Own Your Future

State of Missouri
Long-Term Care Partnership Program

Frequently Asked Questions*

What is a long-term care partnership plan?

A long-term care insurance Partnership Plan has three basic requirements:

- The policy must have the same provisions as the National Association of Insurance Commissioner's (NAIC) model law. Since 2004, all plans sold in Missouri must comply with the model and be approved by the Department of Insurance, Financial Institutions & Professional Registration (DIFP) prior to use.
- The policy must be tax-qualified. This means the Internal Revenue Service (IRS) does not tax the policy's benefits.
- The policy must contain certain inflation protection provisions at the time it is sold:

Age	Compound Annual Inflation Protection
Less than 61	Company must offer 5 percent. If rejected by the consumer, a minimum of 3 percent or changes based on the consumer price index must apply.
61 – 75	Some level of inflation protection must apply. No minimum level is established.
Over 75	No inflation protection required for Partnership Plans.

How does a long-term care partnership policy 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.

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.

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.

What makes Missouri's partnership 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.

*This information is excerpted from the Frequently Asked Questions page at http://www.ownyourfuture.mo.gov.