State LTC Partnership Programs:

Added Estate and Asset Protection Using Traditions LTC Policies

(Note: Life Insurance with LTC Riders do not qualify)

What it is

- Asset and estate preservation guarantees from state governments.

How State Partnership Programs may help to preserve assets and your estate

- Currently, people must deplete most of their assets before the state will pay for their long-term care, whether in a nursing home or their own home.
- Under the LTC Partnership Program, a person who purchases and uses a qualified policy with a pool of benefits worth $100,000, for example, will be able to protect up to an additional $100,000 of their assets if they later need to apply for Medicaid (known as Medical Assistance in Minnesota). The following steps apply:

1. You use all of the Partnership policy benefits to pay for your LTC needs.

2. You apply for Medical Assistance (MA) if you still have LTC needs and MA will set aside assets equal to the amount of your Partnership Policy Benefit Pool and will not count them when determining your eligibility.

3. During your life or the estate recovery process, Medicaid cannot take the assets that you set aside. You can also protect that amount in your house or other real property if the state files a lien on the property.

4. Note: Most state laws requires a person to exhaust their LTC insurance before obtaining the additional asset protection provided by the partnership coverage. Therefore, if you transfer non-protected or “countable assets (see page 5) before exhausting your policy, you may be penalized.

5. The private insurance you purchase must be a tax qualified policy, issued from an approved insurer, with inflation protection guidelines based on age and the person purchasing the policy must be a Minnesota resident.