



## Long Term Care Insurance Partnership Program

Long term care insurance is an important part of pre-retirement planning. It helps individuals and families become more financially secure while also addressing the quality of life issues that are impacted when long term care needs strike.

As boomers hit retirement many things will change. There will be a significant increase in the number of people requiring long term care services. Will we be able to afford these services and when we need them? This remains a question of great concern to many retirees.

Long term care insurance pays for home health care, adult day care, assisted living facilities, nursing homes and hospice care. It can help protect retirement savings in the event of an extended long term care need. Premiums are based on the applicant's age at the time of purchase and remain based on that age for the life of the policy. One can purchase coverage with a 5% compound inflation or CPI compound inflation factor which keeps the benefit values increasing each year to help keep up with the rising cost of care. Currently, nursing homes cost on average \$75,000 or more per year.

Here are some recent changes impacting long term care:

- Medicaid rules have changed now requiring a 5-year, rather than a 3-year, look back period in which to spend down assets before qualifying for Medicaid nursing home benefits.
- New Partnership Long Term Care Programs have been introduced in Colorado. These federally-approved programs allow individuals to shelter additional assets from Medicaid spend-down requirements when a person owns a partnership-qualified long term care insurance policy. The amount of dollars allowed to be sheltered from Medicaid spend-down and/or seizure equal the amount of benefits paid by the long term care insurance policy.

Here's how the partnership plan works. If someone owns a partnership-qualified long term care insurance policy and had received \$200,000 in benefits through claims paid by the policy and then used up all the benefits allowed under the policy; this person would potentially then be able to qualify for Medicaid nursing home care and shelter \$200,000 of additional assets from the Medicaid spend-down requirement. This allows a person to protect more of his/her personal assets from Medicaid spend-down and still potentially become eligible for Medicaid nursing home benefits. Medicaid also has an income test that must be met to qualify for Medicaid benefits.

Ask us about these new Partnership Long Term Care policies now available in Colorado and consult with a qualified long term care specialist to learn all the facts before buying coverage. Protect your retirement savings with proper long term care insurance planning.

For more information contact:

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