



Partnership Update: State of the States



Long-Term Care Insurance
Producers Summit
November 15, 2009



Chad Shearer
Program Officer, CHCS

CHCS Mission

To improve health care quality for low-income children and adults, people with chronic illnesses and disabilities, frail elders, and racially and ethnically diverse populations experiencing disparities in care.

► Our Priorities

- Improving Quality and Reducing Racial and Ethnic Disparities
- Integrating Care for People with Complex and Special Needs
- Building Medicaid Leadership and Capacity

► National Reach

- 47 states
- 160+ health plans



CHCS Mission

To improve health care quality for low-income children and adults, people with chronic illnesses and disabilities, frail elders, and racially and ethnically diverse populations experiencing disparities in care.



CHCS Priorities

Our work with state and federal agencies, Medicaid health plans, providers, and consumers focuses on:



**Improving Quality and
Reducing Racial and Ethnic Disparities**



**Integrating Care for People with
Complex and Special Needs**



Building Medicaid Leadership and Capacity

Medicaid's Challenges and Opportunities

59 million	People in the United States who receive Medicaid benefits.
\$333 billion	Total Medicaid spending in FY 2007.
41%	Total long-term care costs financed by Medicaid.
94%	Medicaid long-term care clients in unmanaged fee-for-service.
8.8 million	People who are dually eligible for both Medicaid and Medicare.
46%	Total Medicaid dollars spent on dual-eligibles.
46%	Adult Medicaid beneficiaries who have more than one chronic condition.
5%	Medicaid beneficiaries accounting for 57% of total Medicaid spending.
\$250 billion	Annual state and federal expenditures for dual-eligibles.

CHCS and the Partnership

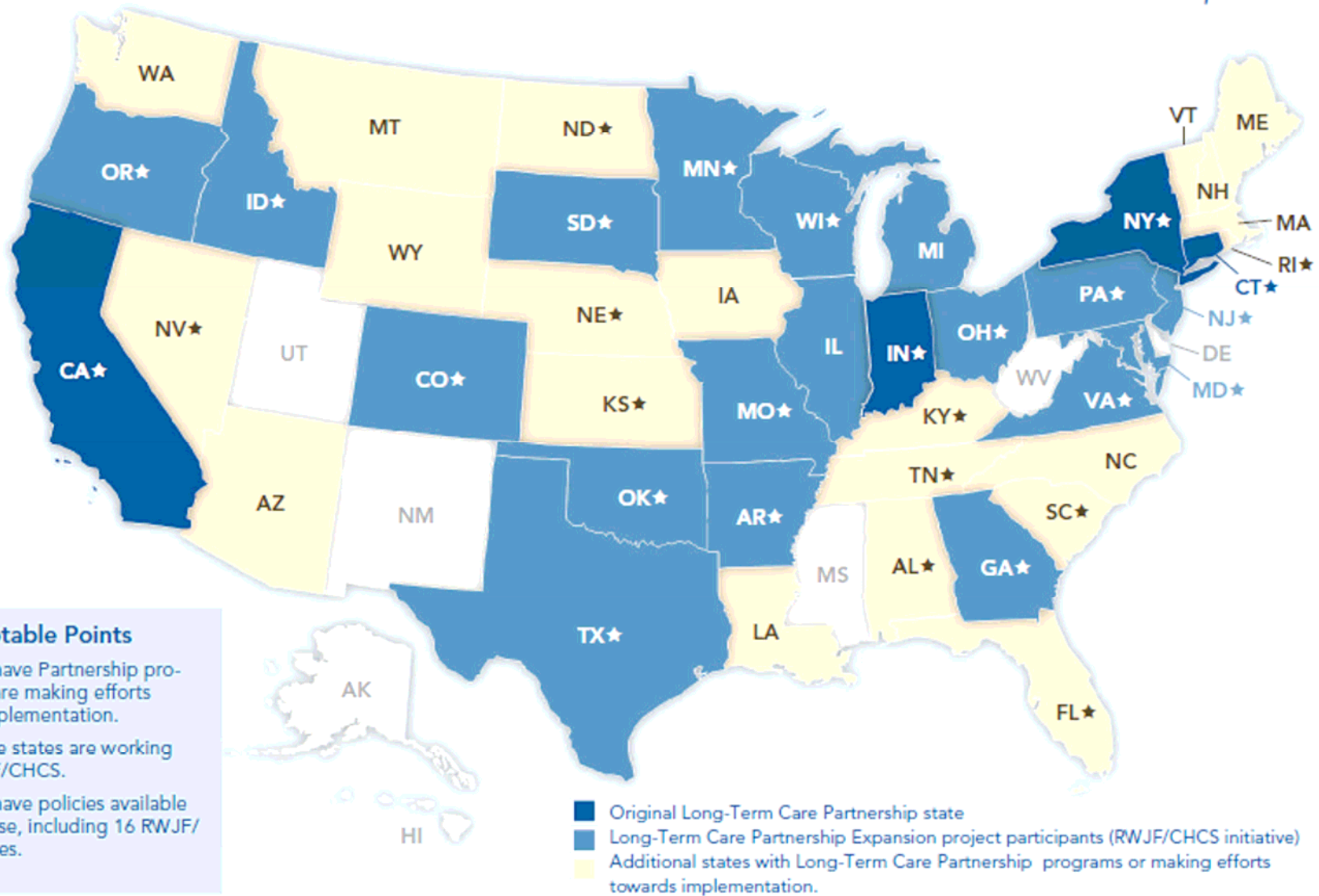
- Robert Wood Johnson Foundation grant
- 10 states competitively selected to receive:
 - ▶ \$50,000 grants for Partnership Implementation
 - ▶ Technical Assistance
 - ▶ Travel funds to attend meetings
- Additional 8 states receive travel scholarships in 2008

Technical Assistance

- Monthly state technical assistance calls
 - ▶ ASPE, Thomson Reuters, Long Term Care Group, CHCS and GWU
 - ▶ Recent Examples: Federal data; tiered inflation protection
- Issue briefs
 - ▶ Cost effectiveness, inflation protection, Medicaid eligibility, agent training (in process)
- Annual meetings
- Facilitation of state-to-state learning
- Strategic communications training

Partnership Progress

As of September 2009



Notable Points

- 43 states have Partnership programs or are making efforts toward implementation.
- 18 of those states are working with RWJF/CHCS.
- 30 states have policies available for purchase, including 16 RWJF/CHCS states.

How did we get here?

- Hard work and collaboration by:
 - ▶ State Medicaid agencies
 - ▶ State Departments of Insurance
 - ▶ Departments of Health, Aging, etc.
 - ▶ Insurance Carriers
 - ▶ Agents and Brokers

States Selling the Partnership

- Community Outreach Forums
 - ▶ Colorado and South Dakota
- Collaboration with Own Your Future
 - ▶ Texas, Oklahoma
- Websites, brochures, mailers, etc.
 - ▶ Lists of carriers and sometimes agents
 - ▶ Materials often available at free or minimal costs to producers
- Go to educational resources
 - ▶ SHIPs, local Agencies on Aging

Challenges to Success

- Partnership resources in tight budget times:
 - ▶ Staff (few with dedicated Partnership staff)
 - ▶ Lack of funds for outreach materials
 - ▶ Reducing optional Medicaid benefits
- Applying the asset disregard
 - ▶ Few if any Partnership policies in claim (DRA states)
 - ▶ No known applications for the asset disregard to date

Next Steps

- Continued/expanded consumer outreach with consistent and accurate Partnership messaging from states and producers
- Connection of the Partnership to broader LTC planning conversation
- Understanding and taking advantage of opportunities presented by health reform

Visit CHCS.org to ...

- **Download** practical resources to help improve the quality and efficiency of Medicaid services.
- **Subscribe** to CHCS eMail Updates to learn about new programs and resources.
- **Learn** about cutting-edge efforts to improve care for Medicaid's highest-need, highest-cost members.

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8th Long-Term Care Insurance Producers Summit

Partnership Update: State of the States

Presented By Rod Perkins
Genworth Financial

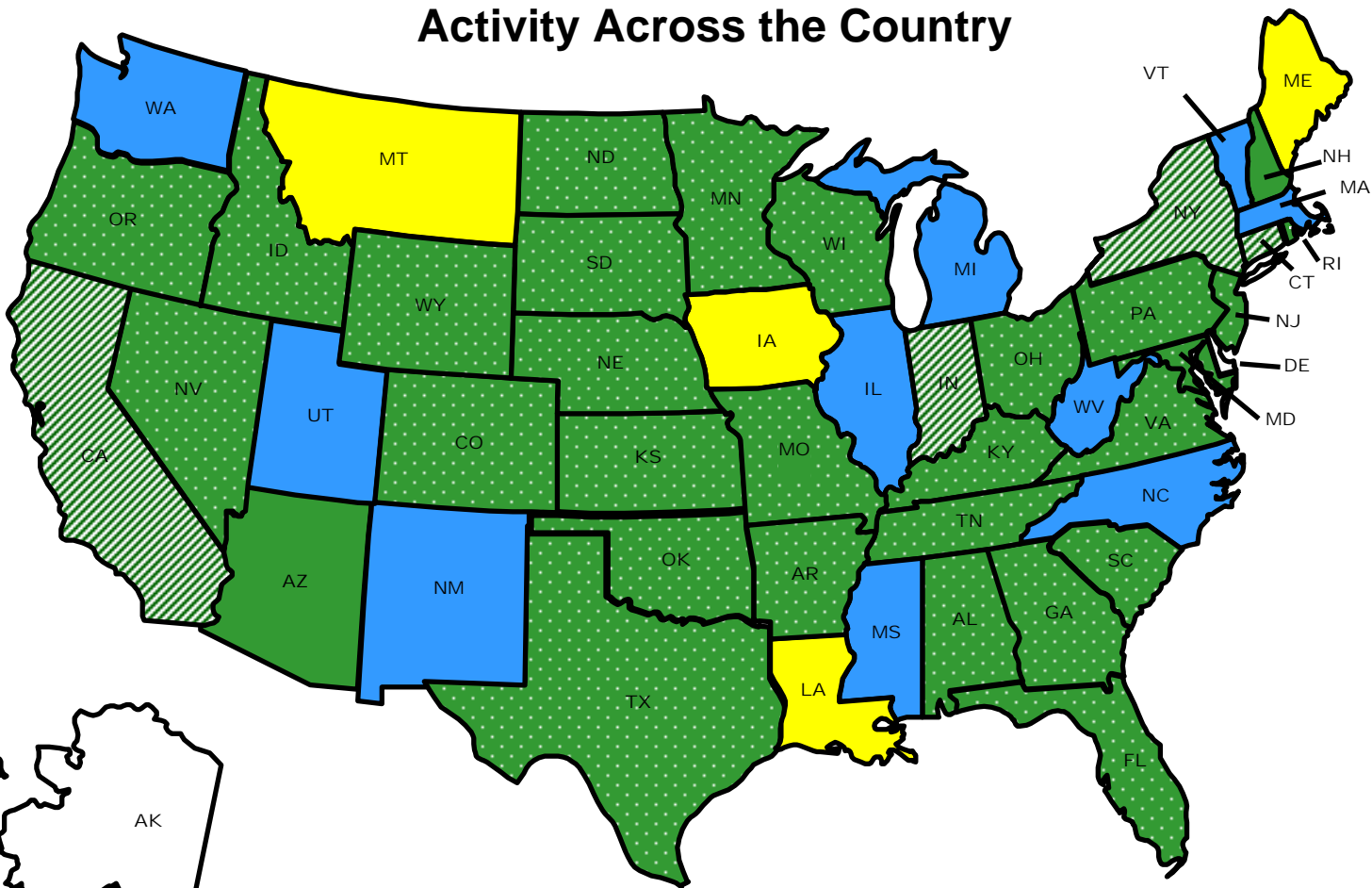
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State Implementation Status

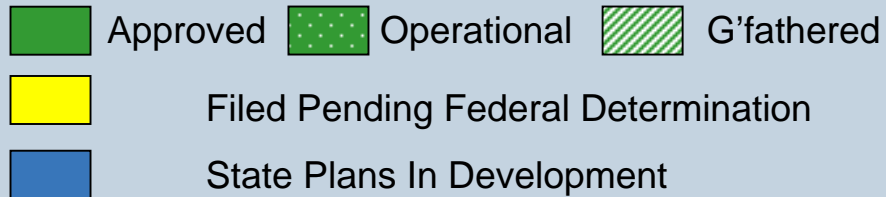
- **27 new states have operational Partnerships, in addition to the four original Partnerships**
- **2 states (AZ, NH) have approved SPAs but are not yet operational**
- **4 states have SPA filings pending approval with CMS**
- **10 additional states have plans in development or have taken some action toward implementing a partnership**

Tremendous Progress Since DRA Adoption

State Plan Amendment LTC Partnership Activity Across the Country



SPA Approved and Grandfathered States



Partnership Sale Demographics

- **Just over two-thirds are Individual policies and the rest are Group**
- **Insureds under age 61 account for 66% of the PQ policies**
- **Initial data shows concentration among the largest insurers**
- **Almost all policies are comprehensive with a single lifetime maximum expressed in dollars**
- **The average lifetime maximum is about \$252,000**
- **The average daily benefit for facility care is \$168 with roughly equivalent amounts for other levels of care**
- **The average premium for all insureds is \$1,861, \$2,444 for those ages 61-75.**

Source: US Department of Health and Human Services, Partnership Status Report. Based on August 1, 2009 Registry Data

State Approaches to Implementing Partnership

- **Legislative, Regulatory or Bulletin Mechanism**
- **SPA Effective Date (Prospective vs. Retroactive)**
- **Issuer Certification**
- **Disclosure Notices**

Implementation Issues – Observations

- **Producer Training**
 - Evolving Requirements
 - Communication
 - Reciprocity
 - Timing
- **Exchanges**
 - Need to Build the Systems & Back-office Support
 - Compliance Window
 - Product Classes
- **Timing of Regulation Effective Date**
- **Inflation Protection**

Group LTCL Partnership Considerations

- **Group Partnership Contemplated in the DRA**
- **The Group Market Opportunity**
- **Eligibility for Partnership Under Multi-State Models**
- **“Extra-territoriality” and the Current Reciprocity Model**
- **Group Certification Process**

Successful Partnership Launch Elements

- **Communication and Cooperation Among State Agencies**
- **Active Program Promotion to State Residents**
- **Linkage with LTC Awareness and Incentive Programs**
- **Partnering with Carriers and Producers on Implementation Issues**