

Indiana Partnership News Flash

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Letter from the Director

This issue is the 4th quarter 2009 newsletter. We hope the newsletters over the last year have been useful and kept you up to date on long term care issues.

January 2009 began with a commitment from the Partnership office to provide education, promotion, and innovation for long term care in Indiana. A major accomplishment was the revamping of our website, www.longtermcareinsurance.in.gov. In addition, look for a more user friendly DOI website, www.in.gov/idoi in the 1st quarter of 2010.

Two valuable resource materials have also been updated, the Agent Manual and the consumer booklet, "What You Should Know About Long Term Care". Both are available for download or purchase.

In September, we launched our LTC Awareness Consumer Campaign. To date, the consumer and agent responses have exceeded our expectations. Our goal is to encourage Hoosiers to understand the need for long term care and the financing options available to address those concerns. To participate in the program, refer to our website.

The Partnership office is now teaching the 7 hour Partnership CE course. You can contact our office to schedule a class for a group.

Long term care issues will continue to be a concern and challenge for consumers as the population ages and health care reform progresses.

Best wishes in 2010!

Partnership Office Update



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In November, the 8th **Long-Term Care Insurance Producers Summit** was held in Kansas City in conjunction with the **National Partnership Summit**. Nearly a dozen LTC professionals from Indiana attended. The Producer Summit was an outstanding mix of presentations and panel discussions including sale strategies, prospecting, contract provisions, and LTC trends.

The **Partnership Summit** consisted of representatives from various state agencies across the country involved with the Partnership

program. All states regardless of the stage of their Partnership programs have similar issues – consumer awareness, budget dollars for administration, agent training, and portability of asset protection. The **National Reciprocity Compact** provides for portability of asset protection under a Partnership policy when applying for Medicaid eligibility in another state. See our website, www.longtermcareinsurance.in.gov, for more details on reciprocity.



Important Year End Information

❖ **Indiana State Tax Deduction**

Indiana Partnership policyholders can take a state tax deduction for premium paid during the tax year. The deduction is listed on Schedule 1&2 under "Other Deductions – Code 608" on the Indiana tax form. The Dept. of Revenue may ask for verification – this is the first page of the policy that contains the boxed/bold language stating if the policy qualifies for asset protection.

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

❖ **Total Asset Protection Policy Amount**

If an application is written near the end of the year, but not issued until after the first of the next year, the policy amount may not qualify as total asset protection which was the applicant's intention. The application form is required to have the option of selecting the effective date as the application date. Each January, the State sets a minimum amount for total asset protection.

❖ **Daily Benefit Amount**

Effective January 1, 2010, the minimum daily benefit for a Partnership policy will be \$115.00 (up from \$110).

❖ **Partnership Companies**

In 2009, two new companies were approved for Partnership sales – Mass Mutual and CUNA Mutual (not yet launched).

Allianz stopped selling stand alone LTC policies in November 2009 and Penn Treaty is no longer selling policies.

One new carrier's Partnership policy is under review and a group Partnership policy is also under review.

NATIONAL NEWS

CLASS ACT – This may be the one piece of LTC legislation to pass with health care reform. The program provides a basic limited cash benefit if 2 or 3 ADL's are met. The program would be offered by payroll deduction with an opt out required, premium contribution of at least 5 years before payments could begin, and an actively at work requirement for at least 3 of those years. The premium level needed to start and sustain the program is still debatable. If the program passes, it could be a door opener for further and a more detailed discussion of long term care options.

The Pension Protection Act of 2006 –

Effective January 1, 2010, combination annuity/long term care policies will have a favorable tax advantage. Federal tax law will enable premiums for a long term care policy to be paid pre-tax if they are paid straight from the pension.

2010 Figures

MEDICARE Part A

Hospital deductible	\$1,100 per benefit period
Hospital co-insurance for days 61-90	\$275 per day
Hospital co-insurance for days 91-150	\$550 per day
Recipient pays 100% of all costs for each day beyond 150 days	
Skilled nursing facility co-insurance Days 21-100	\$137.50 per day

MEDICARE Part B

Premium varies by income (Standard Premium based on individual income <\$8,000)	\$96.40 per month
Deductible	\$155 per year

Indiana Medicaid

Financial criteria for the Aged, Blind and Disabled category

	Individual	Married Couple
Income:	\$674 per month	\$1,011 per month
Countable Assets:	\$1,500	\$2,250

Spousal Impoverishment Protection Law (as of 1/1/2010)

Spouse is institutionalized and the other remains in the community:

	Community Spouse	Institutional Spouse
Income:	Minimum: \$1,823 per month	\$52 for personal
Maximum:	\$2,739 per month	Excess above \$52/month goes to institution
Assets:	Minimum: \$21,912 Maximum: ½ up to \$109,560	\$1,500

Indiana Partnership Program (ILTCIP) (eff. 1-1-2010)

Minimum daily nursing home benefit: \$115
State-set dollar amount for total asset protection: \$251,419

HIPPA FEDERAL TAX DEDUCTION LIMITS 2009 Tax Year

Attained Age Before End of 2009 Tax Year	Tax Year Premium Deduction Limit
40 or less	\$ 320
41 – 50	\$ 600
51 – 60	\$1,190
61 – 70	\$3,180
70 +	\$3,980

Per diem limit - \$280

Deductible for self-employed – 100% (up to limit in chart above)

A **self-employed** person can deduct the difference from the amount paid and deduction taken on a federal return for a tax qualified partnership policy.

Valuable Resource Information

As a LTC insurance professional, you can be an important resource for your clients and families. Below are helpful websites for long term care information.

A Place for Mom

www.aplaceformom.com

Areas on Aging

www.in.gov/fssa/da/3478.htm

CMS Caregiver Publication

www.medicare.gov/publications/pubs/pdf/11035.pdf

Indiana Dept. of Health

www.in.gov/isdh/23260.htm

Indiana Department of Insurance

www.in.gov/idoi

Indiana LTC Insurance (Partnership) Program

www.longtermcareinsurance.in.gov

IN LTC Ombudsman

www.in.gov/fssa/da3474.htm

Partnership Expansion Map

<http://www.dehpg.net/lcpartnership/map.aspx>

State Health Insurance Assistance Program (SHIP)

www.medicare.in.gov

