

Ohio

Partnership for Long-Term Care Insurance
Your **Choice**. Your **Future**.

What is the Ohio Partnership for Long-Term Care Insurance?

The Ohio Partnership for Long-Term Care Insurance is an initiative between the State and private insurance companies to encourage Ohioans to plan for their long-term care needs. The partnership established “partnership policies” which provide coverage for long-term care needs and also allows Ohioans the ability to obtain “Medicaid Asset Protection” - a benefit not available with other policies sold in Ohio.

How did the partnership programs begin?

Partnership programs began in 1992 in four states (CA, CT, IN, NY) as Robert Wood Johnson Foundation Grants. Results from the piloted partnerships show increases in the sale of affordable, high-quality private long-term care insurance to moderate income consumers most likely to deplete assets and rely on Medicaid for long-term care.

The Deficit Reduction Act of 2005 allows states to pursue public-private partnerships for long-term care insurance coverage aimed at providing options to consumers under certain conditions. Ohio Revised Code (ORC) 5111.18 required the Ohio Department of Job and Family Services, (ODJFS) to establish a partnership for long-term care insurance by September 1, 2007.

Do people really need long-term care insurance?

Since Medicare and other standard health insurance policies do not pay for the majority of long-term care services, people without long-term care insurance must often deplete their assets to pay for their care. The average monthly cost of long-term care in Ohio is estimated to be over \$4,200*.

Those without long-term care insurance will typically pay out-of-pocket for long-term care until their assets are low enough to qualify for Medicaid. Currently, Ohioans must reduce assets to \$1,500 (individual) or \$2,250 (couple), before they can get Medicaid to finance their long-term care.

(*Source: Adapted from Own Your Future Planning Kit for Long-Term Care: Genworth Financial Cost of Care Survey 2007)

How do I know if long-term care insurance is right for me?

Generally, financial planners recommend considering long-term care insurance if you:

- own total financial assets of at least \$75,000 (not including your home or your car);
- have annual retirement income of at least \$25,000 to \$35,000 for an individual or \$35,000 to \$50,000 for a couple;
- are able to pay premiums without financial difficulty. While premiums are designed to remain level based on your age at the time you buy, think about whether you would be able to afford premiums if there should be an increase in the future; and
- if one of your major financial goals is to leave an inheritance to your children, grandchildren, or other heirs.

Some people buy long-term care insurance for reasons other than to protect income or assets. They also buy for peace of mind, greater independence, greater ability to receive care at home, and greater choice of care options. So these financial guidelines may not strictly apply if your reasons for buying insurance are more about care choices than about passing on financial resources to your heirs.

(Source: Own Your Future Planning Kit for Long-Term Care)

What is Medicaid Asset Protection?

This benefit is only available to those who purchase “qualified partnership policies.” Medicaid asset protection simply allows Medicaid applicants to keep more assets and still potentially qualify for Medicaid coverage. Upon application for Medicaid, the total assets a person may keep is the combined total of the Medicaid asset limit and the total amount paid by a partnership policy. (See example below.)

Partnership policyholders who need Medicaid to help pay for long-term care can apply at any time. Ohio’s Medicaid program can help pay the difference between what the policy covers and what is owed, or provide assistance once the policy is exhausted. In both cases, the benefit of Medicaid asset protection will be provided. The more the partnership policy pays, the higher the asset protection.

How does Ohio’s partnership program work?

For example, a single individual whose partnership policy has paid \$100,000 toward nursing home or community-based long-term care would potentially be able to obtain Medicaid coverage and still retain \$101,500 worth of assets.

What are the features of Ohio's partnership program?

Ohio's partnership program includes the following features:

- Medicaid Asset Protection
- Long-term care insurance policies that offer enhanced inflation protection
 - For ages 60 or younger - includes a compound inflation benefit (a minimum of three percent compound or consumer price index)
 - For ages 61 - 75 - includes some form of an inflation benefit (a minimum of three percent simple or consumer price index)
 - For ages 76 and older - no purchase of an inflation benefit is necessary
- Ability to exchange certain policies purchased on or after August 12, 2002 for a qualified partnership policy
- Reciprocity with states interested in allowing buyers to claim Medicaid Asset Protection in a state other than the one in which the Partnership was purchased
- Support toward the ability to access Medicaid even when the partnership policy is not exhausted

Who makes up Ohio's Partnership Project Team?

The project team was formed to guide the development of the partnership. It includes: ODJFS, Ohio Department of Insurance, Ohio Department of Aging, Ohio AARP, Genworth Financial, Association of Philanthropic Homes, Housing and Services for the Aging, Ohio Association of Health Underwriters, Ohio Health Care Association, and the ODJFS Director's Association. Ohio is one of 10 states to receive a grant through the Centers for Health Care Strategies (CHCS) to inform Ohioans about the availability of partnership policies.

For more information, visit www.ltc4me.ohio.gov or contact 1-800-686-1578. Information is also available at local area agencies on aging or local county departments of job and family services.