

Own Your Future

Missouri's Long-Term Care Partnership Program

Introduction

Missouri's Long Term Care Partnership is a public – private venture designed to encourage and reward Missourians who take an active role in planning ahead for future long-term care needs. Partnerships are an alliance between the private insurance industry and state government to help Missourians plan for future needs without depleting all of their assets to pay for care. The future demand for long-term care services is expected to rise. Missourians need to plan ahead to ensure that the widest array and highest quality of services will be available to them.

Missouri looks forward to launching its partnership on or before **June 1, 2008**. Partnership policies can be purchased after this date.

What does long-term care insurance cover?

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

Long-term care 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.

Medicare or other types of health insurance generally do not cover long-term care. Long-term care insurance policies vary greatly in the amount and scope of services they cover and the settings in which services are delivered.

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, or individuals who are elderly or who have disabilities. The Department of Social Services, Family Support Division, and MoHealthNet administer the Missouri Medicaid program.

How will the Long-term Care Partnership work?

States are required to develop partnerships using the "dollar for dollar" model. For every dollar that a long-term care partnership insurance policy pays out in benefits, a dollar of personal assets can be protected (disregarded during the eligibility determination) if the individual chooses to apply for Medicaid. In other words, long-term care partnership policyholders who apply for Medicaid coverage are able to maintain some level of assets (equal to the long-term care insurance benefits paid) above the \$999.99 Medicaid asset limit currently in place for eligibility purposes.

The Federal Deficit Reduction Act of 2005 renewed states' ability to establish partnerships and outlined specific requirements for partnership policies:

- All partnership policies must include inflation protection for individuals under 61 and some form of inflation protection for individuals ages 61 – 76. Inflation protection helps the policy keep up with the rising costs of long-term care services.
- According to federal law, Missouri is not allowed to "grandfather" current policies. Long-term care insurance policyholders who wish to obtain a partnership policy should contact their agent or carrier of their choice regarding issuance of a new partnership policy.

Medicaid eligibility:

- The purchase of a long-term care partnership policy does not guarantee access to Medicaid.
- Medicaid eligibility is 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 office.
- Medicaid eligibility has both financial and non-financial requirements.
- Financial requirements include evaluation of both income and resources (assets).
- Non-financial requirements include proof of Missouri residency, citizenship and identity, a social security number, and proof of a required level of care for long-term care 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.

Frequently Asked Questions

What is the advantage of a partnership policy over a non-partnership policy?

Partnership policies will be priced similar to non-partnership policies that have similar benefit, policy, and inflation protection features.

Which insurance carriers will offer partnership policies?

At this point, it is too early to tell exactly which carriers will offer partnership policies in Missouri. Every carrier authorized to offer health insurance in Missouri is eligible to offer partnership policies, but the policies must be approved by the Department of Insurance, Financial Institutions & Professional Registration.

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 insurance company.

Will my Missouri partnership policy qualify me for dollar-for-dollar asset protection in other states?

Yes. Missouri plans to participate in a national reciprocity agreement; however, it is likely that not all states will participate. The applicant will also need to meet all Medicaid requirements of the new state of residence.

When should partnership policyholders apply for Medicaid?

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

If I exhaust my long-term care partnership policy, will I automatically qualify for Medicaid?

No. You must meet the level of care, income and resource requirements for long-term care.

What makes Missouri's program unique?

- Allows exchanges of contracts that already meet the partnership criteria.
- Inflation protection will be a base 3% annual compound level, but could be based on the Consumer Price Index (CPI).
- Insurance producers will need to take an 8 hour training course prior to selling a partnership policy. Producers will also need to take a 4 hour continuing education course every other year thereafter.

Missouri Department of Insurance, Financial Institutions & Professional Registration

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