RESOURCES

NEW YORK STATE PARTNERSHIP FOR LONG-TERM CARE

Description:

The Partnership for Long-Term Care (Partnership) provides an alternative means to fund long-term care while promoting financial independence of New York State residents. This means New York State will share with participating consumers in planning for their long-term care expenses. Individuals and couples who purchase and keep in effect Partnership for Long-Term Care insurance policies will be protected, if they are otherwise eligible, against the costs of extended care situations through the Medicaid Program. State approved Partnership for Long-Term care insurance policies are sold through private insurance companies. The Insurance Department of the State of New York must approve all Partnership insurance policies, and insurance companies marketing Partnership policies must enter into an Insurer Participation Agreement with the NYSDOH.

Policy:

Persons who utilize the required amount of benefits under one of the four Partnership Plans become a Qualified Partnership Policyholder (QPP) and are eligible for Medicaid Extended Coverage (MEC) appropriate to the type of policy purchased. (See **GLOSSARY** for definitions) Although the private insurance component of a Partnership policy may be used outside of New York State to pay for long-term care services, Medicaid Extended Coverage is ONLY available for a QPP who is a resident of New York State. Provided a Partnership policyholder is not placed in a New York State institution by another state, or by a public or private organization contracting with the other state for such purposes, an A/R returning to New York State is a resident of New York State upon entering the State. (See **OTHER ELIGIBILITY REQUIREMENTS** STATE RESIDENCE AND RESPONSIBILITY FOR ASSISTANCE DISTRICT OF FISCALLY RESPONSIBILITY (DFR) for determining the district of fiscal responsibility.)

For Total Asset Protection (TAP) plans, income is considered in determining Medicaid eligibility, but resources are exempt. No liens or recoveries are pursued for correctly paid Medicaid.

For Dollar-for-Dollar Asset Protection (DDAP) plans, income AND unprotected resources are considered in determining Medicaid eligibility. The amount of any lien or recovery against the A/R's estate is reduced by the amount of asset protection provided to the A/R as a qualified Partnership policyholder.

All Medicaid income rules in effect at the time of application will apply. Local districts are notified of an A/R's qualification for Medicaid Extended Coverage by a 90-day Notice of Qualifying Status for Medicaid Extended Coverage letter which will be provided

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to the local district by the State Department of Health and/or the A/R. Different 90-day notices are issued depending on whether the A/R is participating in the TAP or DDAP plan and its minimum duration requirement. Such notices will be on insurance company letterhead, and serve as verification that the A/R is a Partnership policyholder who is about to achieve qualifying status.

References:

ADM	09 OHIP/ADM-3 06 OMM/ADM-5 05 OMM/ADM-1 04 OMM/ADM-6 02 OMM/ADM-3 96 ADM-8 91 ADM-17
LCM	97 OMM LCM-3
GIS	07 MA/020

Informational References: http://www.nyspltc.org

Interpretation:

Total Asset Protection (TAP)

Total Asset 50 policies are identified by the number "3/6/50" and provide a minimum benefit of three years in a nursing home; or six years of home care (community-based long-term care services). In order to be eligible for Medicaid Extended Coverage, a QPP must use benefits under the policy equal to 36 months of paid nursing home care, home care (where two days of home care equal one nursing home day), and certain other policy benefits may be used to satisfy this requirement.

Total Asset 100 policies are identified by the number "4/4/100" and provide a minimum benefit of four years in a nursing home; or four years of home care (community-based long-term care services); or four years in a residential care facility, such as an assisted living program. In order to be eligible for Medicaid Extended Coverage, a QPP must use benefits under the policy equal to 48 months of paid nursing home care or its equivalent. A combination of nursing home care, home care, care in a residential care facility, and certain other policy benefits may be used to satisfy this requirement.

The resources of the TAP QPP are exempt from consideration in determining Medicaid eligibility. If the TAP QPP is married, his/her spouse's resources are not considered in determining the QPP's Medicaid eligibility. It is not necessary to collect and/or document information on the TAP QPP's resources or the resources of his/her

spouse, except to the extent that such information documents income derived from such resources. Transfer of resources provisions do not apply. However, since income is not exempt, if there is a transfer of a lump sum income payment or a stream of income during the look-back period a transfer penalty may result. If an exempt resource that generates income is transferred, no transfer penalty is imposed. TAP QPPs are exempt from liens and recoveries, annuity requirements and substantial home equity requirements.

Dollar-for-Dollar Asset Protection Plan (DDAP)

Dollar-for-Dollar Asset 50 policies are identified by the number "1.5/3/50" and provide a minimum benefit of one and one-half years in a nursing home; or three years of home care (community-based long-term care services), where two days of home care equal one nursing home day. In order to be eligible for Medicaid Extended Coverage, a QPP must use benefits under the policy equal to 18 months of paid nursing home care or its equivalent. A combination of nursing home care, home care (where two days of home care equal one nursing home day), and certain other policy benefits may be used to satisfy this requirement.

Dollar-for-Dollar Asset 100 policies are identified by the number "2/2/100" and provide a minimum benefit of two years in a nursing home; or two years of home care (community-based long-term care services); or two years in a residential care facility, such as an assisted living program. In order to be eligible for Medicaid Extended Coverage, a QPP must use benefits under the policy equal to 24 months of paid nursing home care or its equivalent. A combination of nursing home care, home care, care in a residential care facility, and certain other policy benefits may be used to satisfy this requirement.

The DDAP QPP is allowed standard Medicaid resource exemptions in addition to the amount of his/her Partnership resource disregard. The amount of the Partnership resource disregard is the dollar amount paid by the policy for benefits received by the QPP. If the DDAP QPP is married, his/her spouse's resources are counted in the eligibility determination to the extent that the couple's combined resources exceed the dollar amount paid by the Partnership policy for benefits. If the DAPP QPP is an institutionalized spouse, the couple's countable resources that exceed the sum of the community spouse resource level, the dollar amount paid by the Partnership policy for benefits, and the Medicaid resource level for one are considered available for the institutionalized spouse's cost of care.

The resource disregard is applied first to reduce the resources of the QPP that exceed the appropriate resource standard. If excess

resources exist, the DDAP QPP can become eligible for Medicaid by spending down the excess resources by incurring or paying for medical expenses.

The collection and documentation of resources for the transfer of assets look-back period is required if a DDAP QPP applies for Medicaid coverage of nursing facility services and is determined to be otherwise eligible for Medicaid. If a DDAP QPP or his/her spouse made a prohibited transfer of resources within the look-back period any remaining dollar – for-dollar disregard not used to establish resource eligibility may be used to offset the transferred resources. In cases where the uncompensated value of a prohibited transfer is entirely offset by the remaining amount of the dollar-for-dollar disregard, no transfer penalty is imposed. Any uncompensated transfer or a portion thereof, is not offset by the dollar-for-dollar disregard may result in a transfer period. Any dollar-for-dollar disregard amount used to offset a prohibited transfer cannot be used again for eligibility purposes, nor can the same dollar-for-dollar amount be used to offset any lien or recovery amount from the DDAP QPP's estate.

If an annuity, such as a deferred annuity, is a countable resource at the time of application for Medicaid Extended Coverage (MEC) the dollar-for-dollar Partnership policy/certificate holder may use the asset protection earned by the Partnership insurance to establish resource eligibility. If the dollar-for-dollar asset protection is not sufficient to disregard the entire value of the annuity, any portion of the annuity value not disregarded is a countable resource for purposes of determining eligibility for MEC. In **no** instance is the dollar-for-dollar policy/certificate holder or his/her spouse required to name the State as a remainder beneficiary of the annuity when the annuity has been determined to be a countable resource.

In instances where the annuity is **not** a countable resource (e.g., a qualified annuity in payment status) and the dollar-for-dollar Partnership policy/certificate holder is applying for Medicaid coverage of nursing facility services, the policy/certificate holder and his/her spouse will be required to name the state as a remainder beneficiary or the annuity will be treated as an uncompensated transfer. Effective August 8, 2006, if the policy/certificate holder or his/her spouse refuse to name the State as remainder beneficiary, any dollar-for-dollar disregard remaining after the establishment of resource eligibility may be used to offset the amount of the transfer (purchase price of annuity less any monies actually received from the annuity). A note must be maintained in the case record to avoid re-applying this disregard in the future.

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NOTE: Individuals may purchase Partnership Policies of greater duration than the minimum duration requirement. However, Dollar-for-Dollar Asset 50 policies cannot exceed two and one-half years of nursing home care and five years of home care. Dollar-for-Dollar Asset 100 policies cannot exceed two and one-half years of nursing home care, two and one-half years of home care and two and one-half years of care in a residential care facility. Partnership insurance policy coverage that exceeds the minimum required standards for Medicaid Extended Coverage shall be used like any other third-party health insurance to offset Medicaid expenditures for the QPP.

NOTE: Individuals may purchase Partnership Policies of greater duration than the minimum duration requirement. However, Dollar-for-Dollar Asset 50 policies cannot exceed two and one-half years of nursing home care and five years of home care. Dollar-for-Dollar Asset 100 policies cannot exceed two and one-half years of nursing home care, two and one-half years of home care and two and one-half years of care in a residential care facility. Partnership insurance policy coverage that exceeds the minimum required standards for Medicaid Extended Coverage shall be used like any other third-party health insurance to offset Medicaid expenditures for the QPP.