

# **OVERVIEW OF THE INDIANA LONG TERM CARE PARTNERSHIP PROGRAM SEPTEMBER 17, 2021**

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# LONG TERM CARE BASICS

## Eligibility Definition- Chronically ill

*You are unable to perform, without substantial assistance from another individual, at least 2 ADL's for an expected period of at least 90 days due to a loss of functional capacity, or you have a severe cognitive impairment.*

## What are ADL'S?

- ✓ Eating, bathing, dressing, moving, continence, toileting

## What are IADL's?

- ✓ Instrumental activities of daily living (shopping & cleaning)

# LONG TERM CARE BASICS CONTINUED

## Levels of Care

- ✓ Custodial vs. Skilled Care
  - ❖ No expectation of improvement
  - ❖ Licensing Not required

## Continuum of Care

- ✓ Home Health, Adult Day Care, Assisted Living, Nursing Home, Specialized Units (Memory Care)

# BABY BOOMERS

## “GRAY TSUNAMI”

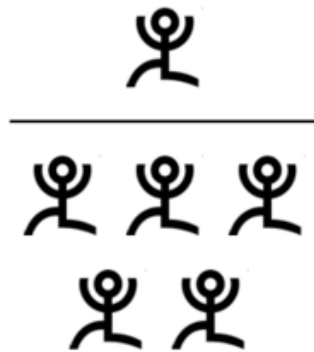
- ❖ Born 1946 – 1964 (75 million)
- ❖ 10,000 per day until 2030 turn 65 years
- ❖ Age 85+ Fastest Growing Segment
- ❖ 7 out of 10 Need some level of LTC
- ❖ Arthritis & Cognitive Impairment

- ❖ (Genworth 2020 Cost of Care Study)

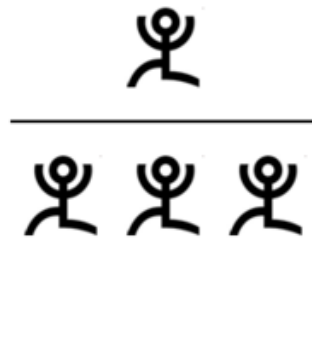
# WORKERS PER BENEFICIARY

Social Security: Worker to Beneficiary Ratio

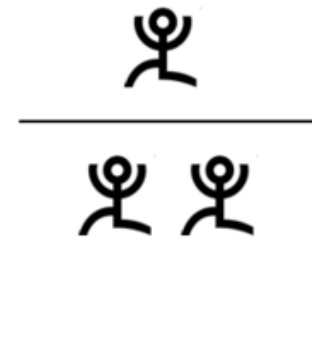
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1960: 5.1 to 1



2009: 3.0 to 1



2030: 2.2 to 1

Source: Social Security Administration Trustees Report Table IV.B2  
Ratio of covered workers to beneficiaries

# LTC STATISTICS

## Who will need LTC services?\*

**70%** Future population over 65

**50%** More women than men

**100%** Population will be affected

\*2020 Medicare & You, National Medicare Handbook, Centers for Medicare & Medicaid Services

# LTC COSTS\*

## INDIANA MEDIAN

Home Health Aide Services	<b>\$ 24 hour</b>	<b>+4.35%</b>
Assisted Living Facility	<b>\$52,584</b>	<b>+6.88%</b>
Nursing Home (Semi-Private Room)	<b>\$85,593</b>	<b>+1.59%</b>
Nursing Home (Private Room)	<b>\$101,835</b>	<b>-.36%</b>

# WHO PAYS???

## Payers

- 1) Self-insure/Family
- 2) Medicare
- 3) Medicaid
- 4) Insurance Policy & Other Financial Products



# BARRIERS

## 1) **Self-insure/Family**

- Assets/income depletion
- Family Dynamics

## 2) **Medicare**

- Limited, restricted

## 3) **Medicaid**

- Limited funding
- Multiple beneficiary classes
- Loss of control over health care decisions

## 4) **Insurance Policy & Other Financial Products**

- Cost, Qualifying

# INDIANA LTC PARTNERSHIP PROGRAM

## History

- 1980's Government & Industry Collaboration
- Promote LTC Awareness & Understanding
- Develop Quality & Similar LTC Policies
- Reduce Medicaid LTC expenditures
- 4 original States – IN, CT, CA, NY
- May 1993 Indiana program

# INDIANA LTC PARTNERSHIP PROGRAM

## Policy Requirements

- \$105 Minimum Daily Benefit
- Inflation
  - 5% Compound
  - 5% Simple (issue age 75+)
  - CPI
- Identifiable Asset Language
- Carrier Reporting Requirements
- One Year Benefit Period

# OTHER INDIANA PARTNERSHIP PROGRAM FEATURES

- ❖ Medicaid Estate Recovery Exemption
- ❖ Home Equity & Annuity Beneficiary Exemption
- ❖ State Tax Deduction
- ❖ Pooled Risk for Rate Increases

# MEDICAID ASSET PROTECTION

## Dollar for Dollar

- \$1 of LTC benefits paid out = \$1 of Medicaid asset protection
- No exhaustion of policy benefits
- Inflation Requirements
  - 5% Compound
  - CPI (Consumer Price Index – Urban)
  - 5% Simple for issue ages 75+

# MEDICAID ASSET PROTECTION

## **Total Asset**

- 100% of assets protected from Medicaid spend down
- Policy benefits must totally exhaust
- 5% Compound Inflation Required

**Identifying Asset Language – See Page 15 in booklet**

# DEFICIT REDUCTION ACT OF 2005 (DRA)

## Deficit Reduction Act of 2005

- Medicaid Reform
  - Changed look back period from 3 to 5 years
  - Penalty date begins date of Medicaid eligibility
- LTC Partnership Expansion
  - Original 4 Partnership states grandfathered
  - Dollar for dollar asset protection only
  - Inflation Feature
    - Under 61 – compound inflation required
    - 61 to 76 – some level of inflation
    - 76+ - inflation offered, not required

# NATIONAL RECIPROCITY AGREEMENT

## (PORTABILITY OF MEDICAID ASSET PROTECTION)

- All DRA states automatic reciprocity
- Dollar for dollar reciprocity
- Original states must opt in
- Determined at time of Medicaid application
- Reciprocity map

<http://www.nyspltc.org/reciprocitymap.htm>



# CURRENT PARTNERSHIP STATUS

- Genworth Scotchin Lawsuit
- DOI Lawsuit
- Indiana HEA 1405

# FUTURE OF LTC

- Covid impact
- Provider shortage
- Insurance Market

QUESTIONS???

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