

California Department of Insurance Eight-Hour Mandatory Long-Term Care Course Attachment V

SUMMARY OF THE CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE

The California Partnership for Long-Term Care (Partnership), established in 1994, is an innovative program of the State of California, Department of Health Care Services in cooperation with a select number of private insurance companies. These companies have agreed to offer policies that meet stringent requirements set by the Partnership and the State of California. These special policies are commonly called "Partnership policies." In addition to many other consumer protection features, Partnership policies offer the special benefit of Medi-Cal Asset Protection. Each dollar a Partnership policy pays out in benefits allows a policyholder to keep one dollar of assets they would otherwise have to spend if they ever needed to apply for Medi-Cal.

All Partnership-approved policies contain vital features necessary for high quality long-term care insurance coverage, including the following:

- Built-in automatic inflation protection
Care coordination and monitoring by licensed health professionals independent of the insurance company, and approved by the Partnership, to develop a plan of care based upon an individual's needs and resources
- Waiver of premium once a policy has paid benefits for a specified period of time
- Premiums reviewed and approved by the California Department of Insurance and the Partnership, and premium increases limited to no more than 40% spread over a three-year period
- Interchangeable policy benefits so that care can be customized to meet individual needs
- Medi-Cal asset protection ensures that a portion of the policyholder assets are protected should they need to apply for Medi-Cal to receive continued care after policy benefits have been exhausted

The expanded Medi-Cal asset disregard allows individuals to apply for Medi-Cal with up to \$130,000 of uncountable assets until January 1, 2024. After this date there will no longer be any limit on uncountable assets unless the legislature changes the current law. Any assets protected by the dollar for dollar payment of benefits by a California Partnership policy for long term care insurance will apply to countable assets greater than \$130,000.

Example: Mrs. Jones has \$150,000 in assets on the day she applies for Medi-Cal. She has \$20,000 of protected assets paid by her Partnership policy.

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\$150,000 minus \$130,000 of uncountable assets leaves \$20,000 of otherwise countable assets that are now protected by her Partnership policy.

However, it's important to know that when a Medi-Cal recipient is subject to estate recovery any Medi-Cal paid services are recoverable from any portion of the \$130,000 asset disregard that remains in the estate of the deceased beneficiary, **except** those amounts that are protected by a California Partnership for Long Term Care insurance policy. More information is provided by Covered California.

The Partnership policy asset protection "earned" will be protected from estate recovery. The Department of Healthcare Services provides more information regarding estate recovery on their website.

Agents must have additional training to sell Partnership policies. Individuals who will be involved in the sale or marketing of Partnership policies are required to complete eight (8) hours of general long-term care continuing education (CE) and 8 hours of classroom-only CE specifically on the Partnership prior to the marketing of any Partnership-certified policies/certificates. Agents are also required to repeat eight hours of classroom training on the Partnership each two-year license approval period.