

North Carolina Department of Insurance/Agent Services Division
Long-Term Care Partnership (LTCP)
Licensees Frequently Asked Questions

What is the North Carolina Long-Term Care Insurance Partnership Program (“Partnership Program”)?

On July 8, 2010, Senate Bill 1193 (SESSION LAW 2010-68) was signed by Governor Bev Perdue. This legislation implements a Long Term Care Partnership Program (LTCP) designed to encourage aging North Carolinians to purchase long-term care insurance while providing important consumer protections.

The Partnership Program is designed to encourage aging consumers to purchase long term care insurance by offering a plan that will allow Medicaid to disregard some or all of their assets for Medicaid eligibility and estate recovery purposes. These plans, called Partnership Plans, help provide consumers with asset protection in the event the policy benefits are used the consumer needs to seek continued benefits through Medicaid.

What is Long-Term Care (LTC)?

Long-term care is when an individual is no longer able to care for themselves due to suffering from a cognitive impairment such as Alzheimer's Disease, or they need assistance in performing their Activities of Daily Living (ADLs) such as dressing, bathing, eating, toileting, transferring, and continence for an extended period of time. Long-term care services are usually performed in a nursing home, assisted living facility, in an individual's own home, or in a community based setting. Many people believe that long-term care is only for older people, when in fact the needs for long-term care can strike anyone at anytime due to an accident or a debilitating illness.

One of the most common misconceptions is that Medicaid and Medicare will pay for LTC. However, beyond the limited long-term care benefits provided by Medicaid and/or Medicare (assuming that the eligibility requirements are met for one or both), an individual is responsible for their long-term care costs, whether they choose to purchase a long-term care insurance policy to cover some or all of the cost, pay for the care out of their pocket with their assets, or rely on a family member to provide for their long-term care.

What makes a Partnership Policy?

Partnership Policies look very similar to traditional long-term care insurance policies except they must include annual compound inflation protection for individuals under age 61 and some form of inflation

protection for individuals ages 61-76. Inflation protection helps the policy keep up with the rising costs of long-term care services.

A Partnership Policy provides for asset disregard when applying for Medicaid. This means that an amount of the policyholder's assets equal to the dollar amount of long-term care insurance benefits paid under a qualified Partnership Policy will be disregarded on a dollar-for-dollar basis for the purpose of determining eligibility and estate recovery for Medicaid. All other Medicaid eligibility requirements will apply.

The Deficit Reduction Act of 2005 authorized states to enact Partnership Programs. The North Carolina Department of Health & Human Services (DHHS), the North Carolina Department of Insurance and private insurance companies have worked together to develop Partnership Policies that meet the requirements of the law. Only these policies which have been certified by the as Partnership Policies are eligible.

What is the effective date of Long Term Care Partnership (LTCP) in NC?

The Partnership goes into effect March 7, 2011.

Before agents may market LTCP in NC, Centers for Medicare & Medicaid Services (CMS) reviewed and approved an amendment to the NC Medicaid State Plan to allow for resource disregard at long-term care Medicaid eligibility determination and resource protection at estate recovery. The Medicaid State Plan in NC is administered by the NC Department of Health and Human Services (DHHS). An approved NC LTC Partnership policy will be federally tax qualified, contain an inflation feature, and display a Partnership Disclosure Notice. For greater detail see NCGS 58-55-60 or contact your company to discuss the type of product they are filing for approval.

What is the licensure requirement to sell Long Term Care Partnership (LTCP) in NC?

An individual may not sell, solicit, or negotiate Long-term Care insurance unless the individual is licensed as an insurance producer for Accident and Health/Sickness and Medicare Supplement/Long-term Care limited license.

Effective March 7, 2011, prior to selling, soliciting or negotiating a Long-term Care Partnership policy, each licensee issued an Accident and Health/Sickness license and a Medicare/Supplement Long-Term Care limited lines license shall complete eight (8) hours of continuing education in Long-Term Care Partnership as defined in 11 NCAC 06A 10 .0801(12).

Individuals licensed for Accident and Health/Sickness and Medicare Supplement/Long-term Care prior to March 7, 2011 who sells, solicits or negotiates Long-term Care Partnership policies shall complete eight hours of continuing education in Long-Term Care Partnership as defined in 11 NCAC 06A.0801(12) within one year of January 1, 2011.

Furthermore, each licensee who holds an Accident and Health/Sickness license, a Medicare/Supplement Long-Term Care limited lines license, and who sells, solicits or negotiates Long-term Care Partnership policies shall complete four (4) hours of continuing education in Long-Term Care Partnership every biennial compliance period thereafter as required per 11 NCAC 06A .0814(c).

Will the required 8 hour training and the ongoing biennial training apply to my Continuing Education requirements?

The eight (8) hours training and biennial training requirements can apply to the CE requirement provided the provider and course are approved for continuing education.

If I am a new applicant, would I be required to complete 10 hours of pre-licensing education (PLE) prior to taking Medicare Supplement/Long-term Care examination and complete 8 hours Long Term Care Partnership training in order to qualify to sell LTCP?

New applicants for licensure must hold the following licenses before they can sell in NC:

1. Accident & Health and/or Sickness (20 hours of pre-licensing and passing the state exam)
2. Medicare Supplement/Long Term Care (10 hours of pre-licensing and passing the state exam)

After the new applicant receives the above two licenses, an additional training requirement of eight (8) hours of initial training is required before the new licensee may market Long Term Care Partnership in NC.

How do I notify the Department of Insurance that I have completed the required 8 hours training and/or have completed the ongoing biennial training to be applied to my Continuing Education requirements?

Insurers who provide Long-Term Care Partnership insurance shall verify that their appointed agents who sell, solicit or negotiate Long-Term Care Partnership policies as defined in G.S 58-55-55(6) and G.S. 58-55-60 meet the LTC Partnership training requirement. Verification may be accomplished by obtaining and maintaining the continuing education certificate of completion or by obtaining and maintaining a copy of the

continuing education transcript for each agent. The insurers shall maintain the training records for each agent and make the records available to the Commissioner within 30 calendar days upon request.

I am an existing licensee and took training in another state which had Long Term Care Partnership (LTCP) before NC implementation. Will I have to take the initial 8 hour training in NC before I can sell in NC?

The Department will accept the training you took in another state if your insurance companies are able to accept this training to meet the reporting requirements to the Department.

If you already hold a Medicare supplement/long term care license, what do you need in order to sell long term care partnership (LTCP)?

You must be appointed with an insurance company which markets Long Term Care Partnership and you must take the eight (8) hours initial training within one year of March 7, 2011. In addition, you must take 4 hours of ongoing training each biennial period.

I am an agent that sells LTC riders on life policies. Must I take the partnership LTC training? Do I have to complete the training to continue to sell insurance with LTC riders? How do I find out which course to take?

Yes, you must complete the 8-hour partnership training to continue to sell insurance with LTC riders. Prometric, the Department's CE Administrator, has a listing of courses approved in North Carolina, but you should check with your company to ensure that the LTCP training/CE classes you are taking meets THEIR company requirements. Some companies are requiring their agents to take courses that have been certified by third parties.

If you are Medicare supplement/long term care licensee but will not be selling long term care partnership (LTCP), do you still have to take LTCP continuing education (CE)?

No, you only need to take the training if you are appointed with a company which requires you to sell this product. The companies must ensure that agents meet this training requirement and NC is allowing the training to apply towards the CE requirement. However, the CE course must be approved by NC.

If I took training but it was not approved by NC for CE, will the training count towards the LTC Partnership and for my CE requirement in NC?

The insurance company for which you market will need to evaluate the training such that they are able to certify that you have met the initial eight (8) hours training requirement. If they can make the certification to NCDOL on your behalf, the training will meet the requirement. However it will not apply to your CE requirements.

If I took training not approved by NC for CE prior to March 7, 2011, will the training count towards the LTC Partnership and for my CE requirement in NC?

If an existing course is re-categorized to the LTCP category, licensees who completed the course prior to March 7, 2011 will be considered by the NCDOL to have satisfied their LTCP training requirement. It is important to note that some insurers may require specific training for the individuals who sell their Long Term Care Partnership products. While a CE course may be assigned the LTCP credit category, the course may not satisfy a particular insurer or insurers' training requirements. It is the individual licensee's responsibility to be aware of any specific LTCP training required by their companies.

May I take an LTC Partnership course with any provider to meet the required 8 hours training and/or the ongoing biennial training for continuing education?

Insurers whom you are marketing the Long-Term Care Partnership insurance (LTCP) are required to verify that their appointed agents who sell, solicit or negotiate such policies (as defined in G.S. 58-55-55(6) and G.S. 58-55-60) on their behalf have met the training requirement/on-going continuing education requirement. Therefore, you should check with your company to ensure that the LTCP training/CE classes you are taking meets THEIR company requirements. Some companies are requiring their agents to take courses that have been certified by third parties.

If the CE provider holds an eight (8) hours Long Term Care Partnership (LTCP) course, are they required to give an exam for the LTC CE (since an examination is required for courses 6 hours or longer)?

The CE provider may request an exemption from the exam requirement for this specific training.

Are there any pertinent CE rules relative to the Long Term Care Partnership education?

The LTC Partnership rules below have been approved effective March 1, 2011.

The LTC Partnership rules have been approved for an effective date of March 1, 2011.

11 NCAC 06A .0801 DEFINITIONS

As used in this Section:

- (1) "Biennial compliance period" means the 24-month period during which an agent or adjuster shall comply with continuing education requirements.
- (2) "Cluster of courses" means a number of courses, each of which is less than 100 minutes in length, but altogether 100 minutes or more in length, that are offered within one state or national program or convention.
- (3) "Compliance year" means the second year of the biennial compliance period.
- (4) "Continuing Education Administrator" or "Administrator" means the entity with which the Commissioner contracts for continuing education administration, including the approval of providers and courses and the retention of ICEC records for licensees.
- (5) "Course" means a continuing education course directly related to insurance principles and practices or a course designed and approved specifically for licensees; but does not mean a business course of a general nature or an insurance marketing or sales course. Courses shall be for instructional purposes only and not for promoting the interests of or recruiting employees for any particular insurance agency or company.
- (6) "Disinterested third party" means a person not concerned, with respect to possible gain or loss, in the result of a pending course final examination.
- (7) "Distance learning" means an educational program in which the licensee and the instructor are in different physical locations and interact with each other through various methods of telecommunication.
- (8) "Ethics course" means a continuing education course that deals with usage and customs among members of the insurance profession involving their moral and professional duties toward one another, toward clients, toward insureds, and toward insurers.
- (9) "Insurance continuing education credit" or "ICEC" means a value assigned to a course by the Commissioner after review and approval of a course information. This term means the same as "credit hour" as used in G.S. 58-33-130.
- (10) "Instructor" means an individual who teaches, lectures, leads, or otherwise instructs a course.

- (11) "Licensee" means a licensed adjuster, a licensed broker, or a licensed agent with any of the following lines of authority: property, casualty, personal lines, life, or accident and health or sickness.
- (12) "Long-Term Care Partnership Education" means a continuing education course related to long-term care insurance, long-term care services and qualified state long-term care insurance partnership programs which includes:
- (a) State and federal regulations and requirements relating to long-term care partnership policies;
 - (b) the relationship between qualified state long-term care insurance partnership programs and other public and private coverage of long-term care services, including Medicaid;
 - (c) available long-term care services and providers;
 - (d) changes or improvements in long-term care services or providers;
 - (e) alternatives to the purchase of private long-term care insurance;
 - (f) the effect of inflation on long-term care partnership policy benefits and the importance of inflation protection; and
 - (g) consumer suitability standards and guidelines for long-term care partnership policies.
- (13) "Qualified Policy" has the same meaning as in G.S. 58-55-55(6) and includes a certificate issued under a group policy as specified in G.S. 58-55-60.
- (14) "Supervised examination" means a timed, closed book examination that is monitored and graded by a disinterested third party.
- (15) "Supervised individual study" means learning through the use of audio tapes, video tapes, computer programs, programmed learning courses, and other types of electronic media that are completed in the presence of an instructor.

History Note: Authority G.S. 58-2-40; 58-33-130; 58-55-55; 58-55-60; 58-55-65; 58-55-75;
Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
ARRC Objection Lodged July 19, 1990;
Eff. December 1, 1990;
Amended Eff. March 1, 2011; February 1, 2008; February 1, 1995; June 1, 1992.

**28 11 NCAC 06A .0814 AGENT EDUCATION ON LTCP POLICIES: COMPANY
RESPONSIBILITY**

- (a) Each licensee who holds an accident and health or sickness license, a Medicare/Supplement Long-Term Care limited lines license, and who sells, solicits or negotiates Long-term Care Partnership policies

shall complete eight hours of continuing education in Long-Term Care Partnership as defined in 11 NCAC 06A.0801(12) within one year of March 7, 2011.

(b) Each licensee issued an accident and health or sickness license or a Medicare/Supplement Long-Term Care limited lines license after March 7, 2011 shall complete eight hours of continuing education in Long-Term Care Partnership as defined in 11 NCAC 06A .0801(12) prior to selling, soliciting or negotiating a Long-Term Care Partnership Policy.

(c) Each licensee who holds an accident and health or sickness license, a Medicare/Supplement Long-Term Care limited lines license, and who sells, solicits or negotiates Long-term Care Partnership policies shall complete four hours of continuing education in Long-Term Care Partnership every biennial compliance period thereafter as defined in this Section.

(d) Insurers who provide Long-Term Care Partnership insurance shall verify that their appointed agents who sell, solicit or negotiate Long-Term Care Partnership policies as defined in G.S 58-55-55(6) and G.S. 58-55-60 meet the continuing education requirements prescribed by this rule. Verification may be accomplished by obtaining and maintaining the continuing education certificate of completion or by obtaining and maintaining a copy of the continuing education transcript for each agent.

(e) Upon written request by the Commissioner the records obtained by the insurer to verify the agent has satisfied the continuing education requirements of this rule shall be provided to the Commissioner within 30 calendar days.

*History Note: Authority G.S. 58-2-40; 58-2-190; 58-33-130; 58-55-55; 58-55-60;
Eff. March 1, 2011.*