
LAW OFFICES OF
Pullano & Farrow
PLLC

LEGAL BRIEFING: ESTATES LAW
NEW YORK STATE PARTNERSHIP PLAN

- Pg. 1 of 1

October 18, 2017

New York State Partnership Plan: How Will This Affect You and Your Estate Plan?

This article will discuss the basics of a New York State Partnership Plan Long Term Care Insurance Policy. According to statistics, at least 70 percent of people over age 65 will require some long-term care services at some point in their lives. Furthermore, Medicare and health insurance do not fully cover the long-term care services that most individuals need.

A partnership program is a partnership between an insurance company, a state and residents of the state who buy a long-term care partnership insurance policy. Depending on the partnership policy, an individual could apply for Medicaid, even if he or she had sufficient assets to pay for his or her long-term care, and such assets would be disregarded. This allows individuals to keep assets that would otherwise (without the insurance policy) be disallowed and thus, disqualify them from receiving Medicaid benefits.

In 1993, the New York State Partnership for Long Term Care was initiated to encourage people to purchase long-term care insurance policies. In this program, if an individual purchases an approved long-term care policy (and meets other requirements), that individual can obtain Medicaid coverage after the benefits under the long-term care policy are exhausted. In order to qualify, there are a few factors each company looks at such as income, health, etc. Depending on the policy purchased, an individual may be able to retain some or all of his or her assets. See the New York State Department of Financial Services for more information: http://www.dfs.ny.gov/consumer/ltc/ltc_general_nyspfltc.htm.

In order to purchase a partnership-approved long-term care policy, an applicant must meet all underwriting rules of the insurance company. The younger or healthier the applicant is, the better the chance of qualifying at favorable rates and lower premiums.

To calculate the amount of assets that an individual may own and Medicaid will disregard, said amount is equal to the amount of the benefits the applicant actually receives under the long-term care partnership qualified policy if he or she has a "dollar for dollar" policy. When benefits under the policy are nearly exhausted, then the individual must make an application for Medicaid.

A partnership policy also ensures the applicant's state (or the Department of Social Services a/k/a DSS) will not seek to recover money spent for your care from the individual's estate. Estate recovery means that DSS can require repayment from the individual's estate for any costs paid by Medicaid. Additionally, partnership qualified policies offer comprehensive benefits that cover institutional and home services that Medicaid does not typically cover. Finally, a partnership policy may include provisions for inflation protection.

If you are unable or ineligible to qualify for long-term care insurance, then pre-planning can be accomplished by various legal techniques including testamentary Supplemental Needs Trusts and the use of an Irrevocable Medicaid Trust. For more information regarding this type of planning, see our Legal Briefing: Medicaid Trust vs. Life Estate – Which Shall You Choose?

If you have any questions about this Legal Briefing, please contact any attorney of our Firm at 585-730-4773.

This Legal Briefing is intended for general informational and educational purposes only and should not be considered legal advice or counsel. The substance of this Legal Briefing is not intended to cover all legal issues or developments regarding the matter. Please consult with an attorney to ascertain how these new developments may relate to you or your business. © 2017 Law Offices of Pullano & Farrow PLLC

LAW OFFICES OF PULLANO & FARROW PLLC
ATTORNEYS & COUNSELORS AT LAW

69 Cascade Dr. Suite 307 • Rochester • New York • 14614 • 585.730.4773

ATTORNEY ADVERTISING