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1-866-234-4582

# Indiana Partnership News

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## 2014 Long Term Care Thought

*Are Boomers more prepared for death than Life????*

### Letter from the Director

Welcome to the Indiana Partnership January 2014 newsletter. What will the market be for long term care in 2014? What changes can we expect in products? Will consumers be able to afford and plan for future LTC services? All good questions – but still a cloudy crystal ball! With the aging population and statistics showing that more than 70% of the U.S. population aged 65 will need some level of long term care in their lifetimes, awareness and planning for the future is essential. Because of the impact long term care expenses have on Medicaid budgets, the Indiana Partnership Program has been a strongly supported

Rebecca Vaughan



(317) 232-2187

bipartisan effort to be good stewards of Medicaid dollars by encouraging the population most at financial risk for spending their assets to plan for the future. The Indiana LTC Partnership Program will

be looking at a number of changes this year as we strive to continue to educate consumers and LTC professionals and maintain an affordable and successful LTC marketplace.

### Partnership Office Update

#### New Staff

The Partnership Office is excited to welcome Mary Ann Williams as the Partnership Coordinator. Mary Ann transferred from Financial Services within the DOI. Questions

about LTC continuing education and requests for supplies can be directed to Mary Ann at [mawilliams2@idoi.in.gov](mailto:mawilliams2@idoi.in.gov) or 317-232-4391.

#### LTC Guild Meeting

The next luncheon meeting will be Friday, March 14, 2014. Contact Mary Ann Williams for details. Anyone interested in long term care issues is invited to be part of the Guild.

### **Continuing Education Keep your CE Certificates**

Insurance companies may ask for copies of certificates to verify LTC continuing education compliance. The DOI does not keep copies. CE providers are required to post this information on the Sircon database after a course is completed and provide a copy of the CE certificate for a period of 4 years after the class is completed.

### **New Ethics CE Requirement**

A producer with a health certification will be required to take at least 3 hours of CE credit related to ethical practices for a license renewal after 6-30-2014. Example - If you take a take a 3 hour LTC course on ethics, the ethics requirement will be satisfied as well as earning 3 LTC CE hours (toward the 5 hours LTC requirement).

### **New Products**

Thrivent Financial for Lutherans introduced a LTC Partnership policy in 2013. The choice of Indiana Partnership companies now includes Thrivent, John Hancock, Genworth Financial, Mass Mutual, Bankers Life & Casualty, and TransAmerica. In 2013, several companies filed gender specific pricing on their Partnership and traditional LTC policies.

We anticipate seeing several new product designs and policy revisions in 2014.

### **LTC Rate Increase Filings**

Large rate increase filings on LTC policies continue to be a complex issue for the industry. As regulators we are faced with the dilemma of balancing consumer interests while supporting a viable LTC marketplace.

See the **Spotlight** section to learn more about the DOI's Rate Watch tool.

### **Partnership Changes**

May 2013 marked the 20<sup>th</sup> anniversary of the Indiana LTC Partnership Program. As the LTC market has changed significantly since 1993, the Partnership Program is discussing possible changes to the Indiana model, such as lower inflation options. We would welcome any

suggestions or comments.

### **LTC Awareness**

The LTC Education Awareness letter campaign was discontinued as of November 30<sup>th</sup>. The 4 year campaign was considered a success as more than 1.5 million Hoosiers were encouraged to plan for their financial future. Other

LTC education opportunities are under review for 2014.

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## **National News**

### **LTC Commission**

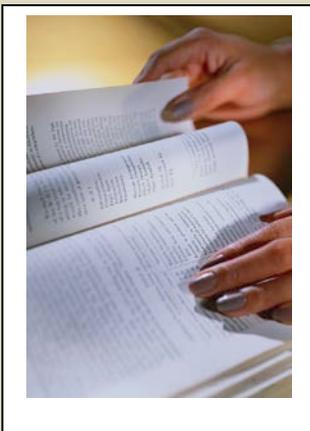
The bipartisan Long Term Care Commission authorized by Congress to address the nation's LTC issues issued their report in the fall of 2013. Obviously, given the complexities of this issue and the Commission's time restraints, LTC remains a controversial hot topic.

Click on the link below for additional perspective.  
<http://www.kaiserhealthnews.org/stories/2013/september/13/long-term-care-commission-recommendations.aspx>

### **Reciprocity**

The national Partnership website,  
<http://w2.dehpg.net/LTCP>

[artnership/](http://www.kaiserhealthnews.org/stories/2013/september/13/long-term-care-commission-recommendations.aspx), is no longer being supported by the Federal government. The website was last updated September 30<sup>th</sup> and will remain available probably until mid-2014.



## Spotlight

The “Rate Watch” widget can be accessed from the DOI website, [www.in.gov/idoi](http://www.in.gov/idoi), in the lower left corner of the Home Page. All rate filings for LTC, Health, and Med Supp filed since 5/1/2010 are posted. Rate filings include rate increases on existing insured’s and increased rates on new business. A filing is submitted based on company policy “forms” (different than an individual’s policy).

- Select product type
- Company can be selected or left blank
- Use starting date of 05/01/2010 to see all rate filings (leave current date as end date)
- Begin Search
- Click on column heading to further organize data
- Click on particular filing number to get specific filing details (0 affected insured’s means the filing is for new business rates only)
- A rate review and final rate decision could take several months.

## General Information

### 2014 Indiana Partnership Policy Requirements

\$115 Minimum Daily Benefit (\$3,498 monthly)

\$305,603 Minimum Policy Amount for total asset protection

### Spousal Impoverishment Limits

Assets: minimum \$23,448 to maximum \$117,240

Income: minimum \$1,939 to maximum \$2,931

### Tax Deduction

Indiana LTC Partnership policies are eligible for a tax deduction on Indiana state tax form IT-40. The deduction is listed on Schedule 1 & 2 under “Other Deductions” using code #608.

A **tax-qualified** LTC policy may also qualify for a tax deduction on itemized federal taxes. The LTC premium (up to certain limits) can be included in medical expenses.

Beginning January 1, 2013 (tax return filed in 2014), you can claim deductions for medical expenses not covered by health

insurance that exceed 10% (was 7.5%) of AGI. There is a temporary exemption from 1/1/2013 to 12/31/2016 for individuals 65+ and spouses. If you or your spouse are 65 years or older or turned 65 during the tax year, you are allowed to deduct unreimbursed medical care expenses that exceed 7.5% of AGI. The threshold remains at 7.5% of AGI for these taxpayers until 12/31/2016.

