

# A Partnership Between Long-Term Care Insurance and Medicaid

States are cutting jobs and critical services like education to pay for Medicaid.<sup>1</sup> Payment for long-term care services represents over a third of Medicaid spending.<sup>2</sup> In recognition that neither private dollars nor public dollars alone can meet the escalating need for long-term care, most states have approved a way for private and public to work together.

The Long-Term Care Partnership Program rewards the purchase of long-term care insurance by protecting assets equal to the long-term care benefits paid when Medicaid is accessed. Without a partnership-certified plan, Medicaid will pay benefits only after most assets are spent down. (Applicants under age 76 must purchase an age-appropriate inflation benefit to have Partnership plan.)

The idea is that private insurance pays first, then Medicaid acts as a safety net by picking up the back end with unlimited benefits as long as you meet the functional or cognitive deficiencies required by TennCare to pay for long-term care.

Keep in Mind . . .

**every dollar not paid by Medicaid is a dollar that can stay in the state budget for education, public safety, jobs and other vital services that we all care deeply about.**

Not only does this program help state budgets, it provides the family with private-pay choices as long as possible.



**Problem:** Americans don't understand that the choice between insuring for long-term care or not insuring is not just a personal choice involving insurance.



## The Real Choice:

**Giving Up Small Dollars for Insurance  
. . . or Giving Up Large Dollars for Education?**

*Americans are really choosing between paying long-term care insurance premium which leaves dollars in the state budget or not buying LTC insurance, which diverts state budget dollars to Medicaid instead of to education, public safety and other vital services.*



# The Caring Part of Your Financial Plan

By choosing to add long-term care insurance to your financial protection package, you are letting your family know that their personal and financial security is important. Besides having the financial protection to pay for long-term care, with long-term care insurance you will have the satisfaction of knowing that, if you or a covered member of your family should require long-term care, your family's lifestyle can continue. You won't need to jeopardize your plans for the future just because of one accident or major illness.

Being able to hire caregivers can mean preserving the lifestyle that you've worked so hard for vs. being responsible for someone else's care 24/7 and not being able to spend time with your children, pay for their education, live where you want to live, accept promotions, take vacations, or even meet day-to-day financial obligations.

## Exploding the Myths of LTC

### Buy Young.

Long-term care insurance policies are

age-rated and health underwritten.

The earlier one purchases a policy,

the lower the premiums. Some people

buy it on their adult children when

they realize a head injury or other

serious condition could make them

totally responsible for that child's care.

### LTC happens at all

### ages.

Anyone can need extended care due

to an automobile or sporting accident,

a brain tumor, MS, Lou Gehrig's

disease or even early Parkinson's or

Alzheimer's disease. One out of four

people who has a stroke is under age

### 65.

### Most LTC is not in a

### nursing home.

Less than 15% of long-term care

happens in a nursing home.<sup>4</sup> Families

do whatever it takes to provide the

care, usually at a great sacrifice to the

primary caregiver, who is commonly a

woman.

### Disability Insurance

### is not the answer.

Besides ending at age 65, disability

insurance replaces part of your

income when you become disabled so

you can pay your bills. It doesn't

provide an additional several

thousand dollars a month to hire

caregivers.

## The Health Insurance/Medicare Misconception

Too many people think health insurance or Medicare pays for extended care at home, in adult day care, or in an assisted living facility or nursing home. These plans only provide short-term recovery benefits. They do not provide money to hire the day-to-day caregiving that chronically ill people need. If you have a spouse, parent, in-law or adult child who needs this type of care – or if you need it yourself – who would provide it? Can you afford to hire caregivers to come to your home at \$18-\$20 an hour?<sup>5</sup> If not, the caregiver may be you or your spouse.

*“It was easy to find a plan that was right for me and my husband.”*

1. Center on Budget & Policy Priorities, 5/24/12; 2. Kaiser Commission on Medicaid and the Uninsured, 10/10/11; 3,4. Health Affairs, 5/24/12; 5. LTC Insurance Carrier Cost Surveys, 2011.

**But don't wait. Once a serious health problem is diagnosed, you or your family members may not ever be able to qualify for coverage.**

Long-Term Care Insurance:  
*Lifestyle Insurance*  
For You and Your Family

