



# CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE

# NEWS

Spring-2010  
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## Partnership Sponsors Two Agent Seminars

The Partnership will sponsor two agent seminars in 2010:

### Anaheim - May 19, 2010

Embassy Suites Anaheim South  
11767 Harbor Blvd.  
Garden Grove, CA 92840

### Pleasanton - May 26, 2010

Four Points Hotel (Sheraton)  
5115 Hopyard Road  
Pleasanton, CA 94588

Agents who have not received their registration brochures or have questions about registration should contact Brown Miller Communications at (866) 869-8999.

Remember: Register Early!!!

Marie Roche, representative from John Hancock, will be available at **both** agent seminars to discuss the John Hancock **Policy Repricing**.

A PROGRAM OF THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

## Director's Message

As we persevere through 2010 to educate the general public about long-term care issues, the California Partnership for Long-Term Care reflects on various accomplishments in 2009, in lieu of challenging economic times.

- We launched the official new Partnership logo; we attended
- the Long Beach Women's Conference;
- Fresno Agent Seminar;
- Senior Task Force in Los Angeles;
- San Francisco Professional Business Women's Conference;
- Sacramento Area YMCA Exhibit; and the
- Center for Health Care Strategies LTC Partnership Summit;

We are really excited about our [Regional Consumer Education Campaign 2009](#). Our North County Regional Consumer Education Campaign was a success. This is a new approach to educating the consumer about long-term care by selecting a region versus a single city to capture an audience. The campaign took place in all the cities which make up North County, including Escondido. It consisted of a comprehensive mix of advertisements that included radio, bus, gas pump top ads and coffee cup sleeves as well as direct mail postcards that asked consumers the question, "Are You Ready, North County?" and directed them to a web page [www.rureadynorthcounty.org](http://www.rureadynorthcounty.org). To date, there have been more than 1,000 visits to the web site.

We also completed our new Partnership exhibit booth displaying our new logo, redesigned the Partnership publications, we joined Facebook and transitioned our Partnership publications to e-communication.



# What's New!!!

**2010**  
**California Partnership for Long-Term Care**  
***NEW* AGENT MARKETING MATERIALS**  
***Now Available***

In **2010**, the Partnership continues to educate Californians on the issues surrounding long-term care and provides the necessary tools to help our agent workforce encourage consumers to plan for their potential long-term care needs. The Partnership's unique role in protecting the public and working with select private insurance agents puts the program in a position to depict an image of authority, credibility and trust.

The Partnership is delighted to offer our new marketing and educational materials and brochures to our agent workforce. All brochures have been updated and revised to reflect 2010 data and will display the new official Partnership logo.

- [Basic brochure](#): Preserve your Independence & Secure Lifetime Asset Protection
- [Asset Protection brochure](#): A Special Benefit Created for Californians
- [Inflation Protection brochure](#): Why Is It So Important?
- [Comprehensive brochure](#)
- [Consumer brochure](#): Planning for Long-Term Care, Are You Ready?
- [Picturing Every Step DVD](#)
- [Re-launch of the Interactive web-based tool](#)

These new marketing and educational materials will be available for purchase during the May 2010 agent seminars in Anaheim and Pleasanton.



## **New Consumer Brochure - Are You Ready?**

For the first time, we are introducing a redesigned, general consumer brochure. We have discontinued the production of the former Balancing Act and Making Choices brochures.

With a new Partnership logo and ongoing development of updated materials, the Partnership sought to streamline the brochure information by combining the two brochures into one general consumer brochure. The redesigned consumer brochure displays the theme, “Are You Ready?” to inform Californians of the need for families to be aware of the issues surrounding long-term care and to plan ahead for potential long-term care needs.

The new consumer brochure is reader friendly, visually appealing, and serves as an informational tool that easily conveys the need to plan ahead and dispel the myths about long-term care. The brochure introduces the growing reality about long-term care to consumers, provides facts and statistical information, accommodates the handling of solutions to long-term care issues, encourages the conversation with family and friends, and shares contact information to assist consumers on the ongoing nuances of long-term care.

## **Interactive Web Site for Agents -**

Agents attending the agent seminars will have the rare opportunity to play with the Interactive tool, **so bring your laptop and be one of the first to test drive the new site.** This will allow you to access tools and resources provided by the CD anywhere you can access the Web.

The Interactive Website features new planning tools that were not included in the CD. Some of these features include two new worksheets (Financial and Asset Evaluation worksheets), a Resources tab to access the new tools, a glossary section to assist agents and the client understand industry terminology, FAQs and much more!

## **Updated Picturing Every Step DVD -**

The consumer video titled, “Picturing Every Step: Planning for Long-Term Care”, serves as an educational resource and complements the new consumer brochures. It assists agents in encouraging consumers to start planning for their long-term care needs by investing in private insurance. Our efforts to encourage Californians to plan ahead for their long-term care financing through long-term care insurance or other available options will reduce reliance on Medi-Cal.

The Picturing Every Step video has been updated to reflect the new Partnership brand and latest statistics.

**The new DVDs will be available for purchase at the seminars.**

## **Facebook -**

The Partnership has a Facebook page and we invite you to become a fan. The Facebook page will allow the Partnership to share information in a less formal interface, provide a forum for discussion and will alert “fans” of opportune Partnership events and updates.

## Website Updates and New Partnership Logo -

While it is our intention to update the Partnership website with new material at least once every 3 months, staff shortages and imposed furloughs have prevented our ability to produce timely products or deliver on our intended web site goals. However, the web site has been updated with the most recent available information that can assist you in your efforts to educate consumers.

The Partnership's publications, marketing materials, forms and data/information display the new Partnership logo and are applicable to the year 2010. For example:

- IRS Federal Tax Credit
- "What Happens When Long-Term Care Costs Rise" publication
- "Before You Buy" publication
- County Profiles
- California Nursing Facilities Listing
- Policy Sales Maps (by County and by Zip Code)

Regarding the [IRS Federal Tax Credit](#), remember that under HIPPA legislation, premiums paid for a tax qualified policy, qualify as medical expenses. Individuals who itemize medical expenses on their federal tax return and their total medical expenses are greater than 7.5% (percent) of their adjusted gross income may be able to deduct some or all of their premiums for one of these policies. Additionally, long-term care insurance benefit payments from a qualified policy are excluded from income. All policies certified by the California Partnership for Long-Term Care are tax qualified.

The [Franchise Tax Board](#) used to allow for tax credits to an eligible caregiver with a California adjusted gross income of less than \$100,000. The caregiver could claim a \$500 credit per applicable individual against his or her net tax liability. However, this credit is no longer available after tax year 2004.

Remember, the "Before You Buy" and the "What Happens When Long-Term Care Costs Rise" publications are required by regulations (California Code of Regulations, Title 22, Division 3, Subdivision 1, Chapter 8, Article 2, Section 58052(c)(2)(A) and (E)) to be presented to a prospect prior to the presentation of an application or enrollment form.

## Always Use Forms Displaying the New Partnership logo.

Forms such as the Materials Order Form and the Database Entry Form submitted to the Partnership displaying the old Partnership logo will **not be accepted**, and therefore, may delay your requests.



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## **New Materials Order Form and Ordering Process**

**During the seminars**, Partnership staff will instruct agents on the use of the **New Web Site Materials Order Form and brochure ordering process**. Agents will be able to view the 2010 Materials Order Form by visiting the Partnership web site at **[www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc)** on or about **May 17, 2010**.

After completing the fillable fields on the New Materials Form, agents must **MAIL** the form and payment to the California Partnership for Long-Term Care. The Partnership will only accept the current 2010 Materials Order Form and **CHECKS** payable to the California Partnership for Long-Term Care for the amount of purchase. Payments made via credit cards or e-mail will **NOT** be accepted.

**No FAXES** are allowed. Materials Order Forms faxed to our office cannot be processed.

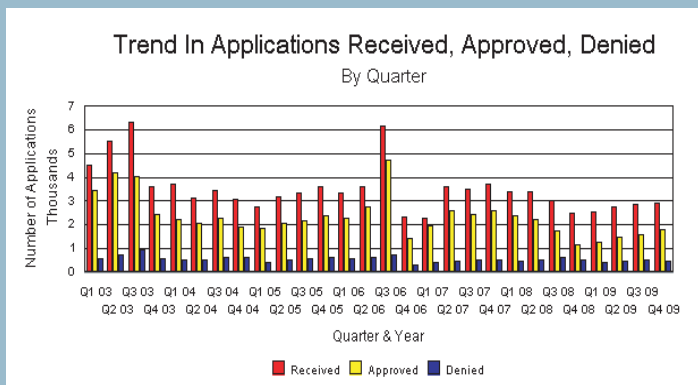
**MAIL** the New Materials Order Form **and CHECK** to:  
CDHCS/California Partnership for Long-Term Care  
MS 4100  
PO Box 997413  
Sacramento, CA 95899-7413

Please allow up to 30 days for delivery.

Questions about the Partnership marketing materials ordering process should be directed to **[CPLTCAS@dhcs.ca.gov](mailto:CPLTCAS@dhcs.ca.gov)**.

# California Partnership for Long-Term Care

## Policy Sales Trend for the 4th Quarter 2009



The Average age at purchase was **58**  
**59%** were female  
**72%** were married  
**99%** bought comprehensive policies  
**99%** were first-time purchasers  
**3%** bought one year policies  
**21%** bought two year policies  
**31%** bought three year policies  
**26%** bought four year policies  
**6%** bought five year policies  
**4%** bought six to ten year policies  
**9%** bought lifetime policies

Visit our web site at [www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc) for current sales statistics.

## Medi-Cal Resource Limits for Calendar Year 2010

The California Department of Health Care Services' Medi-Cal Eligibility Branch has issued the year 2010 Community Spouse Resource Allowance (CSRA) and the Minimum Monthly Maintenance Needs Allowance (MMMNA), which remains the same as the CSRA and MMMNA for 2009.

**CSRA is \$109,560**

**MMMNA is \$2,739**

## Partnership Policy Minimums for 2009

The year 2010 **Average Daily Private Pay Rate** for nursing facility care has increased to **\$230**.

The **Minimum Daily Benefit** for sale in a Partnership policy in the year 2010 is **\$160** with a **\$112** (70%) Residential Care and Assisted Living benefit.

## Community Living Assistance Services and Supports

### CLASS ACT

The **CLASS ACT** is a government sponsored voluntary guaranteed issue "long-term care insurance" program. The key words "**voluntary**" and "**guaranteed issue**" means there is no underwriting. Implementation of the CLASS ACT is expected by January 2013.

### General Overview

#### Eligibility:

- Age 18 with minimal actively at work requirement

#### Benefits:

- To qualify, an individual needs help with (2 or 3) of 6 activities of daily living or be cognitively impaired
- Minimum average \$50 per day cash benefit-indexed with inflation (as determined based on the reasonably expected distribution of beneficiaries receiving benefits at various benefit levels)
- Lifetime coverage / zero day elimination period
- Five-year waiting period
- Opt-out / Opt-in provision

Since this is a governmental program, it has to be funded by premium dollars; no taxpayer funds can be used to support the program. Everyone who is working is automatically in the program and will be required to pay premiums. The **low-income** and **students** will be required to pay at least a **\$5 monthly premium** which means that the premiums for the rest of the participants will be higher in order to subsidize those individuals. As a result, it is projected that the required premium is likely to be too excessive. This will limit enrollment by healthy individuals as well as those who may seek other less costly means to address the risk. Depending on who you talk to, it is projected that the **average premium level** across the participating issue ages is anticipated to be **\$240 a month or just short of \$3,000 a year**. We think that this is unaffordable for most consumers. The premiums are supposed to be level for the life of the plan increasing with the Consumer Price Index for All Urban Consumers (CPI-U) for each issue year. If employees do not want to pay the premium, they will have to opt-out of the program.

The CLASS ACT has not been fully designed and currently does not have the Partnership features. We just do not know what the program will look like when everything is all said and done. There are a lot of unknowns with the CLASS ACT.

## Continuing Education Providers

These Continuing Education providers are approved by the Department of Insurance and the Department of Health Care Services. Each of these providers offer the training required by the Partnership.

The Partnership does not endorse any particular course. All courses must follow the outline developed by the Partnership.

Please call the providers below for their list of scheduled classes or visit their websites for detailed information.

Sandi Kruse  
Sandi Kruse Insurance Training  
PO Box 786  
Bonita, CA 91908-0786  
Tel. (800) 517-7500  
Fax (619) 421-8171  
www.kruse.com  
Multiple instructors

Sandi Miley  
Miley Education & Insurance  
10420 Rancho Carmel Drive  
San Diego, CA 92128  
Tel. (800) 296-8440  
Fax (858) 673-7565  
smiley1@san.rr.com  
Multiple Instructors

Tom Orr  
Senior Insurance Training Services  
472 5th St. W  
Sonoma, CA 95476  
Tel. (800) 460-7487  
Fax (707) 939-9599  
tomorr@ltcce.com  
Multiple instructors

To be removed from our mailing list, please e-mail your request to [cpltcas@dhcs.ca.gov](mailto:cpltcas@dhcs.ca.gov) or call the Partnership at (916) 552-8990.



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**CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE**

**P.O. BOX 997413 MS 4100**

**SACRAMENTO, CALIFORNIA 95899-7413**

**Telephone: (916) 552-8990 Fax: (916) 552-8989**

**VISIT [WWW.DHS.CA.GOV](http://WWW.DHS.CA.GOV) / CPLTC  
FOR THE LATEST PARTNERSHIP INFORMATION**

