



# IOWA LONG-TERM CARE PARTNERSHIP PROGRAM CONSUMER GUIDE

Most people do not like to think about the possibility of needing long-term care. But as we get older, the likelihood that we will need some kind of assistance is very real. The Iowa Long-Term Care Partnership Program was developed as a public-private partnership allowing you to pay for long-term care through private insurance and Medicaid, without using all your assets.

## **What is long term care?**

Long-term care provides supportive services when you can't care for yourself for an extended period of time. It ranges from simple assistance with activities in your own home to highly skilled care in a nursing facility.

## **What is long-term care insurance?**

Long-term care insurance is designed to pay some or all of the costs of assisted care when you can no longer take care of your needs on your own. Policy options may include care in a nursing home, assisted living facility, adult day care or even in your own home. If you need care longer than your policy pays you must use your own resources.

## **What is Medicaid?**

Medicaid pays for medical services for people with limited income and resources. It is also known as Title 19. Nursing home and "home and community-based" long-term care are Medicaid covered services. The program is funded by federal and state governments and is managed by the Iowa Department of Human Services (DHS). To qualify for Medicaid, a person must meet specific income and resource limits. An individual would have to spend down all but \$2,000 of their assets before qualifying for Medicaid.

## **What is the Long-Term Care Partnership?**

The Iowa Long-Term Care Partnership program provides an alternative to depleting assets by forming a partnership between Medicaid and private long-term care insurers. People who purchase Long-Term Care Partnership policies may be able to qualify for Medicaid before spending all of their assets.

Partnership policies must meet state and federal requirements. They are only marketed by licensed insurance professionals who have completed eight hours of training required by the State of Iowa Insurance Division.

## How does Medicaid asset protection work?

The most unique aspect of the Iowa Partnership policy is the Medicaid asset protection. This feature provides dollar-for-dollar asset protection. Each dollar that your Partnership policy pays out in benefits entitles you to keep a dollar of your assets if you ever need to apply for Iowa Medicaid long-term care services. Protected assets are not considered in determining Medicaid eligibility.

Example:

If your Partnership policy paid \$200,000, Iowa's Medicaid program would allow you to keep \$200,000 in assets and still qualify for Medicaid assistance. The amount of assets you are able to protect under the Partnership is in addition to the \$2,000 Medicaid allows you, as an individual, to keep.

## Are Partnership protected assets subject to Medicaid estate recovery?

No. After the death of a person who has received Medicaid funded medical assistance, federal law requires that the individual's assets be used to repay the Iowa Department of Human Services for benefits provided, however Partnership protected assets are exempt.



## Does the Partnership guarantee I'll qualify for Medicaid benefits?

While the Partnership allows for the protection of assets, this is not a guarantee that you will qualify for Medicaid benefits.

To receive Medicaid benefits for long-term care in Iowa you must meet an income limit in addition to the resource limit of \$2,000. This amount changes annually. Contact your county Department of Human Services or SHIP (800-351-4664 or TTY 800-735-2942) for the income limit.

## What do Partnership policies provide?

### *Inflation Protection—*

For a person who is **less than 61 years of age** as of the date of purchase, the policy provides either annual compounded inflation protection of not less than 3% or annual compounded inflation protection of not less than a rate based on changes in the consumer price index. Since nursing home and other long-term care rates increase regularly, inflation protection helps the policy's daily benefit keep up with long-term care costs.

For a person who is at **least 61 years of age, but less than 76 years of age**, the policy provides either annual compounded inflation protection of not less than 3%, annual compounded inflation protection of not less than a rate based on changes in the consumer price index or an automatic inflation feature that provides annual simple inflation increases at a rate not less than 3%.

### ***Medicaid asset protection—***

Only Partnership policies provide this protection.

### ***Tax qualified—***

All Partnership policies are **tax qualified plans** under federal law. This means the premiums can be included as a medical expense if you itemize on your federal income tax return and benefits paid are generally not counted as taxable income.

### **How do I know if purchasing a long-term care insurance policy is right for me?**

Your first step in shopping for long-term care insurance should be to determine whether it is a suitable purchase. Start by assessing your personal objectives, needs, limitations and finances. To help you do a personal assessment and evaluate long-term care policies, contact the Senior Health Insurance Information Program (SHIIP) at 1-800-351-4664 (TTY 1-800-735-2942) or go to [www.TheRightCallIowa.gov](http://www.TheRightCallIowa.gov). Request your copy of the *Iowa Guide to Long-Term Care Insurance*. If you decide to buy a policy, your next decision will be whether you want a Partnership policy.

### **Who can purchase a Partnership policy?**

There is no set age requirement for someone interested in purchasing a Partnership policy. Individual insurance companies determine the minimum and maximum age for policy sales.



### **How can I purchase a Partnership policy?**

If you are interested in a Partnership policy, contact a local agent or insurance company that is approved to sell them. The Iowa Insurance Division authorizes companies to market and sell Partnership policies, but the state does NOT sell policies. The Insurance Division and Iowa Department of Human Services administer and monitor the Iowa Long-Term Care Partnership Program. A list of companies approved to sell Partnership policies can be obtained by contacting the Iowa Insurance Division at 1-877-955-1212 or [www.iid.state.ia.us](http://www.iid.state.ia.us).

### **What if I already have a long-term care insurance policy?**

You may be able to exchange your current long-term care policy for a Partnership policy. This may require a premium increase.

### **Will the Partnership protect my assets if I move to another state?**

Some states will provide reciprocity to an Iowan who moves to their state. This means you would be eligible for asset protection. For a list of reciprocity states contact the Iowa Insurance Division at 1-877-955-1212 or [www.iid.state.ia.us](http://www.iid.state.ia.us).



**For more information contact:**

***Iowa Department of  
Human Services:***

1-800-972-2017

[www.dhs.state.ia.us](http://www.dhs.state.ia.us)

The Iowa Department of Human Service's mission is to help individuals and families achieve safe, stable, self-sufficient, and healthy lives. Medical Assistance (Medicaid—Title XIX) is one of its programs, providing health care coverage for financially-needy parents with children, children, people with disabilities, elderly people, and pregnant women.

***Iowa Insurance Division:***

1-877-955-1212

[www.iid.state.ia.us](http://www.iid.state.ia.us)

The Iowa Insurance Division (IID) has general control, supervision and direction over all insurance and securities business transacted in the state, and enforces Iowa's laws and regulations. The IID investigates consumer complaints and prosecutes companies, agents and brokers engaging in unfair trade practices. Consumers with insurance or investment questions or complaints may contact the IID.

***SHIIP:***

1-800-351-4664

(TTY 800-735-2942)

[www.therightcalliowa.gov](http://www.therightcalliowa.gov)

The Senior Health Insurance Information Program (SHIIP) is a service of the Iowa Insurance Division. SHIIP provides free, confidential and objective information and assistance to people on Medicare with questions and problems related to Medicare and health insurance. Included in its services is education and assistance with the Long-Term Care Partnership Program.