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# FILING GUIDELINES

for



January 2015

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*T*he purpose of this document is to assist insurers in filing their long-term care insurance policies and certificates for approval under the Connecticut Partnership for Long-Term Care.

*T*hree steps:

1. Partnership staff will conduct a comprehensive (informal) review of all proposed Partnership and comparable non-Partnership forms.
2. Partnership staff will review and approve the Plan of Action.
3. Insurance Department will conduct a final (formal) review and approve all policy forms.

**For additional information, please call David Guttchen at (860) 418-6318.**

**Partnership Filing Guidelines**

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## I. Filing Resources

### A. Assistance:

The staff at the Connecticut Partnership is committed to working with you to develop a high quality plan that meets all of the Insurance Department's regulations for Partnership policies and as many of our Standards of Excellence as possible.

Please feel free to contact David Guttchen of the Partnership staff with questions any time at (860) 418-6318 or e-mail david.guttchen@ct.gov or visit the "Insurer" section of our website [www.CTpartnership.org](http://www.CTpartnership.org).

### B. Regulation References:

Please note that this booklet does not cover every requirement described in the following regulations. Rather it provides a checklist and suggested language for selected provisions where we received frequent questions. *Please review all of the appropriate regulations below in addition to the items in this booklet.*

- All Individual Long-Term Care Insurance Policies, including Partnership-approved plans, must meet the following regulations -- **Sections 38a-501-8 to 38a-501-24.**
- All Group Long-Term Care Insurance Policies and Certificates, including Partnership-approved plans, must meet the following regulations -- **Sections 38a-528-1 to 38a-528-17.**
- All Policies or Certificates to be "precertified" as Partnership-approved must also meet the following regulations -- **Sections 38a-475-1 to 38a-475-6.**

All three sets of regulations can be downloaded from the "Insurer" section of the Partnership's website [www.CTpartnership.org](http://www.CTpartnership.org).

## C. Three-Step Review Process:

### Step 1 – Informal Review of All Forms by Partnership Staff

Please deliver one (1) paper copy or in electronic format (see next page) of the following (to the address below):

	<u>Proposed Partnership Plan</u>	<u>Comparable Non-Partnership Plan</u>
Policy	<input type="checkbox"/>	<input type="checkbox"/>
Outline of Coverage	<input type="checkbox"/>	<input type="checkbox"/>
Application	<input type="checkbox"/>	<input type="checkbox"/>
Riders	<input type="checkbox"/>	<input type="checkbox"/>
Actuarial Memorandum	<input type="checkbox"/>	<input type="checkbox"/>
Rates	<input type="checkbox"/>	<input type="checkbox"/>
Claim Forms	<input type="checkbox"/>	<input type="checkbox"/>
Replacement Notice	<input type="checkbox"/>	<input type="checkbox"/>
Application	<input type="checkbox"/>	<input type="checkbox"/>
Worksheets, Notices & Booklets	<input type="checkbox"/>	<input type="checkbox"/>

Please note that all Partnership carriers must sign a Participation Agreement as part of the Plan of Action that requires them to develop and maintain comparable benefits and premiums between the Partnership and non-Partnership plans sold in Connecticut. Therefore, the Partnership plan must be comparable to the non-Partnership plan that the agents are most likely to market in Connecticut.

The most expedient method to develop a Partnership-approved plan is to modify your existing non-Partnership plan(s) based upon these guidelines. Then, based upon the review by Partnership staff, it may be necessary to make further modifications to your existing non-Partnership plan and the proposed Partnership plan. *Please submit all of the forms listed above for both the proposed Partnership plan and any comparable non-Partnership plans that are currently being marketed (or being proposed) in Connecticut.*

**To assure comparability between the Partnership and non-Partnership plans, and to speed up the review process, please make sure that, except for provisions that are Partnership specific, the language used in the Partnership and non-Partnership forms are identical.**

Typically, carriers should expect two iterations of comments, questions and review with the Partnership staff.

David J. Guttchen, Director  
 Connecticut Partnership for Long-Term Care  
 Office of Policy and Management  
 450 Capitol Avenue, MS#52LTC  
 Hartford, CT 06106-1379  
[david.guttchen@ct.gov](mailto:david.guttchen@ct.gov)

**Step 2 – Review and Approval of the Plan of Action**

Please deliver the Plan of Action to the Connecticut Partnership staff listed below. The “Plan of Action Requirements” are available from the “Insurer” section of our website or by contacting the Partnership Office.

David J. Guttchen, Director  
Connecticut Partnership for Long-Term Care  
Office of Policy and Management  
450 Capitol Avenue, MS#52LTC  
Hartford, CT 06106-1379  
[david.guttchen@ct.gov](mailto:david.guttchen@ct.gov)

**Step 3 – Final Review and Approval of All Forms by CT Insurance Department**

The Partnership staff will inform you when it has satisfactorily completed its review of the policy forms and the Plan of Action. Please deliver (to the address below) the policy forms and a transmittal letter to the Connecticut Insurance Department who will conduct a final review of the Policy Forms. Page 38 provides the basic information needed to be included in your transmittal letter.

**Submission of your policy forms to the Insurance Department prior to completion of the Partnership staff’s review will significantly delay approval of your forms.**

Typically, carriers should expect one iteration of comment and review by the Insurance Department staff. **Carriers must respond to comments in 10 business days**, otherwise the filing will be returned disapproved by the Insurance Department.

Dan K. Albert, Principal Examiner  
Life and Health Division  
Connecticut Insurance Department  
P.O. Box 816  
Hartford, CT 06142-0816  
[danny.albert@ct.gov](mailto:danny.albert@ct.gov)

**D. Electronic Filing Request:**

In an effort to speed up reviews and commentary, we strongly encourage you to submit the policy forms in electronic format. We prefer receiving the Policy forms, Riders and Outlines of Coverage in MS WORD®. This will enable us to include suggested changes to documents (using the Track Changes option). This will give you the opportunity to accept our changes or provide an alternative. For other documents you may submit either MS WORD® or Adobe® PDF files. All documents should be e-mailed to David Guttchen at [david.guttchen@ct.gov](mailto:david.guttchen@ct.gov). Paper copies are NOT needed when electronic versions are provided.

## **E. Connecticut Partnership Filing Checklist**

### **Partnership Policy or Certificate**

- Asset Protection Statement with Partnership Logo
- Asset Protection Section
  - Asset Protection When Both Spouses Have Access to Benefits (if applicable)
- Care Management for Home and Community-Based Care
- Coordination With Other Benefits Provision and Notice
  - Definitions:
    - Access Agency
    - Assisted Living Care
    - Case Management
    - Changes in Premium
    - Homemaker-Home Health Aide Agency
    - Plan of Care
    - Safe Harbor Definitions for Tax Qualified Plans
    - Nursing Facility Terminology (optional)
    - Waiting Period (Deductible)
- Home & Community-Based Care - Monthly or Weekly Benefit Cap
- Inflation Protection Provision
  - Inflation Protection Option for Persons Age 65+ (Level Lifetime Maximum)
- Minimum Daily Benefit Amounts
- Nonforfeiture Benefit Offer
- Tax Qualification Intention Statement on Face Page
- One Pool of Benefit Dollars
- Reduced Benefit Offer at Time of Lapse
- Renewability

### **Partnership Outline of Coverage**

- Asset Protection Statement with Partnership Logo
- Asset Protection Statement in Section 6 of the Outline
- Coordination With Other Benefits Provisions and Notice
- Graphic Comparison of Increasing Benefits and Premiums
  - Graphic for Inflation Protection Option for Persons Age 65+ (Level Lifetime Maximum)
- Level Lifetime Maximum Option
- Mandatory Inflation Protection Notice
- Tax Qualification Intention Statement on Face Page

### **Partnership Application (Please include all items that may be presented at time of application)**

- Agent's Report (Optional questions to consider)
- Connecticut Residency Requirements
- Partnership Disclosure Language
- Partnership Logo
- Partnership Release of Data Statement
- Waiver of Inflation Protection on Lifetime Maximum Benefit for Persons Age 65+ (Level Lifetime Maximum)

**Other Materials to Submit or Options to Consider**

- Actuarial Memorandum
- Claim Forms
- Consumer Counseling Services (Non-Partnership - “CHOICES Brochure,” Partnership – “Before You Buy” booklet)
- Insurance Department’s Bulletin PF-8 for Marketing
- Insurance Department’s Bulletin PF-12 for Readability (Flesch Scores) for all forms
- Marketing Materials (we encourage the use of the CT Partnership logo)
- Personal Worksheet for Suitability (optional)
- Plan of Action and Signed Participation Agreement
- Rates for all options
  - Rate/Proposal Presentation Software
- Replacement Notice, add cautionary note as Item 5 (optional)
  - Replacement (to or from) Partnership Coverage
- Sample Transmittal Letter to Connecticut Insurance Department
- Standards of Excellence
- Worksheets and Booklets

**Electronic Submission, if possible**

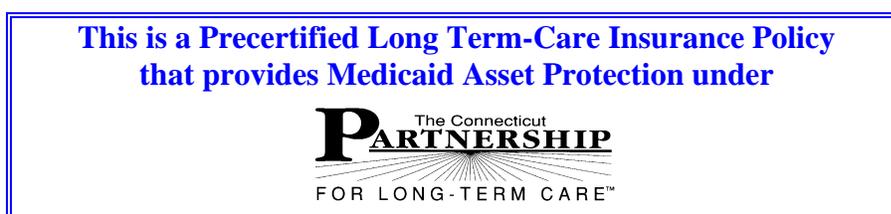
- If possible, submit all forms in MS WORD® (PDF may be used for applications and other marketing materials) as an attachment via e-mail to *david.guttchen@ct.gov*
- Provide your e-mail address

## II. Highlights of the Regulations

### A. Partnership Policy or Certificate:

#### 1) Asset Protection Statement with Partnership Logo:

**Section 38a-475-4(d)** of the Insurance Department regulations requires that the Connecticut Partnership logo and statement appear on the Face Page of the Policy or Certificate. The standard use of the logo on the policy and/or certificate Face Page is displayed inside a box with the statement **“This is a Precertified Long-Term Care Insurance Policy [Certificate] that provides Medicaid Asset Protection under”** placed above the logo (see sample below). The box, statement and the logo should be shown in a contrasting color.



#### 2) Tax Qualification Intention Statement:

Partnership-approved policies must intend to be “tax qualified” under the Health Insurance Portability and Affordability Act of 1996. Please include the following statement on the Face Page of the Policy and/or Certificate:

**“This Policy [Certificate] is intended to be a Qualified Long-Term Care Insurance Contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.”**

#### 3) Coordination With Other Benefits Provision and Notice:

According to the Medicaid rules for the Partnership, payments will only earn Medicaid Asset Protection if the payment is made after all other insurance payments are made. Therefore, payments made from other insurance, including Medicare, should be paid first. Then payments from a Partnership policy can pay the difference up to the actual cost or daily limit, whichever is lower. Due to the Medicaid rules, the easiest method to calculate the amount of Medicaid Asset Protection is to have the Partnership policy always pay benefits in excess of other health and long-term care policies and Medicare, and coordinate benefits with other Partnership-approved policies.

We suggest that the insurer be in excess of all other health insurance including Medicare and Medicare supplemental policies, as well as long-term care insurance policies not approved by the Partnership. In addition, the insurer would coordinate benefits among multiple Partnership-approved policies by having the policy with the earliest effective date deemed primary. Please use the following standard language in the benefits section of the policy and/or certificate:

**“COORDINATION WITH OTHER BENEFITS: The benefits of this Policy [Certificate] are designed to supplement NOT duplicate other benefits.**

**If You have any health insurance plan or non-Partnership long-term care plan and You are entitled to benefits under those plans that would also be covered services under this Policy [Certificate], You are required to obtain coverage for those benefits first, prior to using benefits under this Policy [Certificate].**

**Examples of health insurance plans include, but are not limited to, basic hospital, health maintenance organization (HMO), medical/surgical, major medical plan, Medicare, Medicare managed care plan, and Medicare supplemental programs.**

**If You are eligible to receive benefits under this Policy [Certificate] and any other Partnership-approved long-term care plans, then the plan with the earliest Effective Date shall be deemed to be the primary coverage and the other Partnership-approved plans shall be deemed secondary coverage, in order by Effective Date, from earliest to latest.**

**Any benefit amounts that You are entitled to receive under this Policy [Certificate] will be reduced by any benefits payable by those other plans. This provision will NOT reduce the [Lifetime Maximum Benefit] payable under this Policy [Certificate].”**

In addition, the Insurance Department requires the following statement appear in bold type as shown below on the Face Page of the policy and/or certificate:

**“COORDINATION WITH OTHER BENEFITS NOTICE: As long as this Policy [Certificate] remains precertified for Medicaid Asset Protection, benefits provided under this Policy [Certificate] may be reduced to the extent that similar benefits are payable under any other plans or programs to which you are entitled (including Medicare). Please refer to “Coordination With Other Benefits” section *(Please note here the section name or number in the policy or certificate where the COB provisions are found.)* of the Policy [Certificate] for a full explanation. This provision will NOT reduce the [Lifetime Maximum Benefit] payable under this Policy [Certificate].”**

4) **Renewability:**

While there are many ways to describe that long-term care insurance is guaranteed renewable, most provisions leave out language indicating that changes to the policy or premium changes must be approved by the Connecticut Insurance Department. This provision should also include how much notice will be given prior to a change in premium. Please consider using the following language.

**“RENEWABILITY: The coverage described in this Policy [Certificate] is guaranteed renewable. This means you have the right to continue this Policy [Certificate] as long as you pay your premiums on time and have not exhausted your [Lifetime Maximum Benefit]. We cannot change the terms of your Policy [Certificate] on Our own. However, We may increase the premiums you pay only after approved by the Connecticut Insurance Department. We will provide You with [60] days prior notice of any change in premium. We may also change the provisions of the Policy [Certificate] to conform to any state or federal law or regulation that applies to the Policy [Certificate] only after approval by the Connecticut Insurance Department.”**

5) **Asset Protection Section:**

**Section 38a-475-4(c)(17)** of the Insurance Department regulations require companies to include in the Policy or Certificate a statement regarding what criteria must be met in order for insurance payments to count towards Medicaid Asset Protection. The following is our standard language.

**“WHEN BENEFITS WILL EARN MEDICAID ASSET PROTECTION:**

**Benefits paid to You, or a provider of long-term care services on your behalf, under this Policy [Certificate] can count towards Medicaid Asset Protection for purposes of eligibility for Connecticut’s Medicaid program or any other state’s Medicaid program that has a reciprocal agreement with Connecticut’s Medicaid program. In order for benefit payments to count towards Medicaid Asset Protection, the conditions in Items 1, 2, and 3 that follow must be met:**

**1. You have met one of the following Insured Events:**

- **You have a documented need for Substantial Assistance with two or more of the following Activities of Daily Living: Dressing, Bathing, Eating, Toileting, Transferring, and Continence; or**
- **You have been assessed using the Mental Status Questionnaire (MSQ) and have seven or more incorrect answers on the MSQ test; or**

- **You exhibit specific behavioral problems requiring daily supervision, (including but not limited to, wandering, abusive or assaultive behavior, poor judgment or uncooperativeness which poses a danger to You or others, and extreme or bizarre personal hygiene habits); and**
  - a) **You have taken either the MSQ and have four or more incorrect answers, or**
  - b) **You have taken the Folstein Mini-Mental State Examination and achieved a score of 23 or lower.**
- 2. **The benefits are paid under this Partnership-approved Policy [Certificate]; and**
- 3. **The benefits that are paid for [list all Home and Community-based services] are provided in accordance with a written Plan of Care approved by an Access Agency (the Access Agency must be approved by the Connecticut Partnership for Long-Term Care)."**

*The following optional section applies when spouses or partners can share or access one another's benefit pool.*

**["IMPACT ON MEDICAID ASSET PROTECTION WHEN A POLICY COVERS BOTH YOU AND YOUR SPOUSE OR PARTNER:**

**The amount of assets You can protect under a Partnership-approved Policy [Certificate] is equal to the amount of benefits paid for Your care. Please note that Medicaid Asset Protection is only available to the individual actually receiving the benefits. This means that if You receive benefits under this Policy [Certificate] the specific dollar amount of assets You can protect is dependent upon (limited to) the amount of coverage You, as an individual, use for Your long-term care services.**

**If one Spouse or Partner is accessing benefits under this Policy [Certificate], the other Spouse or Partner will NOT receive Medicaid Asset Protection for that care. Medicaid Asset Protection is NOT transferable between Spouses or Partners. In addition, continued access by one Spouse or Partner to this Policy's [Certificate's] benefits could lead to the exhaustion of the Policy's [Certificate's] [Lifetime Maximum Benefit]. In such an event this Policy [Certificate] will terminate."**

*This ends the optional section that applies when spouses or partners can share or access one another's benefit pool.*

**"HOW TO STAY QUALIFIED FOR MEDICAID ASSET PROTECTION UNDER THE PARTNERSHIP:**

1. **Each year Your [Daily Benefit Amount] must equal or exceed the minimum inflation-adjusted daily benefit specified by the Connecticut Insurance Department. The inflation-adjusted [Daily Benefit Amount] increase provided to You each year under the [Annual 5% Compounded Inflation Protection] provision will allow You to keep pace with the Department's minimum requirements.**

2. **You were a resident of Connecticut when You applied for and subsequently were issued this Partnership-approved long-term care insurance.**
3. **Benefits paid for Home and Community-based care covered under this Policy [Certificate], count toward Medicaid Asset Protection only when an Access Agency (the Access Agency must be approved by the Connecticut Partnership for Long-Term Care) developed and approved the written Plan of Care. Nursing Facility care need not be approved by an Access Agency to count towards Medicaid Asset Protection. Services may be provided in Connecticut or elsewhere.**
4. **You can accumulate Medicaid Asset Protection wherever Your Policy [Certificate] pays benefits. If You need to access Medicaid to pay for Your care and You want to utilize the Medicaid Asset Protection You have earned, You must apply to Connecticut's Medicaid program or to any other state Medicaid program that has a reciprocal agreement with Connecticut. You must be a resident of and receive care in the state where You apply to Medicaid."**

5) **One Pool of Benefit Dollars and Dollars Vs. Days:**

**Section 38a-475-4(c)(15)** of the Insurance Department regulations requires that Partnership products utilize a single benefit pool where the insured can use their benefit for either nursing facility care or home care or any other type of benefit offered, such as assisted living. **Section 38a-475-4(c)(14)** requires that the maximum benefit be in dollars (not days). Even though you can market the maximum benefit in terms of days, we strongly encourage the marketing of the policy in dollars - not days. **Section 38a-475-4(c)(4)** prohibits policies to pay more than the actual cost. If the policyholder purchased a daily benefit that is greater than the actual charge, the excess amount of the daily benefit would remain as part of their maximum benefit, extending their benefits over a longer period of time.

6) **Home & Community-Based Care - Monthly or Weekly Benefit Cap:**

We strongly encourage insurers to pay their home & community-based care benefit based on a monthly average. Using this method, an individual who purchased \$200 a day for home care would have a potential monthly pool of \$6,000 in benefits (based on a 30 day month). Since home care is normally not delivered in the same quantity each day, a monthly averaging method best suits the consumer and maximizes Medicaid Asset Protection.

An alternative to monthly averaging would be weekly averaging for home care. While this is not our preference, we do recognize that monthly averaging increases the premium. Therefore, weekly averaging could be used as an option.

7) **Care Management for Home and Community-Based Care:**

We strongly encourage insurers to build the costs for the Partnership's required care management benefits into their administrative cost structure. Under the Partnership, all policyholders receiving home care must receive an individualized assessment and care plan from an Access Agency approved by the Connecticut Partnership for Long-Term Care. In addition, if the policyholder is eligible for benefits, the Access Agency will coordinate and monitor the delivery of services, including reassessments, as needed. Even when the care management costs are part of the insurer's administrative costs, the payments made to the Access Agency will count towards Medicaid Asset Protection for the policyholder.

One of the requirements for a policy to be "tax qualified" for federal tax purposes is to have the policyholder be certified "chronically ill" by a "licensed health care practitioner." When the reason the individual is "chronically ill" is due to a deficiency in at least two (2) Activities of Daily Living (ADL), then the certification must also state the ADL deficiency is expected to last for at least 90 days in order for the tax qualified policy to pay benefits.

One of the requirements for Partnership-approved policies is that for home and community-based payments to count towards Medicaid Asset Protection, all home and community-based services must be in accordance with a Plan of Care approved by an Access Agency. Having the policy state that the "licensed health care practitioner" be an employee of an approved Access Agency eliminates many potential problems. By doing so, the policyholder will be assured that they will earn Medicaid Asset Protection for the home care benefits received and the insurer will always satisfy the tax qualification requirements.

In addition, to make sure policyholders receive the required care management services, we suggest that whenever a home care claim is submitted that it trigger the carrier to make a referral to an Access Agency to initiate contact with the policyholder.

The following is one example of a Care Management provision that incorporates the above points.

**“Care Management - In order for you to realize Medicaid Asset Protection under this Policy [Certificate], all benefits other than [Institutional Care] paid for under this Policy [Certificate] must be provided in accordance with a written Plan of Care approved by an Access Agency. You must call Us at 1-800-xxx-xxxx and identify yourself as an owner of a [company name] Connecticut Partnership-approved Policy [Certificate]. We in turn will make the necessary arrangements with an [Care Manager] who is an employee of an approved Access Agency, who will then develop and approve your written Plan of Care.**

**We will pay for the Care Management services listed below, and payments will NOT reduce your [Lifetime Maximum Benefit] amount. Covered expenses for Care Management include, but are not limited to, charges for:**

- 1) **Initial assessments by the [Care Manager] of the insured (including reports and tests);**
- 2) **Development and approval of a written Plan of Care;**
- 3) **Coordinating and monitoring caregiving services and/or facilities;**
- 4) **Implementing the written Plan of Care;**
- 5) **Ongoing periodic reassessments by the [Care Manager]; and**
- 6) **Changes to the written Plan of Care.**

**Eligible Charges for services other than [Institutional Care] will be paid whether they are provided in Connecticut or outside of Connecticut, as long as you first contact Us. It is the Care Manager’s responsibility to submit your written Plan of Care for approval by the Connecticut-approved Access Agency regardless of whether your care is provided in Connecticut or outside Connecticut.”**

For a list of Connecticut approved Access Agencies visit the Partnership’s website at:  
<http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383442>.

8) **Minimum Daily Benefit Amounts:**

As **Section 38a-475-4(c)(4)** of the Insurance Department regulations notes, the minimum daily benefit levels for Partnership policies are shown in the following Table. These minimum daily amounts will increase at a rate of 5% annually, rounded to the nearest dollar. We encourage rounding up the Nursing Facility minimum daily amount to the nearest \$10.00 so that rate charts do not have to be interpolated. Please note that these amounts are minimum levels. Insurers are encouraged to use amounts that exceed the amounts in the chart below.

<b>Calendar Year</b>	<b>Minimum Daily Benefit for Nursing Facility Care</b>	<b>Minimum Daily Benefit for Home &amp; Community-Based Care</b>
2015	\$247.00	\$123.50
2016	\$259.00	\$129.50

To calculate the minimum monthly benefit, please take the minimum daily benefit times 365 and then divide by 12. For example, for 2015, the minimum monthly benefit would be \$235 X 365 (\$90,155)/12 = \$7,513/month.

9) **Nonforfeiture Benefit Offer:**

Please note that **Section 38a-475-4(c)(12)** allows all payments made under a nonforfeiture benefit to earn Medicaid Asset Protection, even if the benefits are less than the Partnership minimum daily benefit. However, if a nonforfeiture benefit returns premiums the policy or certificate will lose its Partnership-approval status. Moreover, returning premiums may jeopardize any previous tax benefits realized. Therefore, please include the necessary disclaimers in a clear and visible manner.

10) **Inflation Protection Provision:**

**Section 38a-475-4(c)(3)** of the Insurance Department regulations requires that all Partnership-approved policies automatically increase **all** the benefits in the policy to account for inflation. Specifically, the daily, weekly, monthly and lifetime benefit amounts must increase annually on a compounded basis for persons under age 65. Person's age 65 and older must have their daily, weekly, and monthly benefit amounts increase annually on a compounded basis.

As a way to provide more affordable premiums for applicants (as well as insureds) age 65 and over, insurers can limit the inflation protection increases to only the daily, weekly and monthly benefits. Therefore, if selected, an applicant, or insured, age 65 or over could purchase a lifetime benefit that would be fixed, while the daily benefits would increase. This would be advantageous when the applicant has a fixed amount of assets to protect and does not expect the assets to increase since they may be spending the income generated by their assets. Insurers are encouraged to offer this option to applicants and insureds age 65 and older, but are not required to do so.

*Note, that under this option, while an applicant under the age of 65 must have their lifetime benefits increase, they can lock in the lifetime benefit (meaning discontinue any further increases to the lifetime benefit amount) any time after their 65<sup>th</sup> birthday. For example, a person applies and is approved for a \$100,000 policy at age 50 which must include the 5% compounded annual inflation protection. At age 70 the policy limit has grown to \$250,000 and the policyholder determines that they no longer need to have the lifetime benefit increase. Therefore, the policyholder can reduce their annual premiums by having the lifetime benefit lock-in at \$250,000.*

Everyone's daily, weekly or monthly benefits must increase annually based on 5% compounded or average private pay rate. ***Please note that coverage for ALL services and benefits under the policy must inflate 5% compounded annually.***

The following chart illustrates the available options for a carrier to consider:

<b>Inflation Protection</b>	
<b>For Applicants or Insureds Under Age 65</b>	<b>For Applicants or Insureds Age 65+</b>
<ul style="list-style-type: none"> <li>• Lifetime benefits must increase by at least 5% compounded annually</li> </ul>	<ul style="list-style-type: none"> <li>• Carriers may offer the option NOT to inflate the Lifetime benefit</li> </ul>
<ul style="list-style-type: none"> <li>• Daily, weekly, and monthly benefits must increase by either:</li> </ul>	<ul style="list-style-type: none"> <li>• Daily, weekly, and monthly benefits must increase by either:</li> </ul>
<ul style="list-style-type: none"> <li>◆ 5% compounded annually or</li> </ul>	<ul style="list-style-type: none"> <li>◆ 5% compounded annually or</li> </ul>
<ul style="list-style-type: none"> <li>◆ changes in average private pay rate</li> </ul>	<ul style="list-style-type: none"> <li>◆ changes in average private pay rate</li> </ul>

11) **Reduced Benefit Offer at Time of Lapse:**

**Section 38a-475-4(c)(11)** of the Insurance Department regulations requires that all Partnership-approved policies provide the policyholder with the option to switch their coverage to a lower Lifetime Maximum Benefit amount if their policy is about to lapse. It is important that the language in the policy makes it clear that it is the insurer's responsibility to initiate the offering of reduced coverage and provide sufficient time for the policyholder to switch coverage before the policy lapses. The reduced coverage must be based upon the policyholder's original issue age to assure the premium will be lowered. This offering must be made at least once after the policy has been in force for a year. During the first year the policy is in force, this offer must be made as often as necessary (as long as it is suitable). *However, carriers are permitted not to make this offer when the current Lifetime Maximum Benefit would provide for 1 year or less of coverage.*

The following are examples as to how the reduced benefit should be calculated.

- ***When the Lifetime Maximum Benefit is a Specific Dollar Amount:*** At purchase, the initial Lifetime Maximum Benefit is \$150,000. After the second year renewal the insured requests a reduction to \$100,000. The new lower premium will be equal to what a \$100,000 policy would cost at issue age. The daily, weekly and monthly benefit amounts will reflect the past inflation protection increases and will continue to inflate. On the third anniversary the "new" Lifetime Maximum Benefit amount will reflect two inflation increases ( $\$100,000 \times 1.05 \times 1.05 = \$110,250$ ).
- ***When the Lifetime Maximum Benefit is determined by the Daily Benefit x Days of Coverage:*** A \$250 daily benefit was purchased for 3 years ( $\$250 \times 3 \times 365 = \$273,750$  Lifetime Maximum Benefit). After the second year renewal the insured requests a reduction to a 2-year plan. The new lower premium will be equal to what a 2-year plan for \$250 per day would cost at issue age. The daily, weekly and monthly benefit amounts will reflect the past inflation protection increases and will continue to inflate. On the third anniversary the "new" Lifetime Maximum Benefit amount will reflect the daily benefit, which has had two inflation increases times 730 days ( $\$250 \times 1.05 \times 1.05 \times 730 = \$201,206$ ).

- ***Effect of Benefits Paid on Reduced Benefits:*** The Lifetime Maximum Benefit should be reduced according to the applicable method above, then reduced further by benefits paid, regardless of whether benefits were paid prior to or after the “reduction” of benefits.

We suggest the following language be included in the Policy or Certificate and the Outline of Coverage:

**“In the event Your Policy [Certificate] is about to lapse, We will offer You the option to reduce Your [Lifetime Maximum Benefit] and reduce Your premium. You will have no less than [30\*] days to consider the offer. Notice will be sent 30 days after the premium is due. The premium for the new [Lifetime Maximum Benefit] amount will be based upon Your age at the time Your Policy [Certificate] was originally issued, and no underwriting will be required. It will be Your responsibility to continue to promptly pay this new reduced premium before the end of each Grace Period.**

**The reduced [Lifetime Maximum Benefit] amount will take into account any increases in coverage that have accumulated due to the [Annual 5% Compounded Benefit Increase] provision in Your Policy [Certificate], along with any decreases due to claims paid. [For example, if you purchased a \$100,000 [Lifetime Maximum Benefit], which has increased to \$200,000, the reduction must be taken from the \$200,000 amount.] Or, use the following for those plans where the Lifetime Maximum Benefit is presented as a dollar amount rather than in years. [For example, if your initial [Lifetime Maximum Benefit] grew from \$100,000 to \$200,000 because there were 14 years of [Annual 5% Compounded Benefit Increases], the reduced [Lifetime Maximum Benefit] would also include 14 years of [Annual 5% Compounded Benefit Increases.]**

**The [Daily, Weekly and Monthly Benefit] amounts will NOT be reduced and will continue to reflect any increases in accordance with the [Annual 5% Compounded Benefit Increase] provision. For example, if your [Daily Benefit] grew from \$200 to \$400, then after any reduction under this provision the Daily Benefit would still be \$400 and will continue to increase annually. All other provisions in Your Policy [Certificate] will remain the same.**

**We will make such an offer whenever Your Policy [Certificate] is about to lapse during the first year it is in force, and at least once after the Policy [Certificate] has been in force for one year. [We will NOT make a Reduced Benefit Option offer to You if the balance of Your [Lifetime Maximum Benefit] amount (after any claims have been paid) would provide for the equivalent of one year of coverage or less.]”**

\* The regulation requires “no less than 15 days,” but as a practical matter, we suggest 30 days.

12) **Safe Harbor Definitions for Tax Qualified Plans:**

The following are definitions and provisions that are required to be used for “Tax Qualified” (TQ) Partnership-approved plans. The definitions meet the IRS regulations for the Health Insurance Portability and Accountability Act (HIPAA) long-term care insurance provisions. It should also be noted that **Section 38a-475-2(j)(5)** of the Insurance Department regulations allows the Insured Event (benefit trigger) definitions under HIPAA to govern Partnership-approved plans should a conflict develop between HIPAA rules and Partnership rules.

- **“QUALIFIED LONG-TERM CARE SERVICES means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and Maintenance or Personal Care Services that are required by a Chronically Ill Individual, and are provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.”**
- **“MAINTENANCE OR PERSONAL CARE SERVICES means any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which You are a Chronically Ill Individual (including protection from threats to health and safety due to a Severe Cognitive Impairment).”**
- **“CHRONICALLY ILL INDIVIDUAL means an individual who has been certified within the preceding 12 months by a Licensed Health Care Practitioner as:**
  1. **Being unable to perform, without Substantial Assistance from another individual, at least 2 Activities of Daily Living due to a loss of functional capacity which is expected to last at least 90 days; or**
  2. **Requiring Substantial Supervision to protect oneself or others from threats to health and safety due to Severe Cognitive Impairment.”**
- **“SEVERE COGNITIVE IMPAIRMENT means a loss or deterioration in intellectual capacity that is:**
  1. **Comparable to (and includes) Alzheimer's Disease and similar forms of irreversible dementia; and**
  2. **Measured by clinical evidence and standardized tests that reliably measure impairment in the individual's:**
    - (a) **Short-term or long-term memory**
    - (b) **Orientation as to people, places or time, and**
    - (c) **Deductive or abstract reasoning.**

**You will be considered to have a Severe Cognitive Impairment when one of the following tests is met:**

1. **You have been assessed using the Mental Status Questionnaire (MSQ) and have seven or more incorrect answers on the MSQ test; or**
2. **You exhibit specific behavioral problems requiring daily supervision, including but not limited to, wandering, abusive or assaultive behavior, poor judgment or uncooperativeness which poses a danger to oneself or others, and extreme or bizarre personal hygiene habits; and**

- a) **You have taken either the Mental Status Questionnaire test and have four or more incorrect answers, or**
- b) **You have taken the Folstein Mini-Mental State Examination and achieved a score of 23 or lower.”**

- **“SUBSTANTIAL ASSISTANCE means Hands-on Assistance or Standby Assistance.”**
- **“SUBSTANTIAL SUPERVISION means continual supervision (which may include cueing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect the Severely Cognitively Impaired individual from threats to their health or safety (such as may result from wandering).”**
- **“HANDS-ON ASSISTANCE means the physical assistance of another person without which You would be unable to perform the Activities of Daily Living.”**
- **“STANDBY ASSISTANCE means the presence of another person within arm’s reach of You that is necessary to prevent, by physical intervention, injury to You while You are performing an Activity of Daily Living, (such as being ready to catch You if You fall while getting into or out of the bathtub or shower as part of Bathing, or being ready to remove food from Your throat if You choke while Eating).”**

13) **Definitions:**

We encourage all Partnership carriers to use the following definitions with both their Partnership and comparable non-Partnership plans, as appropriate. These definitions fulfill the requirements for both tax qualification and the Partnership.

- **“ACCESS AGENCY - An organization that provides case management services, including assessments and reassessments, Plan of Care development, coordination and monitoring of Home and Community-Based Care services and has been approved as an Access Agency by the State of Connecticut as meeting the requirements for such agency as defined in Connecticut State Regulation 17b-342.”**

- **Assisted Living Care:**

Please note that Connecticut does not license Assisted Living Facilities. Therefore, in the assisted living definition please note that licensure is only required if its applicable in the state where care is provided. In addition, according to **Section 38a-501-10(g)** a facility that provides “custodial” or “intermediate” care should do so for three or more persons. “Custodial” and “intermediate” care is generally used to define care in an assisted living facility or arrangement. Therefore, the minimum number of residents in defining an Assisted Living Facility should be no greater than three (3).

Also, some definitions of Assisted Living care include a requirement that 3 meals a day must be provided. We suggest that while it is fine to require the facility to provide 3 meals a day, there may be times that the resident/patient does not need 3 meals per day. Therefore, we suggest the following language be considered. **“... makes available three meals a day and accommodates special dietary needs, ...”**. In addition, in Connecticut, assisted living communities are referred to as “Managed Residential Communities” so we would ask that in the definition for Assisted Living you note: **“In Connecticut, Managed Residential Communities shall be considered Assisted Living Facilities.”**

- **“CHANGES IN PREMIUMS - We have the right to change Your premium rates subject to the approval of the Connecticut Insurance Department. Any increase or decrease will only be made on a class basis, and will take effect on Your next Renewal date. We will mail You written notice of Your new premium at least [60] days before the new premium first becomes payable.”**

- **Homemaker-Home Health Aide Agency Definition:**

**Section 38a-475-4(c)(18)** of the Insurance Department regulations requires the inclusion of services provided by Connecticut licensed “Homemaker-Home Health Aide Agencies” which provide many of the social services that Home Health Care Agencies provide. We ask that these agencies be covered under the Home Care benefit. We suggest noting that the definition of a Home Health Care Agency includes **“licensed Homemaker-Home Health Aide Agencies”**.

- **“PLAN OF CARE - A written plan that has been developed for you and:**
  - 1) **describes the type, the frequency, and the duration of Qualified Long-Term Care services that you need; and**
  - 2) **describes the types of Providers that are needed; and**
  - 3) **is written and approved by the Licensed Health Care Practitioner responsible for your care.**

**For all services other than [Institutional Care] a Plan of Care is a written individualized plan which specifies the type and frequency of all services required to maintain the individual in the community, the service providers, and the cost of services, regardless of whether or not there is an actual charge for the service and must be developed and approved by a Licensed Health Care Practitioner employed by an Access Agency.”**

- **“TAX QUALIFICATION UNDER FEDERAL LAW - This Policy is intended to be a Qualified Long-Term Care Insurance Contract under the Internal Revenue Code Section 7702B(b). We may offer You amendments at any time as necessary to meet the requirements of that law, any successor law, or any applicable regulations. All such amendments and/or premium adjustments must be approved by the Connecticut Insurance Department. Upon approval, We will notify You of the availability of these new amendment(s). You will be given the opportunity to accept or reject these amendments.”**

- **Nursing Facility Terminology (Optional):**

The nursing facility industry is moving away from the use of “nursing home” and towards the use of “nursing facility.” Please consider making such a change throughout your forms.

- **“ELIMINATION PERIOD (Deductible) – The Elimination Period You have selected is shown on the Schedule Page. No payment of benefits is made for covered services incurred during the Elimination Period. The Elimination Period is counted in calendar days and begins on the date you begin to receive Qualified Long-Term Care Services covered under this Policy [Certificate], and continues as long as You are determined to be a Chronically Ill Individual. The Elimination Period must be met only once in your lifetime. Days when Qualified Long-Term Care Services were covered in full or in part by Medicare or other health coverages will count towards meeting the Elimination Period. The Elimination Period does NOT need to be satisfied to access benefits for [Respite Care or Case Management].”**

**B. Partnership Outline of Coverage:**

1) **Asset Protection Statement with Partnership Logo:**

Section 38a-475-4(d) of the Insurance Department regulations requires the use of the Partnership logo on the Outline of Coverage. The wording should be displayed inside a box with the statement “**This Outline of Coverage describes a Precertified Long-Term Care Insurance Policy that provides Medicaid Asset Protection under,**” followed by the logo underneath the statement, then followed by “**Additional Consumer Information is available by calling the State of Connecticut Partnership for Long-Term Care Information Service at 1-800-547-3443.**” The box, statement and the logo should be located on the Face Page and be shown in a contrasting color. (See sample below).



2) **Coordination With Other Benefits Provision and Notice:**

Please place the following standard language in “Section 7 - Limitations and Exclusions” of the Outline of Coverage:

**“COORDINATION WITH OTHER BENEFITS: The benefits of this Policy [Certificate] are designed to supplement NOT duplicate other benefits.**

**If You have any health insurance plan or non-Partnership long-term care plan and You are entitled to benefits under those plans that would also be covered services under this Policy [Certificate], You are required to obtain coverage for those benefits first, prior to using benefits under this Policy [Certificate]. Examples of health insurance plans include, but are not limited to, basic hospital, health maintenance organization (HMO), medical/surgical, major medical plan, Medicare, Medicare managed care plan, and Medicare supplemental programs.**

**If You are eligible to receive benefits under this Policy [Certificate] and any other Partnership-approved long-term care plans, then the plan with the earliest Effective Date shall be deemed to be the primary coverage and the other Partnership-approved plans shall be deemed secondary coverage, in order by Effective Date, from earliest to latest.**

**Any benefit amounts that You are entitled to receive under this Policy [Certificate] will be reduced by any benefits payable by those other plans. This provision will NOT reduce the [Lifetime Maximum Benefit] payable under this Policy [Certificate].”**

In addition, the Insurance Department requires the following statement appear in bold type as shown below on the Face Page of the Outline of Coverage:

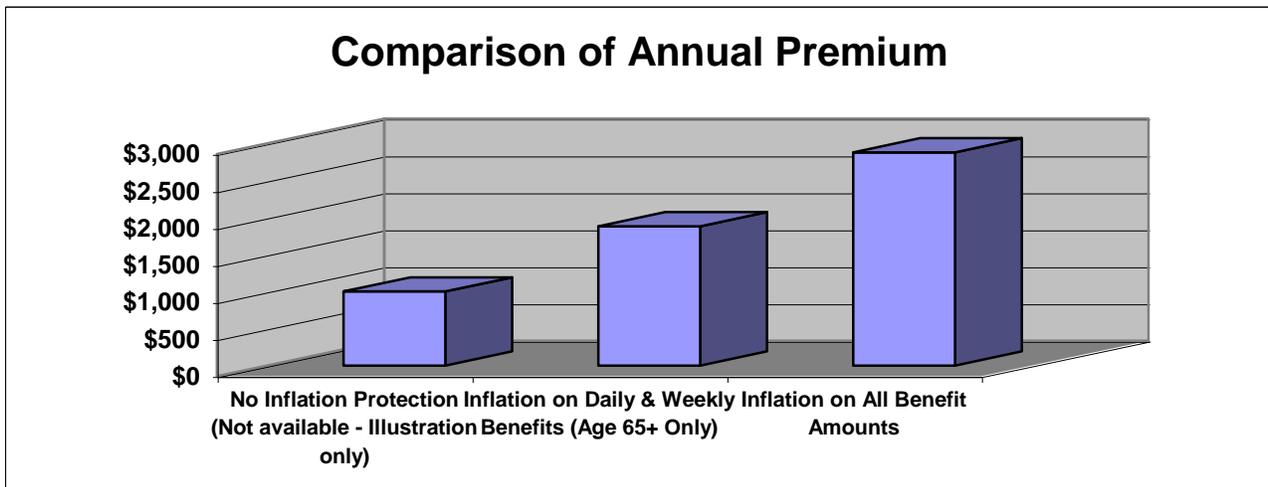
**“COORDINATION WITH OTHER BENEFITS NOTICE: As long as this Policy [Certificate] remains precertified for Medicaid Asset Protection, benefits provided under this Policy [Certificate] may be reduced to the extent that similar benefits are payable under any other plans or programs to which you are entitled (including Medicare). Please refer to “Section 7 -- Limitations and Exclusions” in this Outline of Coverage for a full explanation. (The Outline of Coverage should include such a description of the COB provisions in Section 7. The policy or certificate should NOT be referenced, since the applicant may not have received the policy or certificate at time of application.) This provision will NOT reduce the [Lifetime Maximum Benefit] payable under this Policy [Certificate].”**

3) **Graphic Comparison of Increasing Benefit and Premiums:**

**Section 38a-475-4(c)(5)(D)** of the Insurance Department regulations requires that all Partnership Outlines of Coverage contain a graphic comparison showing the differences in premiums and benefits, over at least a twenty (20) year period, between a policy that increases benefits over the policy period and a policy that does not increase benefits.

We suggest that the differences in benefits be shown in a bar or line graph with the associated annual premiums shown in the legend. Or the different annual premiums could be shown in a separate chart (see below). It is important to list the Lifetime Maximum Benefit, Waiting Period, purchase age and Daily Benefit amounts. Please make sure that the Daily Benefits illustrated are above the Partnership’s minimum requirements. We suggest that the daily benefit be somewhat above the Partnership’s minimum (e.g. \$200) to avoid having to revise the charts in the Outline in the near future.

When the Waiver of Inflation Protection on the Maximum Benefit (Level Lifetime Maximum) is offered, please include a separate bar or line in the premium comparison chart for this option. The following is one possible format to consider.



4) **Mandatory Inflation Protection Notice:**

**Section 38a-475-4(c)(5)(C)** of the Insurance Department regulations requires that every applicant for a Partnership-approved plan receive the following statement. We encourage including the statement at the end of “Section 12” in the Outline of Coverage.

**“NOTICE TO APPLICANT REGARDING  
MANDATORY INFLATION PROTECTION**

**In order for this long-term care Policy [Certificate] to remain Partnership-approved by the State of Connecticut and qualify to provide Medicaid Asset Protection for the Medicaid program in Connecticut, daily coverage benefits shall meet or exceed standards established by the State of Connecticut. We have provided in the Outline of Coverage a graphic comparison showing the differences in premiums and benefits, over at least a twenty (20) year period, between a policy [certificate] that increases benefits and a policy [certificate] that does not increase benefits. Failure to maintain the required daily coverage benefits will result in the policy [certificate] losing its Partnership-approved status and no longer allow You to earn additional Medicaid Asset Protection. It is Our responsibility to automatically inflate daily coverage benefit levels in order to maintain Partnership-approval; it is Your responsibility to make premium payments in order to maintain coverage.”**

5) **Medicaid Asset Protection Section:**

**Section 38a-475-4(c)(17)** of the Insurance Department regulations requires a statement in the Outline of Coverage regarding what criteria must be met in order for insurance payments to count towards Medicaid Asset Protection. The language should be identical to what is used in the Policy. (See page 12). This statement should be placed at the end of “Section 6” in the Outline of Coverage.

6) **Level Lifetime Maximum:**

If you choose to include the Level Lifetime Maximum option for those persons age 65 and over, section 8 of the Outline of Coverage should include a description of how the Level Lifetime Maximum option works as well as whom it is appropriate for. We suggest the following language be considered.

**“WAIVER OF INFLATION PROTECTION ON [LIFETIME MAXIMUM BENEFIT] (ONLY For persons age 65 or older) -- If you are age 65 or older, you may elect to waive the [Automatic 5% Compound Benefit Increase] provision on your [Lifetime Maximum Benefit]. This means that the [Lifetime Maximum Benefit] will NOT increase over time, while the [Daily, Weekly and Monthly] benefits will increase in accordance to the [Automatic 5% Compound Benefit Increase] provision. You should be aware that if your [Lifetime Maximum Benefit] does not increase over time, the amount of Medicaid Asset Protection you can earn would be limited to your original [Lifetime Maximum Benefit].**

**This waiver of inflation protection on the [Lifetime Maximum Benefit] is most appropriate for individuals who do not expect their assets to increase after taking this optional waiver. This waiver may be taken at time of application or subsequently as long as you are age 65 or older.”**

Note that the Graphic Comparison (see previous page) should illustrate the benefit amounts and premiums for such a policy option (meaning when the Lifetime Maximum Benefit is fixed while the daily benefit increases, and the premium is less than a policy where the Lifetime Maximum Benefit increases).

7) **Tax Qualification Intention Statement:**

Partnership-approved plans must intend to be “tax qualified” under the Health Insurance Portability and Affordability Act of 1996. Please include the following statement on the Face Page of the Outline of Coverage:

**“This Policy [Certificate] is intended to be a Qualified Long-Term Care Insurance Contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.”**

## C. Partnership Application

### 1) Agent's Report:

*Please consider adding these additional items to help ensure that benefits chosen meet Partnership minimum standards.*

If a Partnership-approved plan is delivered that does NOT meet the Partnership standards in effect at the time the policy was issued, then the carrier is responsible for bringing that plan up to those standards in a manner where the premium does NOT increase even if the benefit amounts need to be increased. Standards include, but are not limited to, minimum allowable daily benefit amounts and inflation protection.

In an effort to ensure that benefit levels meet the minimum Partnership standards, we suggest that the agent report include the following questions. These questions should also be included in the carrier's underwriting review of the application. Because some standards change due to the age of the applicant (inflation protection) or by calendar year (minimum daily benefit amounts), the reference date will be based on the date the policy was applied for.

Suggested questions:

- a) Are you Certified to sell Connecticut Partnership-approved policies [certificates]?  
 Yes                       No
- b) Have you submitted your CT Partnership Certificate to this carrier?  
 Previously                       Attached
- c) Are the Daily Benefits equal to or greater than the Partnership minimum standards based upon the calendar year that the policy [certificate] is applied for?  
 Yes                       No

*(We suggest including a similar chart in the Agent's Report).*

Calendar Year	Minimum Daily Benefit for Nursing Facility Care	Minimum Daily Benefit for Home & Community-Based Care
2015	\$247.00	\$123.50
2016	\$259.00	\$129.50

- d) Using the Daily Benefit selected, will the coverage last at least 365 days at issue?  
 Yes                       No, App will NOT be accepted

*(For example, a \$100,000 policy will NOT provide the required 365 days of coverage when the daily benefit is \$280 or above.)*

e) Please confirm proper inflation protection has been applied for.

Inflation Protection for applicants under age 65:

Daily, Weekly or Monthly  [5% Compounded] [Change in Private Pay Rate] (*required*)  
Lifetime Maximum  5% Compounded (*required*)

Inflation Protection for applicants age 65 and over:

Daily, Weekly or Monthly  [5% Compounded] [Change in Private Pay Rate] (*required*)  
Lifetime Maximum  5% Compounded  None (*optional, when offered*)

f) Does the applicant's Connecticut residence address appear on the application?

Yes  No, App will NOT be accepted

2) **Connecticut Residency Requirement:**

**Section 38a-475-2(c)** of the Insurance Department regulations requires that each applicant be a resident of Connecticut at time of application and when the Policy or Certificate is issued. Connecticut residency, in this situation, is defined as a valid residence address located in Connecticut, (Post Office Boxes and work addresses are not acceptable). Residency, in this situation, is not determined by where an applicant votes, or pays their taxes. Simply put, the applicant must report on their application a Connecticut address where they reside. For persons that have more than one residence, they must use their Connecticut residence address on the application.

We encourage you to develop a system check to ensure that only applications with valid Connecticut addresses are processed. We also encourage the "State" field on the application to be hard-coded (or pre-printed) with "CT". This will serve as a reminder to the agent and applicant of the need for a valid Connecticut residence address.

3) **Joint-Life Application Sign-Off:**

When there is the option for both spouses or partners to share and/or access one another’s benefit pool, the following disclaimer must be included in the application and signed by both spouses and partners.

**“[SHARED BENEFIT] OR [JOINT LIFE] – SEPARATE MEDICAID ASSET PROTECTION.**

**We acknowledge that under this [Shared Benefit Plan] we will both draw benefits from [ONE shared Lifetime Maximum Benefit] amount. We also acknowledge that under this [Shared Benefit Plan], Medicaid Asset Protection is earned separately. Only those benefits paid for the spouse or partner’s care will earn Medicaid Asset Protection for that spouse or partner, and only benefits paid for the other spouse’s or partner’s care will earn Medicaid Asset Protection for the other spouse or partner. We acknowledge that Medicaid Asset Protection earned by one spouse or partner cannot be transferred to the other spouse or partner. We further acknowledge that under this [Shared Benefit Plan] it is possible that only one spouse or partner will use all the benefits of the Policy [Certificate]. Should that happen, we acknowledge that the spouse or partner that received all the benefits will receive all the Medicaid Asset Protection, while the other spouse or partner receives no benefits and no Medicaid Asset Protection.**

X \_\_\_\_\_ Date \_\_\_\_\_  
Signature of Applicant A  
X \_\_\_\_\_ Date \_\_\_\_\_  
Signature of Applicant B”

4) **Partnership Disclosure Language:**

**Section 38a-475-4(c)(5)(A)** of the Insurance Department regulations requires the following disclosure language be included on the application with a signature block; *(this can be part of the general Acknowledgment Section on the Application):*

**“I acknowledge that I have received a copy of “Before You Buy”, a complete description of the Connecticut Partnership for Long-Term Care, prepared by the State of Connecticut, including the state’s toll-free number, 1-800-547-3443. I have also been advised that I can request individual consumer information assistance from the State of Connecticut. I have also received a graphic comparison of inflating vs. fixed benefits and premiums and the “Notice to Applicant Regarding Mandatory Inflation Protection.””**

\_\_\_\_\_  
Signature of Applicant(s)

\_\_\_\_\_  
Date”

This statement could also be provided in a bulleted format. One alternative is shown below, which also incorporates other items that are delivered at time of application:

*Alternate Format*

**“I acknowledge that I have received the following when I applied for this Partnership-approved long-term care insurance: (The applicant should check each box.)**

- o A copy of “Before You Buy”, a complete description of the Connecticut Partnership for Long-Term Care, prepared by the State of Connecticut;**
- o I have been informed that I can request individual consumer information service from the State of Connecticut by calling the State's toll-free number, 1-800-547-3443;**
- o The “Outline of Coverage” for this long-term care insurance Policy [Certificate];**
- o A Notice regarding Mandatory Inflation Protection, (found in the Outline of Coverage);**
- o A graphic comparison showing the differences in premium and benefits over at least a twenty (20) year period, between a policy that increases benefits and a policy that does not increase benefits, (found in the Outline of Coverage);**
- o A copy of “A Shopper’s Guide to Long-Term Care Insurance” prepared by the National Association of Insurance Commissioners; and**
- o If eligible for Medicare, a copy of “Guide to Health Insurance for People with Medicare.”**

**Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_”**

*Please note that the above disclosure language together with the delivery of the “Before You Buy” publication replaces the consumer counseling (CHOICES program) notice requirements under non-Partnership plans. The insurance agent should **NOT** deliver the CHOICES brochure to Partnership applicants.*

5) **Partnership Logo:**

**Section 38a-475-4(d)** of the Insurance Department regulations requires the use of the Partnership logo on the Application along with the words “An Approved Participant in” shown below. *Note the Partnership logo should only be used on Partnership applications. It cannot be used on applications that may also be used to apply for non-Partnership policies.*

An Approved Participant in

6) **Partnership Release of Data Statement:**

**Section 38a-475-4(c)(5)(B)** of the Insurance Department regulations requires that the application must include the following release with a **separate** signature block:

**“RELEASE OF DATA: I hereby agree to the release of my insurance records pertaining to this Long-Term Care Insurance Policy [Certificate] by the [Carrier name] Insurance Company to the State of Connecticut for the purpose of documenting a claim for Medicaid Asset Protection under the Connecticut Medicaid Program, evaluating the Connecticut Partnership for Long-Term Care, and meeting Medicaid audit requirements. I understand that my records will be used for no purpose other than those stated above, and will be kept strictly confidential by the State of Connecticut.**

**Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_”**

7) **Waiver of Inflation Protection on Lifetime Maximum Benefit (Level Lifetime Maximum):**

Please include the following waiver when applicants have the option to waive the inflation protection on the Maximum Lifetime Benefit.

**“WAIVER OF INFLATION PROTECTION ON [LIFETIME MAXIMUM BENEFIT] (ONLY For persons age 65 or older) - If you are age 65 or older, you may elect to waive the [Automatic 5% Compounded Inflation Protection] on your [Lifetime Maximum Benefit]. This means that the [Lifetime Maximum Benefit] will not increase over time, while the [Daily, Weekly, and Monthly benefits] will increase according to the [Automatic 5% Compound Inflation Protection] provision. You should be aware that if your [Lifetime Maximum Benefit] does not increase over time, it might not provide all of the Medicaid Asset Protection that you need. To elect this Waiver, you must sign below.**

**I have reviewed the graph in the Outline of Coverage comparing the benefits and premiums with and without the [Automatic 5% Compound Inflation Protection], and I reject the [Automatic 5% Compound Inflation Protection] for the [Lifetime Maximum Benefit]. This waiver is most appropriate for individuals who do not expect their assets to increase after taking this optional waiver.**

**Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_”**

### III. Other Materials to Submit

#### A. Actuarial Memorandum:

Please make sure to include the following items in the memorandum:

- The upper and lower Daily Benefit limits
- Separate out each expense
- Provide criteria and expense justification for each discount
- Provide criteria for substandard and preferred rates, if any
- List all “marketing restrictions” based on age of purchaser (e.g., 0 day deductible not offered to purchasers age 80+)
- Lapse Rates by age and year in force.

#### B. Claim Forms:

Please submit any Claim Forms that will be used with this plan.

Because Connecticut Partnership policyholders who receive care in a Connecticut Nursing Facility are eligible for a 5% discount off the private pay rate, we encourage including a question or statement on the Claim Form that reminds nursing facilities of the discount. Below is one suggested approach. Note the discount applies regardless as to what the policy pays in benefits, e.g. the discount applies during the Elimination Period or when Medicare pays.

- Type of Claim:**
- Connecticut Nursing Facility**  
(5% discount off entire monthly bill)
  - Other Nursing Facility**
  - Assisted Living Facility**

#### C. Consumer Counseling Services:

By having agents deliver “Before You Buy” and the Partnership’s consumer information services phone number, there is **no** need to notify an applicant of the consumer counseling services of the State of Connecticut’s CHOICES or HICAP programs as is required of non-Partnership policies. Therefore, references to these programs should NOT be included in any of the policy forms, so as not to confuse the applicant.

#### D. Flesch Scores:

The Insurance Department requires that each policy form, worksheet and notice have a score of 45 or above. The only items that do not have to be scored are: marketing materials, rates, and the Actuarial Memorandum.

**E. Insurance Department’s Bulletin PF-8 Form:**

The Insurance Department requires that this form be completed and submitted with each filing describing how and to whom the product will be marketed, underwriting, benefit changes, along with commission and rate differences, if any.

**F. Marketing Materials:**

The Insurance Department does NOT require marketing materials to be reviewed and approved prior to use. The Connecticut Partnership staff encourages the use of the CT Partnership logo on your marketing materials. Should you want to include the CT Partnership logo, you will need to submit to the Partnership staff a draft version (or mock up) for review and comments prior to use. The review of the marketing materials can take place later so as not to delay the review and approval of the policy forms.

**G. Personal Worksheet for Suitability (Optional):**

The Insurance Department does NOT require the use of a Personal Worksheet, per se. However, **Section 38a-501-17** of the Insurance Department regulations does require that the proposed product must be suitable for the applicant. One way to gather essential data to help establish suitability is through a Personal Worksheet developed under NAIC standards. Since the minimum daily benefit is currently \$175 (in 2008) and a policy must provide at least 365 days of coverage at issue, the NAIC minimum Lifetime Maximum Benefit should be increased to \$63,875. Also, due to the high cost of living and care in Connecticut the income and assets categories should be increased. Please consider using the following worksheet, which is based on the NAIC standard with the above changes incorporated into the worksheet.

**“LONG-TERM CARE INSURANCE  
PERSONAL WORKSHEET**

People buy long-term care insurance for a variety of reasons. These reasons include to avoid spending assets for long-term care, to make sure there are choices regarding the type of care received, to protect family members from having to pay for care, or to decrease the chances of going on Medicaid. However, long-term care insurance can be expensive, and is not appropriate for everyone.

**Policy Form Number:** \_\_\_\_\_

**Premium**

The annual premium for the coverage you are considering will be \$ \_\_\_\_\_. [The semi-annual, quarterly, monthly, or other premium payments will be \$ \_\_\_\_\_.] Premium payments will be [for the rest of your life until you need care] [for a period of 10 years] [for a period of 20 years] [until the year you become age 65] [a one-time single payment].

We have the right to increase premiums in the future provided we raise rates for all policies in the same class in Connecticut, subject to the approval of the Connecticut Insurance Department. We have sold long-term care insurance since [??] and have sold this policy since [??]. [We have not raised the rates for this policy.]

### Questions Related to Your Income

Where will you get the money to pay each year's premiums?

- Income                       Savings                       Family Members

What is your annual income? (check one)

- Under \$10,000               \$10,000-39,999               \$40,000-74,999  
 \$75,000-99,999               Over \$100,000

Could you afford to keep this coverage if the premiums were raised, for example, by 20%?

- Yes                               No

How do you expect your income to change over the next 10 years? (check one)

- No change                       Increase                       Decrease

*If you will be paying premiums with money received only from your own income, a rule of thumb is that you may not be able to afford this coverage if the premiums will be more than 7% of your income.*

### Insurance Deductible

What elimination period (deductible) are you considering?

Number of days \_\_\_\_\_.

Approximate cost today \$ \_\_\_\_\_              Approximate cost in 10 years \$ \_\_\_\_\_

(Note the average cost of long-term care in Connecticut in [2009] is [\$327] per day.)

How are you planning to pay for your care during the elimination period? (Check one)

- Income                       Savings                       Family Members

### Questions Related to Your Savings and Investments

Not counting your home, what is the approximate value of all of your assets (savings and investments)? (check one)

- Under \$50,000               \$50,000-99,999               \$100,000-300,000               Over \$300,000

How do you expect your assets to change over the next 10 years? (Check one)

- Stay About the Same     Increase     Decrease

*If you are buying this coverage to protect your assets and your assets are less than \$50,000, you may wish to consider other options for financing your long-term care.*

Disclosure Statement

**This must be completed and signed in order for us to process your Application.**

<input type="checkbox"/> The information provided above accurately describes my financial situation.	<input type="checkbox"/> I choose not to complete this information.
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Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I explained to the Applicant the importance of completing this information.

Agent's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Agent's Printed Name: \_\_\_\_\_ Agent Contract Number: \_\_\_\_\_

- My agent has advised me that this Policy does not appear to be suitable for me. However, I still want the [Company] to consider my Application.

Applicant's Signature, (if checked above): \_\_\_\_\_ Date: \_\_\_\_\_

*The company may contact you to verify your answers."*

**H. Plan of Action and Signed Participation Agreement:**

**Section 38a-475-5(e)(9)** of the Insurance Department regulations requires that a company official review and sign a **“Participation Agreement.”** A sample agreement can be found in Appendix F in the **“Plan of Action Requirements.”** For a copy of the most recent Plan of Action Requirements, please visit the Partnership’s website at <http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383448>.

**I. Replacement Notices:**

We encourage the following optional statement to be included as Item 5 on the “Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-Term Care Insurance.”

**“5. Finally, before You terminate your present coverage be certain that [*Carrier name*] Insurance Company has approved You for coverage under this new Policy [Certificate].”**

**Section 38a-475-4(c)(6)** requires a report to the Insurance Commissioner whenever a sale involves the replacement of Partnership coverage or replacement to Partnership coverage. There are specific items that must be reported within 30 days of the effective date of the new coverage. Below is a sample “Replacement Questionnaire” that collects all of the required information. You are free to use or modify as appropriate. Finally, while not a requirement, we suggest providing a copy of the report to the applicant as it would provide essential information as to how the replacement coverage is beneficial to the applicant.

**“REPLACEMENT QUESTIONNAIRE  
CONNECTICUT PARTNERSHIP-APPROVED LONG-TERM CARE INSURANCE**

<p><b><u>Agent Instructions:</u></b></p> <ul style="list-style-type: none"><li>• Completion of this questionnaire is required whether the new coverage is replacing a Partnership-approved policy or certificate, or if a Partnership-approved policy or certificate is replacing other coverage that is not Partnership-approved.</li><li>• This Form must be submitted with the Application [and a copy provided to the Applicant].</li></ul>
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Applicant’s Name: \_\_\_\_\_

Applicant’s Address: \_\_\_\_\_

Agent’s Name: \_\_\_\_\_

Name of Company on current coverage: \_\_\_\_\_

Current Premium:                   \$\_\_\_\_\_                   Current Mode:                   \_\_\_\_\_

Replacement Premium: \$ \_\_\_\_\_ Replacement Mode: \_\_\_\_\_

**Benefit Comparison**

	Current Coverage	Replacement Coverage
Partnership-approved (Yes/No)		
Facility Daily Benefit	\$	\$
Home Care Daily/Weekly/Monthly Benefit	\$ /	\$ /
Elimination Period (Days)		
Lifetime Maximum Benefit (Dollars)	\$	\$
Inflation Coverage		
Optional Benefits		

**Agent Statement**

Please explain why/how this replacement is beneficial to the applicant:

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Agent Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**J. Standards of Excellence:**

The Connecticut Partnership has developed a set of “Standards of Excellence” that we encourage insurers to incorporate into their filings. When any of the six “Standards of Excellence” (listed below) are incorporated into an insurer’s policy, they will be listed as such for that insurer in the “**Policy Comparisons Report**”. Since company practices may change over time, company practices alone are not sufficient to be listed as meeting the Standards of Excellence. Therefore, only those standards that are specifically described in the policy will be reflected in the “**Policy Comparisons Report**”.

- Provide paid-up options
- Provide discounts for domestic partners.
- Offer persons age 65 and over the option of only inflating their daily, weekly or monthly coverages.
- Use, or offer, weekly or monthly limits for home and community-based benefits.
- Offer shorter-term coverage, (i.e., 1 and/or 2 years).

**K. Transmittal Letter:**

We ask that you submit the following information in the cover letter you send to Danny Albert, at the Connecticut Insurance Department along with your filing. These are issues we know that Danny will raise so it will speed things up to include them when you file. His address is:

Dan K. Albert, Principal Examiner  
Life and Health Division  
Connecticut Insurance Department  
P.O. Box 816  
Hartford, CT 06142-0816

- Please note in your letter that the rates for the Partnership plan are identical to your non-Partnership plan when the 5% compounded inflation protection feature is included. Or please indicate that the insurer will only market a Partnership plan in Connecticut.
- Provide written assurances that all agents and brokers marketing [your Company's] Partnership plans will have completed the required seven-hour training as described in **Section 38a-475-4(c)(10)** of the Partnership regulations. In other words, every person who is to be involved in marketing and/or selling the Partnership plan must have completed the required training.
- Provide written assurances that [your Company] will send a survey developed by the State of Connecticut to all applicants for a Partnership policy who are denied coverage as described in **Section 38a-475-4(c)(8)** of the Partnership regulations.
- Provide written assurances that [your Company] will deliver the Outline of Coverage and the Partnership publication "Before You Buy" at the time of application or solicitation, but never later than at the time of application (**Sections 38a-501-21(a)** and **38a-475-4(c)(5)(A)** of the Insurance Department regulations).
- Provide written assurances that [your Company] will keep the Partnership and non-Partnership policies comparable over time, meaning that the premiums will be the same for like benefits. This requirement is found in the Participation Agreement included in your Plan of Action as specified under **Section 38a-475-5(e)(9)(A)** of the Partnership regulations.

**When you submit the policy forms to us please include a draft of this transmittal letter so that we can finalize it with you before you formally file the plan with the Insurance Department.**

**Submission of your policy forms to the Insurance Department prior to completion of the Partnership staff's review will significantly delay approval of your forms.**

## IV. Partnership Staff Actions After Approval by Insurance Department

### A. Before You Buy:

**Section 38a-475-4(c)(5)** of the Insurance Department regulations requires that insurers provide applicants with “**Before You Buy**”, a complete description of the Connecticut Partnership produced by the State. One camera-ready original of this publication will be provided to insurers once they are approved. This document is updated and distributed each December, with an effective date of January 1<sup>st</sup>. **It is the insurer’s responsibility to provide copies of the most recent version to its agents/producers.**

### B. Agent/Producer Training:

At the request of the insurers participating in the development of the Partnership program, **Section 38a-475-4(c)(10)** of the Insurance Department regulations requires agents/producers to attend seven (7) hours of training developed by the Partnership in conjunction with participating insurers.

Please note that any person **MUST** first attend the Certification Training **BEFORE** they can:

- Market,
- Sell,
- Solicit, or
- Otherwise contact individuals for the purposes of marketing a Partnership-approved plan.

All agents/producers who complete the training must sign the Certification Form, which also must be signed by a representative of the sponsoring insurer and the training organization. The Connecticut Partnership for Long-Term Care will provide the standard format of the certificates.

As a service to the insurers, the Partnership Office holds monthly training sessions throughout the year. For further information on the agent/producer training requirement, please contact the Partnership Office at (860) 418-6318 or check our website [www.CTpartnership.org](http://www.CTpartnership.org).

### C. Policy Comparisons Report:

The Connecticut Partnership staff has developed a “**Policy Comparisons**” report to compare the features of all Partnership-approved individual policies and note those items that are required. In addition, the report notes which of the “Standards of Excellence” are included in the policy. Once a filing is approved by the Partnership, Partnership staff will work with the insurer to assure that the information on the insurer’s Partnership product in the report is accurate. To receive a copy of the most recent Policy Comparisons Report, please email [david.guttchen@ct.gov](mailto:david.guttchen@ct.gov) and request a copy or go to the Partnership website at <http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383402> to download the Report.

**D. Insurance Company List:**

The Connecticut Partnership's Consumer Information Service sends out a list of insurers participating in the Connecticut Partnership program. The list contains the insurer's toll-free number consumers can call to receive additional information on the company's Connecticut Partnership plan. Please indicate the toll-free number to be included on this list and when it will become effective.

Because the Connecticut Partnership is for Connecticut residents only, we strongly encourage you to have the toll-free number (that will be shown on our company list) operated by someone in Connecticut, such as a regional office or by a General Agent.

Please note that **Section 38a-475-5(e)(9)(B)** of the Insurance Department regulations requires that the toll-free number shall be staffed with personnel familiar with the company's Connecticut Partnership-approved product(s) or who are able to send the consumer Connecticut Partnership-approved product specific materials. Please make sure that the staff that answer the toll-free number are appropriately trained. Throughout the year, Partnership staff will randomly call the insurer's toll-free numbers as a means of identifying any problems that may exist or verifying a consumer complaint received by the Partnership. If problems arise, they will be brought to the insurer's attention for resolution.

For the most current Partnership Insurance Company List, visit the Partnership's website at: <http://www.ct.gov/opm/cwp/view.asp?a=2995&q=383416>.