



Partnership Plan Information

The Group Long Term Care plan offered by your employer is a “Partnership” plan. This will describe what that means and how it may benefit you.

The Federal Deficit Reduction Act of 2005 authorized states to establish Long Term Care Partnerships. Long Term Care Partnership plans are based on an alliance between the private insurance industry and state governments, and are designed to protect individuals from depleting all of their assets in order to qualify for Medicaid.

Medicaid is a health insurance program jointly administered and funded by the federal and state governments. It provides health care services for eligible low income individuals. People qualify for Medicaid by meeting financial standards and by belonging to a covered group (such as children, the elderly, or individuals who are disabled).

The Long Term Care Partnership is a “dollar for dollar” model. For every dollar of benefits paid out under a LTC Partnership plan, a dollar of personal assets can be protected (disregarded for purposes of Medicaid financial eligibility and estate recovery) if the individual chooses to apply for Medicaid. For example, if an insured has qualified Long Term Care coverage with a lifetime maximum of \$100,000, then \$100,000 of their personal assets will be protected in qualifying for Medicaid should they exhaust their benefits. The asset protection is based on the amount of benefit received, not on the amount of premiums paid or the total value of the coverage.

Specific requirements need to be met in order for the Long Term Care Plan selected to qualify as Partnership coverage, based on the individual’s age (note that inflation options listed below are not all available in all plans):

- For individuals less than age of 61, the plan selected must include 5% Compound Inflation Protection;
- For individuals 61 to 75 years old, the plan selected must include 5% Compound Inflation Protection or Simple Inflation;
- For individuals over age 75, any plan selected will qualify as a Partnership plan.

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