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March 27, 2009

**Partnership Insurance program  
helps Alabama citizens protect assets**

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MONTGOMERY – A new long-term care insurance program can help Alabama residents protect their assets if they ever have to apply for nursing home assistance from Medicaid. The Alabama Long-Term Care Insurance Partnership Program, a collaboration between Alabama Medicaid and the Alabama Department of Insurance, allows Medicaid to disregard, or exclude, the benefits paid under an approved policy when determining an applicant's financial eligibility for long-term care.

First available on March 1, 2009, Partnership policies look like regular long-term care insurance policies except they must include inflation protection to keep up with the rising cost of long-term care services and meet IRS and other requirements. Only policies certified by the Alabama Department of Insurance qualify as Partnership policies.

The amount excluded by Medicaid is on a dollar-for-dollar basis. For example, if a Partnership Policy pays a nursing home or other long-term care facility a total of \$54,000 on behalf of a resident, then that amount will be excluded from Medicaid's calculation of assets when that person applies for Medicaid coverage. The Partnership Policy also protects these assets from any subsequent Medicaid liens and recoveries. All other Medicaid eligibility requirements still apply.

"Alabama's new Long Term Care Partnership Program provides a win-win situation for the state of Alabama and for residents who purchase long term care partnership insurance policies to pay for their long term care needs," said Medicaid Commissioner Carol Steckel. "Not only do these policies protect against inflation, but they also ensure a dollar-for-dollar asset disregard under Medicaid should a person eventually need Medicaid services."

"We are pleased to be able to partner with the Alabama Medicaid Agency to offer this important program for our citizens," said Jim Ridling, Commissioner of Insurance. "The products that are emerging from the LTC Insurance Partnership Program provide new, viable options for many Alabama families. I encourage all to look at this partnership closely as it has the opportunity to help so many."

Ridling noted that the State of Alabama will recognize policies from other states' Partnership Programs but the asset disregard may not be the same from state to state. Additionally, not all states have Partnership Programs and those states may not honor policies purchased in Alabama. Policyholders should check with their insurance company before making any changes or moves, he emphasized.

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As of March 1, 2009, an existing non-partnership long-term care policy may be exchanged for a partnership policy. Policyholders should consult with their Insurance companies for explanations of exchanges policies, any new requirements, or changes in premiums.

For a fact sheet and further information about Alabama Long-Term Care Insurance Partnership Program, go to Medicaid's Web site at [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov) or view the Alabama Insurance of Insurance bulletin at <http://www.aldoi.gov>

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