-TERM CARE INSURANCE: WHAT YOU SHOULD KNOW

**T**he median age of the United States population is at an all-time high. Adults over the age of 65 have surpassed the number of teenagers, and people in their 50s and 60s can expect to live longer than previous generations. As a result, more and more Americans are preparing for their golden years by purchasing long-term care insurance.

**L**ong-term care policies cost Americans, on average, an estimated \$888 per year at age 50, \$1,850 per year at age 65, and \$5,880 per year at age 75. The average annual cost of nursing home care in Oregon in 2006 was \$62,000, and the average cost of home care was \$50,000. With costs rising with age, it is important for consumers to understand long-term care insurance and the best time to buy it.



## What is long-term care?

Long-term care refers to a range of medical, personal, and social services. You may need this care if you have a prolonged illness or disability. This care may include help with daily activities, home health care, adult day care, nursing home care, or care in a group living facility. Long-term care insurance is one way to pay for long-term care. It covers all or some long-term care service.

## When will benefits be available?

Long-term care policies have an elimination period, which is the number of days you must need nursing home care or home health care before your policy pays benefits. A shorter elimination period will mean you pay a higher premium. Elimination periods may range from 0 to 180 days. In addition, a long-term care policy does not guarantee coverage unless you satisfy certain requirements. For example, most policies require that you be unable to perform a given number of daily living activities, such as dressing, bathing, and eating without assistance. Also, most policies have a benefit trigger for cognitive impairment. For example: as a policyholder you can only qualify for these benefits if you are unable to pass a test assessing your mental functioning.

## How much in benefits will the policy pay?

The benefit amount ranges from \$50 to \$250 per day. You may choose a benefit period that is a specific number of days, months, or years. A benefit period may range from one year to the remainder of your lifetime. Ask the person selling the policy if the benefit or premium amounts will increase with inflation.

## Are there exclusions?

Every policy has an exclusion section. Be sure to review this section of the policy when choosing your coverage.

## New laws benefit Oregonians

Oregonians will benefit from the federal Long-Term Care Insurance Partnership Act. This recent legislation permits those who purchase eligible “partnership” long-term care insurance policies to access Medicaid services, once policy benefits are exhausted, without having to spend down their assets. They can protect personal assets up to the amount of policy benefits received. Senate Bill 191, passed by the 2007 Oregon Legislature, incorporates consumer protections and insurance policy provisions required under the federal legislation. The bill also establishes specific training requirements for insurance producers (agents) selling long-term care insurance. In addition, the bill enables Oregon’s Medicaid program to participate in the Long-Term Care Insurance Partnership Act and allows for protection of estate assets.

## Do you qualify for Medicaid?

As an older adult, you may qualify for Medicaid, which pays almost half of the nation’s long-term care bills. For more information on Medicaid benefits, contact:

### Department of Human Services

dmap.info@state.or.us

(503) 945-5772

(800) 527-5772

TTY: (800) 375-2863

[www.oregon.gov/dhs/healthplan](http://www.oregon.gov/dhs/healthplan)

# Partnership Policy Summary Form



Department of Consumer & Business Services  
Insurance Division

Exhibit 4  
OAR 836-052-0531

Approved Long-Term  
Care Partnership Program  
Policy Summary

1. Name of insured: \_\_\_\_\_
2. Policy/certificate number: \_\_\_\_\_
3. Effective date of coverage: \_\_\_\_\_
4. The policy/certificate was issued in the state of: \_\_\_\_\_
5. The cumulative dollar amount of insurance benefits paid: \$ \_\_\_\_\_  
(Note: The indicated amount does not include any payments for cash surrender, return of premium death benefits, or waiver of premium, and, if joint coverage, the amount is for the indicated insured only.)
6. The total dollar amount of insurance benefits remaining available under the policy: \$ \_\_\_\_\_
7. As-of date, for which this form was completed: \_\_\_\_\_
8. The name, phone number, and e-mail address of the person completing this form:  
Name: \_\_\_\_\_  
Phone number: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

I hereby certify that the above information is true and accurate and that the coverage  meets  does not meet partnership status in Oregon at the time of this certification.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# Partnership Description



Department of Consumer & Business Services  
Insurance Division

Exhibit 1  
OAR 836-052-0531

## Oregon's Long-Term Care Qualified Partnership Program

Oregon has established a partnership among the Department of Human Services (DHS), the Department of Consumer and Business Services, and some private long-term care insurers to offer special long-term care (LTC) insurance policies that entitle policy holders to asset protection. The policies will be available beginning Jan. 1, 2008. These policies must meet certain state and federal requirements. A qualified partnership policy (QPP) may be entitled to special asset protection under Oregon's Medicaid program.

The information contained in this disclosure is based on current Oregon and federal laws. These laws may change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Oregon's Medicaid program.

### *What is special about a QPP?*

Even after receiving LTC insurance payments, some people have to apply for Medicaid. If you purchase a QPP, you may qualify for Medicaid and keep more assets than other Medicaid clients. Assets include money in the bank, investments, and real property. Generally, people qualify for Medicaid when they have assets of \$2,000 or less. A QPP allows you to keep assets equal to the amount of LTC insurance benefits you received. Also, a QPP protects your inheritance in the same amount. For example, if your QPP paid \$50,000 for your LTC before you applied for Medicaid, you would get to keep both \$2,000 and \$50,000 and still be eligible for Medicaid. Medicaid would collect \$50,000 less from your estate, if that amount is still in your estate when you die.

A QPP does not automatically make you eligible for Medicaid. All other Medicaid criteria will still apply, including home equity limits that may make you ineligible for Medicaid. Contact DHS if you have Medicaid eligibility questions.

### *Does the QPP status of a policy ever change?*

A QPP is required to meet certain state and federal requirements. If you decide to purchase a policy and then make changes later, confirm with your insurance agent that the changes will not affect the QPP status. If you move out of Oregon, a QPP may protect assets for Medicaid in another state, but only if that state recognizes your policy as a partnership policy under its federally approved partnership program.

### *How do I make sure I get a QPP and not just a regular LTC insurance policy?*

Not all LTC policies are QPPs. Let your insurance agent know that you want a QPP, and he or she will make sure that you purchase one. Your insurance carrier will provide a written verification that your policy is a partnership policy when you receive it.



# Partnership Disclosure Notice



Department of Consumer & Business Services  
Insurance Division

Exhibit 2  
OAR 836-052-0531

Long-Term Care  
Partnership Disclosure Notice:  
Individual Policy

Insurer name: \_\_\_\_\_

Insurer address: \_\_\_\_\_

Policy holder name: \_\_\_\_\_

Policy number/identifier: \_\_\_\_\_

Effective date: \_\_\_\_\_

## **Important information about your long-term care insurance policy**

**You may be entitled to special asset protection as part of the new Oregon Long-Term Care Partnership Program. Please read below for more details and keep this notice with your long-term care insurance policy.**

The long-term care insurance policy that you recently purchased qualifies for the Oregon Long-Term Care Insurance Partnership Program. This program is the result of a partnership among the Oregon Department of Human Services (DHS), the Oregon Department of Consumer and Business Services (DCBS), and private long-term care insurers that voluntarily agreed to participate in the program. As a qualified partnership policy (QPP), your policy may be entitled to special asset protection under Oregon's Medicaid program.

### ***What is a QPP?***

Even after receiving long-term care (LTC) insurance payments, some people have to apply for Medicaid. As a purchaser of a QPP, you may qualify for Medicaid and keep more assets than other Medicaid clients. Assets include money in the bank, investments, and real property. Generally, people qualify for Medicaid when they have assets of \$2,000 or less. A QPP allows you to keep assets equal to the amount of LTC insurance benefits you received. Also, a QPP protects your inheritance in the same amount. For example, if your QPP paid \$50,000 for your LTC before you applied for Medicaid, you would get to keep both \$2,000 and \$50,000 and still be eligible for Medicaid. Medicaid would collect \$50,000 less from your estate, if that amount is still in your estate when you die.

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### ***Does the QPP status of a policy ever change?***

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**NOTE:** The information contained in this disclosure is based on current Oregon and federal laws. These laws may change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Oregon's Medicaid program.

### ***Additional Information?***

If you have questions regarding your insurance policy, please contact \_\_\_\_\_  
insurer name

If you have questions regarding current laws governing Medicaid eligibility, you should contact the Oregon Department of Human Services.

