

Own Your Future

Long Term Care Planning: **The Virginia Long Term Care Partnership**

Title Graphic:

The Virginia Long Term Care Partnership

Cindi Jones, Chief Deputy, Virginia Department of Medical Assistance Services:

Pretty much the only way to pay for long-term care is to plan for it financially, either through long-term care insurance or through other financial mechanisms.

Narrator:

On September 1, 2007, Virginia launched the Virginia Long-term care Partnership; an alliance between private insurance companies and Virginia state government to help Virginians afford future long-term care services without depleting all of their assets to pay for care.

The Long-Term Care Partnership is designed to encourage and reward Virginians for planning ahead for potential Long-Term care needs. LTC Partnership policies look similar to regular LTC insurance policies, except that when Partnership policy holders use their policy benefits, they accrue what is known as “asset protection.”

Asset protection helps individuals who choose to apply to Medicaid. Normally, to qualify for Medicaid, they can maintain only \$2,000 in assets. With the Partnership, individuals are allowed to protect additional assets when applying to Medicaid.

This is how the LTC Partnership works:

For every dollar that an LTC Partnership insurance policy pays out in benefits, a dollar of personal assets can be protected if the individual chooses to apply for Medicaid. This allows individuals to leave funds for future generations and have a sense of security knowing that they have some extra assets in case an unexpected expense arises.

Cindi Jones :

With this long-term care partnership, if you receive \$50,000 in long-term care benefits, paid out on your behalf, you can also protect \$50,000 of your own assets. So that's the carrot to try to get people, to encourage and buy long-term care insurance and plan early.

Narrator:

In order for a policy to qualify as a Partnership policy, it must meet two main requirements:

- It must be purchased after September 1, 2007 - the date the program began in Virginia, and
- For individuals under age 76 the policy must meet special inflation protection requirements- to ensure that the policy will keep up with the rising costs of long-term care services.

If you currently own a long-term care insurance policy and are interested in learning more about whether a Partnership policy is right for you, please contact your agent, or the carrier of your choice about a new Partnership-qualified policy. Be sure not to drop your existing coverage as you explore whether the Partnership is right for you.

Ownership of an LTC Partnership policy does not guarantee access to the Virginia Medicaid program. All individuals who apply for Medicaid long-term care services must meet all other program requirements; including assistance needs, income and resource requirements.

Cindi Jones:

We feel that if you buy long-term care insurance, you may never need Medicaid and that's our goal. You should plan so that you have a choice in what kind of long-term care services you have so that you can stay at home as long as possible and not rely on the federal and state government. By getting long-term care insurance, you're really taking control of your future.

Narrator:

The Commonwealth of Virginia is pleased to offer you this exciting new program. For further information on the Partnership, please order your free tool kit from the U.S. Department of Health and Human Services or contact the Virginia Department for the Aging for a referral to your local area Agency on Aging insurance counseling program.

Graphic:

Virginia Department for the Aging:

www.vda.virginia.gov

Toll-Free: 1-800-552-3402

(Nationwide Voice/TTY)

U.S. Department of Health and Human Services:

Order a tool kit: 1-866-PLAN LTC (1-866-752-6582)