



# Long Term Care University

## Long Term Care University – Question of the Month

By Aaron Skloff, AIF, CFA, MBA

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**Q: What are the Top 6 most Frequently Asked Questions (FAQs) about the New York State Partnership for Long Term Care?**

### **The Problem – Understanding the New York State Partnership for Long Term Care (NYSPLTC)**

Most long term care (LTC) insurance policies provide a limited amount of benefits. Even most lifetime benefit policies generally have a daily, monthly or annual limit. The cost of long term care after a policy has been exhausted can be financially devastating for you and your family. To compound the problem, assistance in the form of Medicaid is generally limited to the impoverished.

### **The Solution – The New York State Partnership for Long Term Care (NYSPLTC)**

With a NYSPLTC insurance policy, after you have used all the benefits of your policy you can apply for Medicaid with complete ‘asset disregard’. This allows you to keep assets that would otherwise be disallowed. New York is one of only two states in the entire U.S. that permits **Total Asset** policies that provide **unlimited asset protection from Medicaid**. Furthermore, there is **no ‘look-back’ period**.

### **Question 1. Will my NYSPLTC policy pay for long term care both inside and outside of New York?**

Answer 1. Yes. NYSPLTC policies will pay for long term care **both inside and outside of New York**.

### **Question 2. After using up my NYSPLTC policy’s benefits, can my assets still be protected away from Medicaid?**

Answer 2. Yes. On June 1, 2012, New York State joined with National Reciprocity Compact for the recognition of Medicaid Asset Protection for member states with Deficit Reduction Act (DRA) long term care partnership programs. Asset protection outside of New York State is limited to Dollar for Dollar – for every dollar of care your policy pays, a dollar of assets is protected away from Medicaid. **Importantly, the asset protection reciprocity is retroactive for all NYSPLTC policyholders.**

### **Question 3. Which of my assets are not protected under the NYSPLTC Total Asset 50 or Total Asset 100 programs?**

Answer 3. None. An unlimited amount of your assets are protected under both versions of the Total Asset 50 (often referred to as 3/6/50) and Total Asset 50 (often referred to as 2/4/50) or the Total Asset 100 (often referred to as 4/4/100) programs. This includes your cash, savings accounts, investments accounts, 401(k)s, 403(b)s, 457(b)s, 529s, IRAs, homes, art collections, inheritances, lottery winnings – **literally, unlimited asset protection.**

### **Question 4. Are my assets protected outside of New York?**

Answer 4. Yes. An unlimited amount of your assets are protected **both inside and outside of New York**. For example; this includes your condominium in New York, NY, house in Westchester, NY and vacation homes in Naples, FL, Maui, HI and San Diego, CA.

### **Question 5. What key benefits must be included in a NYSPLTC policy versus a non-NYSPLTC policy?**

Answer 5. A NYSPLTC insurance policy **must cover your long term costs in a nursing home and your own home** versus many policies that only cover care in a facility (e.g.: only a nursing home). A NYSPLTC Total Asset 100 insurance policy must provide minimum daily benefits of \$274 in 2014 (\$288 estimated in 2015) in both a nursing facility and your own home. A NYSPLTC Total Asset 50 insurance policy must provide minimum daily benefits of \$274 in 2014 (\$288 estimated in 2015) in a nursing facility and \$137 in 2014 (\$144 estimated in 2015) in your own home. The minimum annual Nursing Home Care Bed Reservation benefit for a NYSPLTC policy is 20 days.

### **Question 6. Are there any risks if I delay purchasing a NYSPLTC policy?**

Answer 6. Yes. Since NYSPLTC policies require 5% greater benefits each year, **delaying your purchase means buying 5% greater coverage each year** (e.g.: \$288 estimated in 2015 versus \$274 in 2014). Insurers **increase pricing on new policies for older applicants**, reflecting the higher probability that you will need long term care sooner. The combination of these two factors can add greatly to the cost of a policy. Independent of your birthday, **insurance companies can (and often do) raise rates for new applicants**, subject to approval from the New York State Insurance Department. Some insurance companies have yet to implement gender specific pricing in New York. **In other states, gender specific pricing has resulted in 60% higher prices for female applicants.** The combination of these four factors can add greatly to the cost of a policy. Lastly, your health is likely to deteriorate over time, placing you in a higher price health class or **entirely disqualifying you from purchasing long term care insurance.**

### **Action Step – Purchase a New York State Partnership for Long Term Care (NYSPLTC) Total Asset 50 or Total Asset 100 Policy**

With a NYSPLTC policy you gain the safety of long term care insurance and the peace of mind provided by unlimited asset protection.

Aaron Skloff, Accredited Investment Fiduciary (AIF), Chartered Financial Analyst (CFA), Master of Business Administration (MBA), is the Chief Executive Officer of Skloff Financial Group, a Registered Investment Advisory firm. The firm specializes in financial planning and investment management services for high net worth individuals and benefits for small to middle sized companies. He can be contacted at [www.skloff.com](http://www.skloff.com) or 908-464-3060.