Florida's New Long Term Care Insurance Partnership Program

The State of Florida has a new law to encourage individuals to purchase long term care insurance. Florida's law is based upon a New York State program that has been in place for fifteen years. Florida's program works in the following manner. If an individual purchases a qualified long term care insurance policy and later needs to qualify for Medicaid, the individual may keep assets in excess of the Medicaid asset limits ($2,000 for an individual and $101,640 for a community spouse) based dollar for dollar on the amount that the long term care policy has paid out for that individual's care. Example: Bob, a single person, has a policy that has paid the nursing home $200,000 for his long term care. Bob now needs to qualify for the Medicaid Institutional Care Program. Bob may now have up to $202,000 in assets (versus $2,000) and qualify.

For a policy to qualify for the Long Term Care Partnership Program, it must meet certain criteria that include the following:

1. Such form and rates are filed and approved pursuant to 69O-149, Florida Administrative Code;
2. The policy is intended to be a qualified long-term care insurance policy under Florida Statute 627.9404(12);
3. The insured individual was a resident of the State of Florida or another state that has entered into a reciprocal agreement with Florida when coverage first became effective under the policy. If the policy is later exchanged for a different long-term care policy, the individual was a resident of Florida or another state that has entered into a reciprocal agreement with Florida when coverage under the earliest policy became effective;
4. The policy is issued and retains inflation coverage which meets the inflation standards based on the insured's then attained age;
5. The effective date of the coverage is on or after January 1, 2007; and
6. Compliance is met with the provisions of these rules.

(Florida Administrative Code 69O-157.201)

The inflation protection outlined in item 4 states that for a person under age 61, the policy shall contain annual compound inflation coverage. If the insured has attained age 61 but has not yet attained age 76, then policy shall contain annual inflation protection. If the insured has attained age 76, then no inflation coverage is required.

Check with your long term care insurance agent about this program. By law, agents who sell these policies must undergo special training. Make sure your agent has done the training before purchasing any policy.