

**Regulatory Bulletin 2009-05
Attachment B**

**STATE OF ARIZONA
LONG-TERM CARE INSURANCE PARTNERSHIP PROGRAM
PRE-PURCHASE NOTICE
IMPORTANT NOTICE FOR ARIZONA RESIDENTS
WHO ARE THINKING OF BUYING LONG-TERM CARE INSURANCE**

Insurance Company Name: _____
Producer's Name: _____
Address: _____
Phone Number: _____
Email Address: _____

Long-Term Care Partnership Policies

The State of Arizona has implemented a Long-Term Care Insurance Partnership Program (the "Partnership Program") that constitutes a partnership between state government and private insurance companies to assist Arizona residents in planning their long-term care needs. Insurance companies voluntarily participate in the Partnership Program by offering long-term care insurance policies ("Partnership Policies") that meet special federal requirements.

If you purchase a Partnership Policy and later apply for long-term care coverage from Arizona's Medicaid program, your application will include a Medicaid eligibility feature known as "Asset Disregard". "Asset Disregard" means that Medicaid will disregard some of your assets in determining whether you are eligible for Medicaid long term care coverage. The amount of assets that Medicaid can disregard will be equal to amount of long-term care insurance benefits you have received under your Partnership Policy. If you are thinking of buying a long-term care insurance policy, you should carefully consider whether Asset Disregard is important to you, and whether your long-term care insurance policy should be a Partnership Policy.

Three important things to know about Partnership Policies.

1. **The purchase of a Partnership Policy does not automatically qualify you for Medicaid.** Medicaid has other eligibility criteria that may disqualify you. In addition, the Asset Disregard rules may not apply to you if your home equity exceeds \$500,000.
2. **Asset Disregard is only available under a Partnership Policy** and not every long-term care policy is a Partnership Policy.
3. **It is possible that a Partnership Policy will lose its Partnership status in the future if:**
 - a. You make a change to a Partnership Policy, including a change to the inflation protection provisions, if any.
 - b. You move to a state that does not have a Partnership Program.
 - c. There is a change to state or federal law that governs the Partnership Program.

Additional Information

If you have questions about buying a long-term care insurance policy please contact the insurer. If you have questions regarding current laws governing Medicaid eligibility, please contact the Arizona Health Care Cost Containment System ("AHCCCS").