



MEDICAID ASSET PROTECTION: RECIPROCITY WITH OTHER STATES

On March 27, 2009, Connecticut received approval from the federal government to join the National Reciprocity Compact for the granting of Medicaid Asset Protection for states with Partnership for Long-Term Care programs. The approval is retroactive to January 1, 2009. **However, all Connecticut Partnership policyholders are covered under the Reciprocity Compact, regardless of when they purchased their Partnership policy.**

Under the terms of the Reciprocity Compact, Connecticut Partnership policyholders who relocate to another state may be eligible to receive dollar-for-dollar Medicaid Asset Protection just as they would when they apply to Connecticut's Medicaid program. Two conditions must be met for a policyholder to be eligible for reciprocity in another state: (1) the policyholder must apply to and qualify under the other state's Medicaid program; and (2) at the time the policyholder applies to the other state's Medicaid program, Connecticut and the other state must be members of the Reciprocity Compact or Connecticut must have a separate reciprocal agreement with that state for the granting of Medicaid Asset Protection.

The Reciprocity Compact requires that any state participating in the Compact must agree to engage in reciprocity with every other state in the Compact for the purpose of granting dollar-for-dollar Medicaid Asset Protection. In addition, the original reciprocity agreement between Connecticut and Indiana remains in effect.

For a list of states currently participating in the Reciprocity Compact, go to the following website - <http://www.nyspltc.org/docs/recipmap.pdf> or call the Connecticut Partnership at 1-800-547-3443.

It's important to note that states are permitted to opt in and out of the Reciprocity Compact at any time. A state can opt out of the Reciprocity Compact by giving 60 days notice to the federal government. Consequently, the list of states participating in the Reciprocity Compact may change over time.

Of greatest importance to a Connecticut Partnership policyholder is whether Connecticut has Medicaid Asset Protection reciprocity with their state of residence **at the point the individual applies to that state's Medicaid program**. Because it is possible that the list of participating states may change as states exercise their option to opt in or out of the Reciprocity Compact, it is critical that policyholders and insurance producers alike understand that reciprocity will be granted based on state participation in the Reciprocity Compact **at the time of Medicaid application**.

Since participation in the Reciprocity Compact is optional, we advise that a decision to purchase a Partnership policy should not be made based on reciprocity with other states. **Reciprocity should be viewed as a potential bonus for policyholders that does not add to the cost of their Partnership policy premium.** *The only firm guarantee the State of Connecticut can provide to a Connecticut Partnership policyholder is that Connecticut's Medicaid program will recognize their earned Medicaid Asset Protection.*

Frequently Asked Questions Regarding Reciprocity:

- Q. If I purchased my Connecticut Partnership policy before January 1, 2009, am I covered under this new Reciprocity Compact?
- A. *YES. All Connecticut Partnership policyholders, regardless of when their policy was purchased, are covered under the Reciprocity Compact.*
- Q. If Connecticut has reciprocity with another state as of today does that guarantee that I can receive Medicaid Asset Protection in that other state sometime in the future?
- A. *NO. Connecticut must have reciprocity with another state at the time you apply for Medicaid in that other state in order for you to receive Medicaid Asset Protection from the other state. States can opt out of the Reciprocity Compact at any time with 60 days notice to the federal government. Therefore, if a state that Connecticut has reciprocity with today has opted out of the Reciprocity Compact by the time you apply to Medicaid in that state, then Medicaid Asset Protection will not be granted. If a state opts out of the Reciprocity Compact, the only individuals that will be grandfathered are those individuals who have already accessed that state's Medicaid program.*
- Of greatest importance to a Connecticut Partnership policyholder is whether Connecticut has Medicaid Asset Protection reciprocity with their state of residence at the point the individual applies to that state's Medicaid program. The only firm guarantee the State of Connecticut can provide to a Connecticut Partnership policyholder is that Connecticut's Medicaid program will recognize their earned Medicaid Asset Protection.*
- Q. If another state is not currently a member of the Reciprocity Compact but opts in and joins at a later date will I be able to receive Medicaid Asset Protection from that state in the future?
- A. *YES. As long as when you apply to Medicaid in the other state both Connecticut and the other state are members of the Reciprocity Compact, you will be able to receive Medicaid Asset Protection in the other state.*
- Q. What if the features and provisions of my Connecticut Partnership policy are different than what is required in a state I relocate to that is part of the Reciprocity Compact? Will I still be able to receive Medicaid Asset Protection in that state?
- A. *YES. Any state in the Reciprocity Compact must agree to provide Medicaid Asset Protection to Partnership policyholders from any other state in the Compact. The features and provisions of the Partnership policy are not considered even if those provisions differ from the state's own requirements for that state's Partnership policies.*
- Q. Will I receive dollar-for-dollar Medicaid Asset Protection in other states that are participating in the Reciprocity Compact?
- A. *YES. The Reciprocity Compact only allows dollar-for-dollar Medicaid Asset Protection. Therefore, a Connecticut Partnership policyholder would receive dollar-for-dollar Medicaid Asset Protection in Connecticut and any participating state and Connecticut will provide dollar-for-dollar Medicaid Asset Protection to Partnership policyholders from other states participating in the Compact.*
- Q. Are premiums for Connecticut Partnership policies going to be higher because Connecticut has joined the Reciprocity Compact?
- A. *NO. Connecticut's joining the Reciprocity Compact will not increase the premium for a Partnership policy because the Medicaid Asset Protection feature is provided free of charge by the State of Connecticut and is not included in the cost for a policy.*