

Tennessee Long Term Care Partnership Agent Training Guidelines

Disclaimer

This document is intended to help readers understand:

- General eligibility policy relating to TennCare payment of long-term care services in Tennessee, and
- The interaction between TennCare eligibility policy and the Long Term Care Partnership Program in Tennessee.

Insurance Producers: To sell Long Term Care Partnership policies in Tennessee, insurance producers must successfully complete training that has been approved by the Tennessee Department of Commerce and Insurance. The training must include basic information about TennCare eligibility as it relates to the Long Term Care Partnership Program.

An individual may not sell, solicit or negotiate long term care insurance unless the individual is licensed as an insurance producer for accident and health or sickness or life. Previously licensed producers may continue to sell long term care products, but must complete a one-time training course by or before June 30, 2009 and ongoing training every 24 months thereafter. Those who were not yet licensed producers as of 7/1/08 must obtain the initial course before beginning to sell long term care insurance products. The one-time training shall be no less than eight hours and the ongoing training shall be no less than four hours. Producers who are exempt from general continuing education requirements (those who have been licensed continuously since January 1, 1994), are also exempt from the four hour ongoing courses. Training can occur in the classroom or online.

TennCare eligibility policy is very complex. It incorporates special regulations and exceptions for various situations, and changes frequently due to legislative regulations. As a result, this document provides basic eligibility information, but not enough for readers to determine if someone may be eligible for TennCare benefits.

To see how TennCare eligibility policy would be applied to someone's particular circumstances, the person must submit an application to their local Department of Human Services (DHS) office and provide all information and verifications necessary to determine eligibility. Inquiries about the eligibility status of current enrollees must be requested by enrollees or their authorized representatives, or third parties with written consent of the enrollee.

Training curriculum developers: Information provided in this document may be used as a guide when developing the Long Term Care insurance producer training. It is not necessary to use this information verbatim, but the training should address the basic elements contained in this document.

This document provides information on one of the subjects that must be included in the training required of individuals seeking approval to sell long-term care insurance policies in

Tennessee. Training courses must include all of the topics listed in Tenn. Comp. R. & Regs. 0780-1-61-.31.

Information in this document is up-to-date as of July 18, 2008.

Introduction to the Long Term Care Partnership Program

The Long Term Care Partnership (LTCP) Program is a joint effort between the federal Medicaid Program and Long Term Care (LTC) insurers. The Long Term Care Partnership was developed to encourage people to plan for their future LTC needs, such as residing in a nursing facility or receiving LTC services in a home or community-based setting.

The LTCP involves private LTC insurers, LTC insurance producers (agents and brokers), the Bureau of TennCare, the Department of Human Services (DHS) and the Department of Commerce and Insurance (TDCI). Although the Partnership is overseen by the federal Centers for Medicare and Medicaid Services (CMS), each state has a great deal of autonomy in its administration. In Tennessee, qualified LTCP policies must provide a specific amount of inflation protection based on the person's age when the policy is purchased and must meet other requirements determined by the TDCI.

TennCare is Tennessee's name for the federal Medicaid program. In order to participate in TennCare's LTCP program, a person must have purchased and received the benefits of a qualified Partnership policy.

A person who requests TennCare payment of LTC services after exhausting some or all benefits of a qualified LTCP policy may have certain assets "disregarded" equal to the benefits paid by the qualified LTCP policy at the time the person is determined eligible for TennCare. These assets are not counted when the person's TennCare eligibility is determined and will not be recovered during estate recovery when the person dies.

General Criteria for TennCare LTC Eligibility

To be eligible for TennCare, a person must qualify in one of the eligibility groups that is covered under the TennCare Medicaid program and meet specific requirements relating to residency, citizenship, income and resources. To be eligible for TennCare payment of LTC services, a person must meet all of the following criteria:

- a) Have a Pre-Admission Evaluation (PAE) that determines a need for a level of care provided in one of these settings:
 - 1) Nursing facility
 - 2) Intermediate Care Facility for people with Mental Retardation (ICF-MR)

A person who meets the level of care and eligibility requirements for care in a nursing facility or ICF-MR may then be able to choose to receive LTC services in an alternative home and community based setting such as an HCBS Waiver program.

- b) Reside in a TennCare-certified Long Term Care facility or receive TennCare home and community-based LTC services under a federally approved waiver program.
- c) Meet income and resource guidelines.
- d) Disclose an interest in an annuity for self and spouse, if married. The state must be named as remainder beneficiary of annuities owned by the person or spouse.
- e) Not be in a penalty period for an uncompensated transfer of income or assets. During a penalty period, TennCare will not pay the cost of LTC services.
- f) Have home equity of \$500,000 or less unless a spouse, child under the age of 21, or blind or disabled child is lawfully residing in the home.

Interaction between the LTCP Program and TennCare Eligibility

- 1) A LTCP participant in Tennessee is someone who either:
 - Requests TennCare payment of LTC services after exhausting all benefits of a qualified LTCP policy, OR
 - Exhausts all benefits of a LTCP policy while receiving TennCare payment of LTC services, OR
 - Receives TennCare payment of LTC services and dies before the LTCP policy benefits are exhausted.
- 2) In determination of eligibility for TennCare, DHS shall disregard an individual's assets in an amount equal to the following:
 - The amount of payments made by the individual's qualifying LTC policy for services covered under the policy

TennCare applicants will be required to submit written proof of benefits paid from their LTCP policies.

- 3) A LTCP participant receives the following benefits during his or her lifetime:
 - Assets may be designated for disregard in an amount equal to the benefits paid out by the qualified LTCP policy as of the date of application for Medicaid eligibility.
 - Designated assets are not counted toward the TennCare asset limit for eligibility purposes.
 - The designated assets may be transferred to any other person without penalty.

- Additional benefits paid by the qualified LTCP policy after application for Medicaid eligibility shall not be disregarded in future review and/or determination of Medicaid eligibility.

4) After the LTCP participant is deceased:

- Assets which were disregarded for purposes of Medicaid eligibility determination during the person's lifetime are also protected from estate recovery.
- When the amount of assets disregarded during the person's lifetime was less than total benefits paid by the LTCP policy, additional assets may be protected in the estate recovery process up to the amount of payments made by the individual's qualifying LTC policy for services covered under the policy
- If no assets were disregarded during the person's lifetime, the personal representative may designate assets to protect from estate recovery up to the lesser of the two options specified above - even if LTCP policy benefits were not completely exhausted.

5) TennCare is typically the payor of last resort. Individuals with other health care coverage or who have another party liable for their medical expenses will have medical costs paid by those sources first before TennCare pays claims. Individuals are required to cooperate with providing information regarding other payment sources. This includes long term care insurance.

LTC insurance benefits may not be used to offset the amount the person is required to contribute, pursuant to federal post-eligibility provisions, to the cost of TennCare-reimbursed LTC services (known as "patient liability"), but rather, must be used to help offset the cost of LTC services that would otherwise be reimbursable by TennCare. Thus, both the LTC insurance benefits and patient liability reduce the TennCare payment for LTC services.

6) It is the responsibility of the LTCP policy holder to inform the DHS eligibility worker that he has a Partnership policy.

7) When should an individual apply for TennCare?

- If the LTCP policy holder exhausts the benefits of his LTCP policy.
- When the Partnership policyholder/spouse/family/friend feels that the policyholder can no longer afford to pay for the cost of care.

8) Does a LTCP policy guarantee access to TennCare?

NO! Owning a LTCP policy does NOT guarantee access to TennCare - even if the policy holder exhausts his benefits. Individuals still must meet all other TennCare eligibility requirements in order to be eligible. The Partnership allows policy holders to have a portion of their assets disregarded (i.e., not counted) during the eligibility determination process and subsequently protected from estate recovery (dollar for dollar the amount of benefits paid out by the qualified LTCP policy).

REMEMBER: Only DHS can determine whether a person will qualify for TennCare. Agents should be careful not to advise regarding eligibility requirements or whether a person will be eligible for TennCare.

How to Apply for TennCare

In Tennessee, the Department of Human Services (DHS) accepts applications for TennCare through the county DHS offices. To locate local DHS offices, call DHS's Family Assistance Service Center at 1-866-311-4287 or visit the DHS website at http://www.tennessee.gov/humanserv/st_map.htm

Those interested in applying do not need an appointment at the county office to receive an application. One can be picked up at their county DHS office or they can have one mailed to them or they can apply on-line. To request an application, call the county office or the Family Assistance Service Center. Individuals can also apply online by visiting TennCare's website: <http://tennessee.gov/tenncare/mem-apply.html>.

If the person does not apply on-line, the application must be returned to the county DHS office for processing, by mail, fax or personal delivery. DHS recommends scheduling an intake appointment with a county DHS worker once the individual has completed the application. A face-to-face interview is not required but applicants should be sure to mention that they are in need of LTC services.