**Partnership Program Notice**

**Important Consumer Information Regarding the Washington Long-Term Care Insurance**

**Partnership Program**

Some long-term care insurance policies [certificates] sold in Washington may qualify for the Washington Long-Term Care Insurance Partnership Program (the Partnership Program). The Partnership Program is a partnership between state government and private insurance companies to assist individuals in planning their long-term care needs. Insurance companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies [certificates] that qualify as Partnership Policies [Certificates] may protect the policyholder's [certificateholder's] assets through a feature known as "Asset Disregard" under Washington's Medicaid program.

**Asset Disregard** means that an amount of the policyholder's [certificateholder's] assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy [Certificate] will be disregarded for the purpose of determining the insured's eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy [Certificate] without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply. Assets that can’t be protected under the LTC partnership provisions are described in WAC 388-518-1415. Asset Disregard is not available under a long-term care insurance policy [certificate] that is not a Partnership Policy [Certificate]. Therefore, you should consider if Asset Disregard is important to you, and whether a Partnership Policy meets your needs. **The purchase of a Partnership Policy does not automatically qualify you for Medicaid.**

**What are the Requirements for a Partnership Policy [Certificate]?** In order for a policy [certificate] to qualify as a Partnership Policy [Certificate], it must, among other requirements:

* be issued or exchanged to an individual after January 1, 2012;
* be a tax-qualified policy under Section 7702(B)(b)of the Internal Revenue Code of 1986;
* meet stringent consumer protection standards; and
* meet the following inflation protection requirements:
	+ For ages 60 or younger provides automatic annual compounded inflation increases at a rate not less than three percent or automatic annual compounded inflation increases at a rate based on changes in the consumer price index, not to be less than zero percent;
	+ For ages 61 to 76 provides automatic simple inflation increases at a rate not less than three percent or automatic inflation increases at a rate based on changes in the consumer price index, not to be less than zero percent;
	+ For ages 76 and older the policy may, but is not required to, provide automatic inflation increases at a rate based on changes in the consumer price index, not to be less than zero percent.

If you apply and are approved for long-term care insurance coverage, [issuer name] will provide you with written documentation as to whether or not your policy [certificate] qualifies as a Partnership Policy [Certificate].

**What Could Disqualify a Policy [Certificate] as a Partnership Policy.** Certain types of changes to a Partnership Policy [Certificate] could affect whether or not such policy [certificate] continues to be a Partnership Policy [Certificate]. If you purchase a Partnership Policy [Certificate] and later decide to make any changes, you should first consult with [issuer name] to determine the effect of a proposed change. In addition, if you move to a state that does not maintain a Partnership Program or does not recognize your policy [certificate] as a Partnership Policy [Certificate], you would not receive beneficial treatment of your policy [certificate] under the Medicaid program of that state. The information contained in this disclosure is based on current Washington and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy [certificate] under Washington's Medicaid program.

**Additional Information.** If you have questions regarding long-term care insurance policies [certificates] please contact [issuer name.] If you have questions regarding current laws governing Medicaid eligibility, you should contact the Washington Health Care Authority http://hca.wa.gov/contact.html.