

The Partnership-Qualified *Program*



Are you aware of the Partnership Program available for Traditional LTC products and how they might be able to protect the assets for consumers that are likely to spend down to Medicaid?

What is the Partnership Program?

The Long-Term Care insurance (LTCi) Partnership Program was signed into law in 2005. It established a relationship between states and private insurance companies to encourage citizens to purchase an individual LTCi policy. Individuals who may not have enough money or assets when they need Long-Term Care will have no other option but Medicaid. With Medicaid being a state-funded program, the expense to states to continue Medicaid has soared over the years, especially as modern medicine has kept people alive for longer. The goal of the Long-Term Care Partnership Program was to stabilize Medicaid using privatized insurance purchased by the consumer.

If a policy meets the two basic requirements it can be deemed a “Partnership-Qualified” policy.

- The policy must be tax-qualified
- The policy must offer inflation protection (also known as Cost-of-Living Adjustment rider) for certain age brackets, at the time of purchase.

The main benefit to a consumer purchasing a LTCi Partnership-Qualified policy is the dollar-for-dollar asset disregard, providing protection from Medicaid spend-down requirements. Stated another way, if a consumer purchases a LTCi Partnership-Qualified policy that has a total bucket of \$300,000 in LTC coverage, that consumer will be able to disregard \$300,000 of assets that would otherwise need to be spent-down, in order to qualify for Medicaid.

Medicaid and Long-Term Care

Because Medicaid is a state-funded program, there are different rules in different states for those eligible for assistance. Dealing with the government can be tricky and time-consuming. For many, the responsibility ends up in the hands of family members who are still in their working careers, may have children in school, and are leading active lives. Today, many family members are finding themselves coming out-of-pocket to cover the cost of an elder care planning attorney to help them through the Medicaid maze.