

NEWS ABOUT THE NEW IOWA LTC PARTNERSHIP PLAN

For Your Information - compliments of K. B. (Ken) Wheeler

November 2000

Press Release



Iowa Asset Preservation Policies: A New Type of Long-Term Care Insurance

Des Moines, IA - A new type of long term care insurance policy is being sold in Iowa. This policy works in partnership with Medicaid. The policy may let you keep your assets and still qualify for Medicaid to pay for long-term care. That is why it is called an "asset preservation policy."

The Iowa Long-Term Care Asset Preservation Program allows for this special kind of policy. An asset preservation policy can protect assets equal to the benefit amount you choose to buy. For example, if you buy a policy with \$100,000 of benefits, you might be able to receive Medicaid benefits and keep \$100,000 of your assets. Usually you can only have \$2,000 in assets to qualify for Medicaid.

Here's how it works: In the example above the policy will pay until all \$100,000 of benefits are used. You can then set aside \$100,000 in protected resources. If you have more than \$100,000 in assets, you must use those extra assets to pay for any more care you need. When your extra assets are spent down to \$2,000, you can meet Medicaid's resource limit. In this example you could protect \$102,000 in assets.

This policy only helps you meet Medicaid's resource limit. It does nothing to help you meet the Medicaid income limit. You can have income up to \$2,758 and still qualify for Medicaid. If your income is too high, you cannot qualify for Medicaid, and your assets are not protected.

Asset preservation policies don't qualify for tax advantages. Also, they only protect your assets if you can meet Medicaid income and resource limits.

Special training on long-term care insurance and Medicaid is required before an agent can sell asset preservation policies. Agents who have completed the training will have a card showing they are certified to sell this newest type of long-term care insurance policy.

"All the different choices in long-term care insurance have pluses and minuses," says Carolyn Ross with the Senior Health Insurance Information Program or SHIIP. "The same is true for this type of policy. You really have to do your research because long-term care insurance can get very complicated. It takes more than a short newspaper article to cover all the issues."

SHIIP has information to help you. Call 1-800-351-4664 for the Iowa Guide to Long Term Care Insurance and Iowa Long Term Care Asset Preservation Program fact sheet. SHIIP also has trained insurance counselors who can meet with you one-to-one to answer your questions. To find the SHIIP counselor in your area call 1-800-351-4664. Also check SHIIP's website www.shiip.state.ia.us for more information and local SHIIP numbers. E-mail: shiip@iid.state.ia.us

K. B. (Ken) Wheeler is Iowa Long Term Care Asset Preservation Program certified.

Voice: 515.986.9266 Nat'l Toll Free: 800.333.0801

Website: www.1exec.com/LTC.htm E-Mail: wheelerk@1exec.com