AGED, BLIND, AND DISABLED MEDICAID 804-1
Long Term Care Partnership

Supersedes: MA 903-2 (07/01/09)

Reference: 42 U.S.C. 1396p; ARM 37.82.101, 6.6.3101-.3115, .3117-.2120; P.L. 109-171

Overview: Resources equal to the Long Term Care (LTC) Partnership policy benefits may be protected when an institutionalized/waiver client or spouse purchases a Qualified LTC Partnership policy or converts an existing LTC policy to a Qualified LTC Partnership policy on or after July 1, 2009. Once the LTC Partnership policy lifetime limits have been fully exhausted, assets equal to the insurance benefits paid for the client or spouse are protected/ disregarded.

An amount of resources equal to the total LTC Partnership insurance benefits paid are protected/disregarded when determining institutional/waiver Medicaid eligibility. These resources are also protected from Medicaid estate recovery. When both spouses are covered by a joint LTC Partnership policy, the couple receives full asset protection as well as estate recovery protection, regardless of which spouse actually received the insurance benefits. Uncompensated asset transfer provisions apply to protected assets, and it can't be assumed that transfer of protected assets was done for a reason other than qualifying for Medicaid. For example, transferring a protected asset could result in loss of countable income, which directly affects Medicaid eligibility.

APPLICATION OF OTHER MEDICAID PROVISIONS:

All other financial and nonfinancial eligibility criteria and Medicaid policy applies when determining institutionalized/waiver eligibility for an individual/couple who have a Qualifying LTC Partnership policy. Qualifying LTC Partnership resource protections do not apply when determining Medicare Savings Program or non-institutional/waiver Medicaid eligibility.

QUALIFIED LONG TERM CARE PARTNERSHIP POLICY:

The Montana Insurance Commissioner must certify in writing that a LTC policy meets the Qualified LTC Partnership policy definition. The required certification is often attached to the policy. The certification verifies the policy meets the following:

1. The insured was a resident of a Partnership State when the policy first became effective;
2. Policy meets the IRS definition (IRS code of 1986) of 'Qualified LTC Insurance Policy';
3. The policy was issued no earlier than July 1, 2009 (date of Montana's Long Term Care Partnership Medicaid State Plan Amendment); and

NOTE: Policies issued before July 1, 2009 are treated as newly issued only if reissued or exchanged on or after July 1, 2009. An additional rider, endorsement or change in the schedule page to policies issued before July 1, 2009 is treated as an exchange for purposes of meeting this provision.

4. The policy meets specific rules of the National Association of Insurance Commissioners (NAIC); and

   NOTE: When the policy doesn't contain this information, the client must provide written proof from either the insurance company or the Montana Insurance Commission to verify the policy meets the criteria.
5. The policy includes inflation protection, which varies depending on the insured's age when the policy was purchased:
   - For purchasers under 61 years old, compound annual inflation protection;
   - For purchasers 61-76 years old, some level of inflation protection;
   - For purchasers over 76 years old, inflation protection is optional.

QUALIFIED LTC POLICY ISSUED IN ANOTHER STATE:

If the other Partnership state offers reciprocity, a Qualified LTC Partnership policy issued in another Partnership state is recognized if the covered individual moves to Montana. If a LTC Partnership policy holder from another state moved to Montana, eligibility staff will contact the ABD Policy Specialist in Central Office (through the Service Desk).

BOTH SPOUSES HAVE LTC PARTNERSHIP:

When both spouses apply for LTC Partnership resource protection and they have a joint LTC Partnership policy or each has a separate policy, the protection is apportioned between them; each cannot receive full resource protection separately. The total protection benefit given to both spouses combined cannot exceed the total amount of insurance benefit.

When one spouse applies for nursing home/waiver Medicaid, and transfers resources protected under the LTC Partnership policy to the community spouse, these resources retain their protected status, even when the community spouse is later institutionalized.

If the protected resources are not transferred to the community spouse, the community spouse cannot receive resource protection for additional resources they own should they later be institutionalized.

Total resource protection cannot exceed the full amount of all benefits paid from all exhausted LTC Partnership polices when both spouses enter the nursing home and apply for Medicaid in the same month. Because they are treated as individuals, they can opt to protect jointly held resources or allocate the protection between them either equally or proportionate to LTC benefits paid for each.

Effective Date: July 01, 2016