

Important Message from the Indiana Long Term Care Insurance Program



Please read this message now. Then, keep it with your insurance policy.

Medicaid Asset Protection

Medicaid asset protection is a feature found in Indiana Long Term Care Insurance Program insurance policies (better known as “Indiana Partnership policies”). Medicaid asset protection allows you, the policyholder, to keep more countable assets than is normally allowed when, and if, you need help with long term care from the Indiana Medicaid Program. ***Only assets---not income---are protected.***

There are two types of asset protection—**Total** and **Dollar-for-Dollar**.

“Total asset protection” means all of your assets will be disregarded during the Indiana Medicaid eligibility process, should you choose to apply for help from Indiana Medicaid.

“Dollar-for-dollar asset protection” means that you will be allowed to retain one dollar of your assets for every one dollar of benefits used in your Partnership policy. However, any remaining assets will be considered (unless otherwise protected by law) during the Indiana Medicaid eligibility process.

Whether you receive total or dollar-for-dollar asset protection depends on:

- The amount of Partnership insurance you initially bought, and
- The amount of benefits you use under your policy, and
- The inflation feature in your policy, and
- Any benefit reductions applied to your policy.

The following steps will help you know whether you will receive total asset protection or dollar-for-dollar asset protection from your Indiana Partnership policy.

Step 1.

Make sure you purchased an Indiana Partnership policy. Check the front page of your policy for information that appears as follows:

THIS POLICY {CERTIFICATE} QUALIFIES UNDER THE INDIANA LONG TERM CARE INSURANCE PROGRAM FOR MEDICAID ASSET PROTECTION. THIS POLICY MAY PROVIDE BENEFITS IN EXCESS OF THE ASSET PROTECTION PROVIDED IN THE INDIANA LONG TERM CARE INSURANCE PROGRAM.

Step 2.

Amount of Coverage Initially Purchased. Turn to the schedule page in your policy. The schedule page shows the policyholder's name, the policy's effective date, the policy number, and the specific amount of benefits you purchased.

- If the maximum benefit (total amount of dollars your policy will pay out) when you first bought your Partnership policy equals or exceeds the State-set dollar amount for the calendar year of your policy's effective date (see chart below), you may earn **total asset protection**.
- If the maximum benefit you initially purchased is less than the State-set dollar amount for the calendar year of your policy's effective date (see chart below), you will earn **dollar-for-dollar asset protection**.

***Chart for State-Set Dollar Amount**

If the original effective date of your policy is:	The State-Set dollar amount is:		If the original effective date of your policy is:	The State-Set dollar amount is:
1998 or before	\$140,000		2014	\$305,603
1999	\$147,000		2015	\$320,883
2000	\$154,350		2016	\$336,927
2001	\$162,068		2017	\$353,773
2002	\$170,171		2018	\$371,462
2003	\$178,679		2019	\$390,035
2004	\$187,613		2020	\$409,537
2005	\$196,994		2021	\$430,014
2006	\$206,844		2022	\$451,515
2007	\$217,186		2023	\$474,091
2008	\$228,045		2024	\$497,796
2009	\$239,447		2025	\$522,686
2010	\$251,419		2026	\$548,820
2011	\$263,990		2027	\$573,263
2012	\$277,190		2028	\$605,077
2013	\$291,050		2029	\$635,331

Step 3.

Policy Benefits Used. If you purchased coverage that equals or exceeds the State-set dollar amount (see Step 2) and used All of the coverage to which you had access, you may earn total asset protection.

Notes: (1) If you bought an unlimited maximum benefit, you will earn dollar-for-dollar asset protection because you will not use all the policy benefits as it will continue to pay benefits as long as you need care. (With an unlimited maximum benefit, your odds of ever needing Medicaid assistance are reduced.)

(2) A policy that begins as total asset protection could turn into one earning dollar-for-dollar asset protection in the following situations:

- (a) Reduction in Benefits. If you choose to reduce your policy benefits to an amount less than the State-set dollar amount for the calendar year of your reduction's effective date, you will earn dollar-for-dollar asset protection. (If you used policy benefits, subtract this amount from the State-set dollar amount when calculating.)
- (b) Sharing Benefits. If you and your spouse purchased Partnership coverage that allows you to share your maximum benefit (through one policy that you both own jointly or through two individual policies with a rider that allows you to access each other's benefits):
 - (1) One spouse may use all of the benefits, leaving no coverage or asset protection for the other spouse.
 - (2) If one spouse uses benefits (but not all of them), and the amount of remaining benefits for the second spouse is less than the State-set dollar amount for the year when the first spouse stopped using benefits, the second spouse will earn dollar-for-dollar asset protection. (If the second spouse used policy benefits, subtract this amount from the State-set dollar amount when calculating.)

Step 4.

Inflation Feature. The inflation factor in your policy also determines the type of asset protection.

- (1) Total Asset policies **must** have a 5% compound inflation factor.
- (2) Dollar For Dollar policies could have 5% compound, CPI, or 5% simple inflation (only for purchasers age 75 or older at time of purchase).

Partnership policies not qualifying for total asset protection will earn dollar-for-dollar asset protection.

How will you know how much asset protection you have earned?

When you are using benefits from your Indiana Partnership policy, your insurance company will send you quarterly reports showing how much asset protection you have earned. When you have used all of your policy benefits, the company will send you a final Service Summary Report. You will need the Service Summary Report if you choose to apply for Indiana Medicaid assistance. **Keep these asset protection reports with your policy.** Remember: Once you have earned asset protection, you may then do anything you wish with your protected assets.

What happens if you use all of your Indiana Partnership policy benefits and still need long term care services?

If you continue to need care after you have used your policy benefits, you may choose to apply for help from Indiana Medicaid. During the eligibility process, Indiana Medicaid will disregard (not consider) your asset amount equal to the amount of asset protection you have earned. By using an Indiana Partnership policy, you have earned asset protection, **not** income protection.

What is Indiana Medicaid?

Medicaid is a federal and state-funded medical assistance program. It pays for long term care services for persons who meet certain guidelines.

Eligibility

Eligibility for Medicaid is not automatic. You, or someone on your behalf, must apply for Medicaid. You must be living in Indiana at the time you apply for help from Indiana Medicaid. You must also meet Indiana Medicaid eligibility criteria in effect at that time. You will need your **Service Summary Report** when you apply. This report will indicate the amount of asset protection you have earned by using your Indiana Partnership policy.

Once You Are Eligible

Once you are eligible to receive Indiana Medicaid benefits, you must continue to live in Indiana while receiving this assistance. The types of services you receive under Indiana Medicaid may be different from the services you received under your Partnership policy. You may receive more services under Indiana Medicaid than you did under your Partnership policy (example: coverage for prescriptions). However, there may be some services you received under your Partnership policy which are not available under Indiana Medicaid. Medicaid may require that part of your income be used toward your care. Medicaid determines the amount of your income contribution based upon your individual circumstances (i.e. living in your own home or a nursing home, single or married, etc...).

Important Information

- Premiums paid for Indiana Long Term Care Insurance Program (Partnership) policies may be deducted on your Indiana tax return. Please read your Indiana Tax Return Instruction Booklet for more details or consult with your tax advisor.
- A reciprocity agreement exists between Indiana and Connecticut Medicaid programs. This means that each of these states' Medicaid programs can honor the asset protection earned under the other state's Partnership policies. In addition, Indiana has joined the National Reciprocity Compact. This is an agreement among other Partnership states to honor asset protection. If an Indiana LTC Partnership policyholder applies to another state's Medicaid program and if at the time of Medicaid application, both states participate in the

Reciprocity Compact, the other state would honor Medicaid asset protection. Asset protection honored under a reciprocal agreement will be on a **dollar-for-dollar** basis only.

- For an application or more information on **Indiana Medicaid**, contact the office of the Division of Family Resources in the county where you live.
- For more information about the **Indiana Long Term Care Insurance Program**, or for the **State-set dollar amount** for any given year, contact the Indiana Long Term Care Insurance Program office at 1-866-234-4582, or visit our website at www.longtermcareinsurance.in.gov, or write to: Indiana Long Term Care Insurance Program, 311 W. Washington St., Suite 300, Indianapolis, IN 46204.
- For **information about the particular policy you own**, contact either the insurance company listed on your policy or the insurance agent who sold you the policy.

Thank you for purchasing an Indiana Partnership policy!

**Keep this Message with your
Indiana Partnership insurance policy.**