

## **Partnership Programs for Long-Term Care**

Medicaid is a program that is administered by individual state governments. The purpose of the program is to pay for the long-term care and medical expenses of individuals who have significant financial difficulties. If an individual has more money than their state permits at the time they require long-term care, the Medicaid program of that state won't provide coverage for necessary services. This means that affected individuals must pay with their own funds or assets until they become destitute enough to be eligible.

However, those who live in Indiana, Connecticut, New York or California and participate in their state's Partnership for Long-Term Care program are able to obtain Medicaid without giving up all financial and tangible assets. Individuals must purchase a long-term care insurance policy that features basic benefits required by the program in order to participate. There are benefits associated with participation in these programs. If an individual does the following, he or she may apply for Medicaid benefits without giving up person assets:

- Lives in a state that participates in the program while using long-term care services.
- Buys a policy under the program.
- Receives and uses all long-term care benefits provided under the policy's terms.

Every dollar that the insurance company pays is considered an asset to the insured individual. Such individuals are able to keep this money in addition to the minimum amounts allowed by individual state Medicaid program rules. To illustrate this point, consider a long-term care policy that has benefits of \$50,000 paid by the company. In such a case, the individual can still qualify for Medicaid and keep \$50,000 in savings or investments. If there were no partnership program, individuals would have to spend down, which means they would have to spend that \$50,000 paying for long-term care bills before they would be eligible for Medicaid. Some individuals in these four states may still have to use some of their personal assets to pay for some long-term care expenses in certain cases. Since each individual's circumstances vary, it's best to speak with an agent to determine if this may be an issue.

The states of Indiana and Connecticut both have reciprocity agreements. This means that if an individual buys a policy under their state's partnership program, they may obtain the other state's partnership program benefits if they relocate there. It's important to keep in mind that while New York, Connecticut, California and Indiana have partnership programs, the details of each state's programs vary. It's important to thoroughly understand the terms and provisions before buying a long-term care insurance policy. Talk to an agent to determine what options are available.