

Partnership Policy Status Disclosure Notice

Important Notice Regarding Your Policy's Long Term Care Insurance Partnership Plan Status

PLEASE KEEP THIS NOTICE WITH YOUR LONG TERM CARE POLICY!

The Wisconsin Long Term Care Insurance Partnership Program (Wisconsin Partnership Program) is a partnership between the State of Wisconsin and private insurers of long term care insurance policies. The Wisconsin Partnership Program became effective on January 1, 2009. This Notice explains the Medicaid asset protection that you may receive being insured under a Partnership Policy.

Notice of Partnership Plan Policy Status. Your long term care insurance policy is intended to qualify as a Qualifying Partnership Policy under the Wisconsin Long Term Care Insurance Partnership Program as of your policy's effective date.

You should also be aware that insurers are required to provide personally identifying information, including your name, to the federal government to be entered into a federal data base to which state Medicaid departments will have access.

Medicaid Asset Protection Provided by the State Medicaid Program. Long term care insurance is one tool that helps individuals prepare for future long term care needs. **The purchase of a Qualifying Partnership Policy does not automatically qualify you for Medicaid.**

In particular, such policies may permit individuals to protect assets from spend-down requirements under Wisconsin's Medicaid program if assistance under this program is ever needed and you otherwise qualify for Medicaid.

Specifically, the asset eligibility and recovery provisions of the Wisconsin Medicaid program are applied by disregarding the amount of assets equal to the amount of insurance benefits you have received from your Qualifying Partnership Policy. The disregarded assets are also exempt from estate recovery. For example, if you receive \$200,000 of insurance benefits from your Qualifying Partnership Policy, you generally would be able to retain \$200,000 of assets above and beyond the amount of assets normally permitted for Medicaid eligibility.

Other Medicaid eligibility requirements apart from permissible assets shall be met, including special rules that may apply if the equity in your home exceeds \$750,000. In addition, you shall meet the Medicaid program's income requirements and may be required to contribute some of your income to the costs of your care once you become eligible for Medicaid. Medicaid eligibility requirements may vary by county and may change over time. Medicaid eligibility requirements may also be different from state to state.

Additional Consumer Protections. In addition to providing Medicaid asset protection, your Partnership Policy has other important features. Under the rules governing Wisconsin's Long Term Care Insurance Partnership Program, your Qualifying Partnership Policy shall be a tax-qualified long term care insurance contract under Federal tax law, and as such the insurance benefits you receive from the policy generally will not be subject to income tax. (Please note that a policy can be a qualified long term care insurance contract under Federal and State income tax law, with the same income tax treatment, even if it is not a Qualifying Partnership Policy.) In addition, if you were under age 76 when you purchased your Qualifying Partnership Policy, it shall provide inflation protection to help protect against potential future increases in the cost of long term care. (For older purchasers, only an offer of inflation protection is required.)

What Could Disqualify Your Policy as a Partnership Policy. If you make any changes to your policy, such changes could affect whether your policy continues to be a Qualifying Partnership Policy. Before you make any changes, you should consult with the WEA Insurance Corporation 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 as a Qualifying Partnership Policy, you would not receive Medicaid asset protection in that state. However, the coverage contained in your policy would **not** be affected. Also, changes in Federal or State law could modify, reduce or eliminate the Medicaid asset protection available with respect to your Qualifying Partnership Policy after you have purchased the policy.

Additional information. If you would like further information about the Medicaid asset protection provided by your Qualifying Partnership Policy or Wisconsin's Long Term Care Insurance Partnership Program, please contact State of Wisconsin Member Services at (800) 362-3002.

