



Dora

Department of Regulatory Agencies

Division of Insurance

Bulletin No. B-4.27

Guidance on Implementation of the Colorado Long-Term Care Partnership Program

I. Background and Purpose

The purpose of this bulletin is to provide guidance regarding the implementation of the Colorado Long-Term Care Partnership Program.

Bulletins are the Colorado Division of Insurance's ("Division") interpretations of existing insurance law or general statements of Division policy. Bulletins themselves establish neither binding norms nor finally determine issues or rights.

II. Applicability and Scope

This bulletin is intended for all long-term care insurers issuing or renewing long-term care partnership insurance policies.

III. Division Position

This Partnership Program operates under the direction of the Department of Health Policy and Financing in consultation with the Colorado Insurance Division and these guidelines have been jointly issued by these Departments. Federal enabling legislation pertaining to the Long-Term Care Partnership Program is set forth in the Deficit Reduction Act of 2005, Pub. L. 190-171 (the "DRA"), and implementing procedures are described in guidance issued by the Centers for Medicare and Medicaid Services ("CMS"). See State Medicaid Director's Letter (SMDL #06-019) dated July 27, 2006, issued by CMS.

Under the Colorado Long-Term Care Partnership Program, individuals who purchase long-term care insurance policies that meet certain requirements specified by the DRA for "Partnership Policies" can apply for Medicaid under special rules for determining financial eligibility and estate recoveries. (In the case of group insurance, each certificate that meets the DRA's requirements constitutes a Partnership Policy.) These special rules generally allow the individual to protect assets equal to the insurance benefits received from a Partnership Policy so that such assets will not be taken into account in determining financial eligibility for Medicaid and will not subsequently be subject to Medicaid liens and recoveries.

The Colorado Long-Term Care Partnership Program became effective on January 1, 2008.

A. Partnership Policies

A Partnership Policy is a qualified long-term care insurance policy (including a certificate issued under a group insurance contract) that satisfied all of the following requirements under the Federal Deficit Reduction Act (DRA) and Colorado Regulation 4-4-4, to be considered a qualified long-term care policy.

B. Inflation protection

Presently, inflation protection cannot be reduced either by consumer selection or some automatic policy provision, to the next age band authorized by the Deficit Reduction Act.

C. Reciprocity

Pending the issuance of guidance by the Secretary pursuant to Section 6021(b) of the DRA, the Colorado Long-Term Care Partnership Program shall provide reciprocity with respect to long-term care insurance policies covered under the other state long-term care insurance partnership.

With reciprocity, the amount of the Asset Disregard provided with respect to a policy purchased under the state long-term care insurance partnership of another state shall equal the Asset Disregard that would apply to a Partnership Policy covered directly by the Long-Term Care Partnership Program of Colorado. Such reciprocity shall be provided to all states that maintain a state long-term care insurance partnership that provides similar reciprocity for Partnership Policies issued under the Colorado Long-Term Care Partnership Program does not affect eligibility requirements for Medicaid benefits that apply apart from those pertaining to permissible assets and resources.

After the issuance of guidance by the Secretary pursuant to Section 6021(b) of the DRA, the Department of Health Care Policy and Financing, if it elects to be exempt from such standards, shall notify the Secretary in writing of such election within the period of time prescribed under such guidance.

IV. Additional Division Resources

A. For More Information

Colorado Division of Insurance
Rates and Forms
1560 Broadway, Suite 850
Denver, CO 80202
Tel. 303-894-7499
Internet: <http://www.dora.state.co.us/insurance>

B. Related Division Regulations

Colorado Regulation 4-4-1

V. History

- Issued December 21, 2007.
- Reissued November 3, 2010.