



U.S. Department of Health and Human Services



Partnership For Long Term Care

Implementation Status Report

National Association of Insurance Commissioners
Senior Issues (B) Task Force
September 22, 2009

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Office of the Assistant Secretary
for Planning and Evaluation



Partnership Timeline



- > February 1, 2006: Deficit Reduction Act of 2005
- > July 26, 2006: HHS guidance to Medicaid Directors
- > September 2, 2008: HHS Reciprocity Notice
- >
- > December 18, 2008: HHS Insurer Reporting Regulation
- > December 18, 2008: HHS Policy Data Privacy Notice
- > August 1, 2009: First Deadline: Registry Data:
- > November 1, 2009: First Deadline: Claims Data



Implementation Status 9/09



- > Partnership Policies for Sale (31): 77% 45-64 US pop
 - CA, CT, IN, NY
 - AL, AR, CO, FL, GA, ID, KS, KY, MD,
 - MN, MO, ND, NE, NJ, NV, OH, OK, OR, PA, RI, SC, SD, TN, TX, VA, WI, WY

- > Approved State Plan Amendments (3): 3% 45-64 US pop
 - AZ, IA*, NH

- > Pending State Plan Amendments (1): >1% 45-64 US pop
 - ME

- Partnership policies available to :80% 45-64 US pop



Implementation Issues



- Group Partnership
 - No uniform approach for multi-state filings
- Tiered Inflation Protection
 - Filing turning up in a handful of states
 - Uneven state regulation and reception
 - New ASPE report on type of inflation protection and lapse FPO policies more likely to lapse
- Notice of Asset Protection
 - No uniform notice provisions in place
 - Opportunities for state and insurer coordination
- State level Partnership education/awareness



Reciprocity Status



- > DRA States Participating (26):
 - AL, AR, CO, FL, GA, ID, KS, KY, MD,
 - MN, MO, ND, NE, NJ, NV, OH, OK, OR, PA, RI, SC, SD, TN, TX, VA,

- > DRA Not Participating (1):
 - WI

- > RWJF State Participating (2):
 - CT, IN

- > RWJF States Not Participating (2):
 - NY, CA



Reporting Overview



> Registry File:

- Snapshot of all PQ policies
- Jan – June deadline: August 1
- July – December deadline: February 1

> Claims File:

- History of claims paid for PQ policies
- Deadlines: Feb 1, May 1, Aug1, Nov1

> State Access:

- Summary reports on web site
- Individual records for identified state contact



Reporting Highlights



- > 27 insurers submitted data
- > 130,000 PQ policies
- > 65% PQ policies are new sales vs. exchanges.
- > 65% PQ policies in-force from FL, MN, VA, and WI
- > \$252,000: average lifetime maximum
- > \$168: average daily benefit amount
- > 86% of buyers under age 61 have 5% compound IP
- >
- > \$1,861 Average premium for all insureds



Reporting Issues



- > Several insurers reported Partnership policies with inflation features not allowed by DRA
- > Data quality process still developing
 - DQR process to assist states and insurers in making the data better
 - What to do when data errors are discovered
- > Companies with closed blocks and very small numbers of Partnership policies
- > Data for 2 RWJF states with Reciprocity



<http://www.dehpg.net/LTCTPartnership>



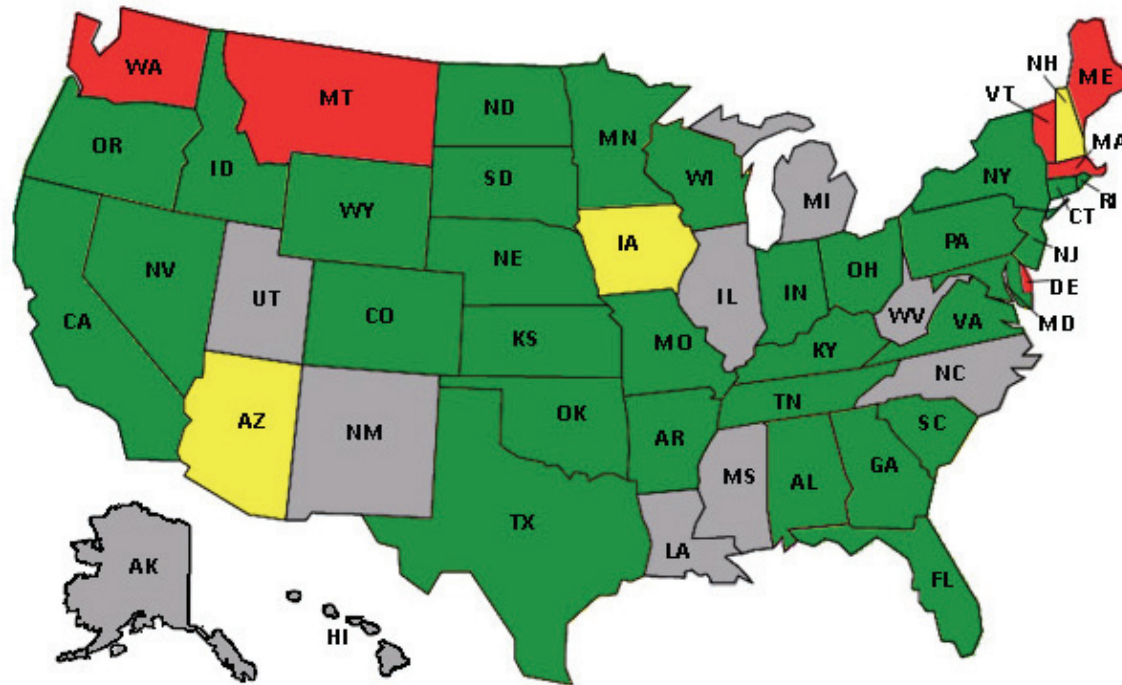
Long Term Care Partnership Program

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Long Term Care Partnership State Tracking Map

To see a list of available documents for a state, either choose a state from the dropdown list below and click on GO, or click directly on a state in the map below.

ALABAMA





Conclusion



- Total population of covered lives with Partnership policies continues to grow
 - DRA states: 130,000
 - RWJF states: 242,833
 - All state: 372,833

- Rapid implementation by states and insurers continues

- Maturing of program brings new issues



Long Term Care Partnership Data Reporting System

Registry File 1 – Initial Submission on 8-1-09

Initial Data Summary – all records U.S. (update 8-31-09)



OVERVIEW:

- Data received from 27 insurers with over 130,000 PQ policies.
- The three largest insurers account for 76% of all PQ policies in force. Eight insurers have between 1,000 and 5,000 PQ policies and the remaining carriers have < 1,000.
- Almost two-thirds (65%) of the PQ policies are new sales vs. exchanges.
- Based on state of issue, FL, MN, VA and WI lead with the largest number of PQ policies in-force, accounting for about 65% of the total.
- The NTO and lapse rates respectively are 1.3% and 1.0%. Given that nearly half of the PQ policies are derived from exchanges it makes sense that these numbers would be low.
- Less than 1% of policies starting the reporting period as PQ lost that status (mostly as a result of dropping inflation protection).
- Just over two-thirds are individual policies and the rest are group.

DEMOGRAPHICS:

- Over half (56%) of new sales are to females.
- Insureds under age 61 account for 66% of the PQ policies.
- The specific age breakdowns are as follows:

– Under age 41	11%
– Age 41-45	6%
– Age 46-50	10%
– Age 51-55	17%
– Age 56-60	22%
– Age 61-65	21%
– Age 66-70	9%
– Age 71-75	2%
– Age 76+	2%



COVERAGE FEATURES:

- Almost all policies are comprehensive with a single lifetime maximum design, expressed in dollars, not days.
- Only 3% and 2% of policies are facility only or home care only respectively.
- The average lifetime maximum is about \$252,000, with the following specific breakdown:

–	\$36,599 or less	1%
–	\$36,600 - \$73,099	2%
–	\$73,100 - \$109,599	6%
–	\$109,600 - \$146,099	6%
–	\$146,100-\$182,599	11%
–	\$182,600 and above	64%
–	Unlimited	7%
- The average daily benefit amount for facility care is \$168 with roughly equivalent amounts for other levels of care.

INFLATION PROTECTION:

- Almost all buyers under age 61 (86%) have 5% compound Inflation Protection (IP).
- The rest have either 3% compound (2%), some other compound percentage (2%) or a CPI-based IP, graded IP or some other compound percentage (8%).
- For buyers ages 61-75, just over half have 5% compound IP and one-third have 5% simple.
- Over age 76, close to 61% of insureds have no IP.

PREMIUMS:

- The average premium for all insureds is \$1,861.
- For insureds under age 61, the average premium is \$1,545.
- For those ages 61-75, the average is \$2,444 and it is \$2,898 for those ages 76 and over.
- The average premium distribution across all ages is as follows:

–	Under \$500	13%
–	\$500-\$999	24%
–	\$1,000-\$1,499	13%
–	\$1,500-\$1,999	13%
–	\$2,000-\$2,499	10%
–	\$2,500-\$2,999	8%
–	\$3,000-\$3,499	6%
–	\$3,500-\$3,999	4%
–	Over \$4,000	9%