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Long-Term Care Partnership Monthly Training Update



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America's Health Insurance Plans (AHIP) Long-Term Care Partnership Training August Newsletter

Hello Everyone,

It has been a hot summer for long-term care partnerships! AHIP has recently activated training for five more states: Arkansas, Georgia, Nevada, New Jersey, and Oklahoma. Colorado has just approved our course, and it is now available. And we expect to be able to offer training for Arizona, Tennessee, Texas, and Wisconsin in the near future.

Many agents who sell in more than one state have expressed concern about the new partnership training and the demands of fulfilling the requirements of several states. In this issue we explain how AHIP's national training program makes multi-state training manageable and can help you qualify to sell where you want to.

And as we do every month, we bring you the news on what's happening in the states as well as charts showing each state's training rules. Our goal is to provide you with the information you need to navigate the new long-term care training environment, as this exciting field evolves.

IMPORTANT NOTE: States are currently in the process of developing their long-term care partnership programs, and rules and regulations are in flux. The information in this newsletter reflects the latest reports from the states as of July 28, 2008, and is subject to change.

This newsletter is intended for educational purposes. Its contents are not a statement of policy on the part of AHIP or of its member companies. This newsletter is distributed with the understanding that AHIP is not engaged in rendering legal advice or other expert assistance. For specific information on a state partnership program, the offices of the program should be contacted.

The Challenge of Multi-State Training—and the Solution

Many long-term care insurance agents operating in multiple states have been dismayed as the new partnership training requirements have been rolled out. Not only do agents have to take eight hours of training in their home state in most cases, but they must meet the sometimes varying requirements of the other states they sell in. And many states want agents to have an understanding of the rules particular to the state's Medicaid and partnership programs. This presents agents with a challenge that can seem

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daunting, even overwhelming.

AHIP long-term care partnership training provides the solution. Ours is a national training program—our plan is to offer training for all states that establish a new LTC partnership. And we are succeeding. So far, as each state has finalized its training requirements, our course has been approved as meeting them.

AHIP currently offers training for these 23 states: Arkansas, Colorado, Florida, Georgia, Idaho, Illinois, Iowa, Maine, Maryland, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, and Virginia. And as other states set up partnerships, we will provide training that meets their requirements.

But equally important, our program is specifically designed to facilitate multi-state training. It enables agents to qualify to sell LTCI and LTC partnership products in multiple states without duplicating training or taking more hours than is really necessary.

How does this work? The core of our program is an eight-hour course based on the model of the National Association of Insurance Commissioners (NAIC), which has been adopted by almost all states so far (sometimes with the addition of state-specific information). Agents who complete AHIP's NAIC Model Course meet the requirements of 11 states: Idaho, Illinois, Iowa, Maine, Maryland, Montana, New Jersey, North Dakota, Oklahoma, Oregon, and Rhode Island. And those who take this course can meet the requirements of nine more states by taking state-specific supplements (usually one hour of training, sometimes two). These states are Arkansas, Florida, Georgia, Missouri, Nebraska, Ohio, Pennsylvania, South Dakota, and Virginia.

The bottom line: Many agents will have to take a total of only eight hours of training to meet the requirements of all the states in which they sell. Others will need to take the eight hours plus one or two additional hours for certain states.

In this way, AHIP's training program helps agents meet the multi-state challenge. We make fulfilling the requirements of many states doable and manageable.

For online training for the states mentioned above, go to www.LTCSPartnershipsOnline.com.

For live classroom training, contact Scott Rice at srice@ahip.org

The News in the States

Here's where things stand in various states (as of July 28):

- **Alabama.** The legislature has enacted a bill establishing the state's partnership program (effective July 1), but it has not taken action on partnership training requirements. These requirements are currently under discussion; it is not clear whether they can be established by

means of a regulatory bulletin (which could be issued fairly soon) or require legislative action (which could not occur until the next legislative session).

- **Arizona.** On July 2, Arizona published a notice specifying its partnership training requirements. All LTCI producers must complete eight hours of initial training based on the NAIC model by June 30, 2009. Also, like most states, Arizona requires four hours of follow-up training every two years. But Arizona's timeframe for this follow-up training is different. Most states require the four hours to be completed within two years after the completion of the initial training or within two years after a certain date. In contrast, Arizona agents must complete four hours of follow-up training during each two-year period beginning July 1, 2009, after the two-year period within which they completed their initial training. So for example, Martha completes the initial training on October 15, 2009. This falls in the first two-year period after July 1, 2009, which runs from July 1, 2009, through June 30, 2011. So Martha's first follow-up training must take place during the next two year period, which runs from July 1, 2011, through June 30, 2013. So in fact, Martha doesn't have to complete her follow-up training until June 30, 2013, almost four years after her initial training.
- **Arkansas** has finalized its training requirements. All LTCI agents must complete eight hours of initial training and four hours of follow-up training every 24 months. The content of the initial training is the NAIC model plus a state-issued supplement on the Arkansas partnership and Medicaid programs. Agents already selling LTCI as of July 1, 2008, have until July 1, 2009, to complete the initial training; other agents have until January 1, 2009. However, any agent must complete the initial training before he or she can sell, solicit, or negotiate a partnership policy. (In other words, agents may sell non-partnership LTCI policies without completing the training, until the deadline that applies to them; but effective immediately, agents may not sell partnership policies without the training. After the deadlines, agents will not be allowed to sell any type of LTCI policy without completing the training.) AHIP recently began offering partnership training for Arkansas.
- **Florida.** The new rule enacted this winter, requiring LTCI agents to complete two hours of Florida-specific training by October 1, 2008, was withdrawn by the state in June. However, the state is reviewing this rule and may reissue it in a revised form with a new deadline. An official statement on this matter is expected soon, and we will keep you informed. In the meantime, the earlier rule is in force—agents must complete eight hours of training based on the NAIC model before selling LTCI.
- **Georgia** has finalized its training requirements. Agents selling partnership policies (not all LTCI agents) must complete eight hours of initial training by October 1, 2008, and four hours of follow-up training every 24 months thereafter. The content of the initial training is the NAIC model plus state-specific information. Nonresident agents who are qualified to sell partnership policies in their home states are required to take only the Georgia-specific content. AHIP's course has recently been approved by the state as fulfilling the initial training requirement and is now available.
- **Hawaii.** Last spring the legislature passed a bill requiring all LTCI agents to complete eight hours of training based the NAIC model. But this requirement will not go into effect until the state's partnership program is established, and it is unclear when that

might be, since a partnership bill failed to pass in this year's legislative session and the legislature will not reconvene until early 2009. The bottom line for agents: There are no partnership training requirements in effect at this time; there will be no such requirements until the partnership is established; and when that occurs, agents will have one year from that date to complete the training.

- **Illinois.** Those doing business in Illinois are reminded that the state's LTCI training requirements changed effective July 1, 2008. Formerly, all agents had to complete Illinois course 09400 (six hours) before selling LTCI policies. Under the new rules, agents who had already completed course 09400 as of July 1 are allowed to continue selling LTCI, but they must complete the initial LTC partnership training (course 25008) by July 1, 2009. Agents who had not completed course 09400 by July 1, 2008, are not allowed to sell LTCI until they complete course 25008. To be approved by the state as 25008, a course must cover the NAIC content and provide at least eight hours of instruction. AHIP's NAIC Model Course has been approved by Illinois as 25008, and it is available for those seeking to fulfill Illinois's requirements.
- **Iowa.** Originally in Iowa agents had to complete the eight-hour NAIC model as initial training and six hours of follow-up training every three years. But this changed last winter—under the new rules, training content is still based on the NAIC model, but agents must complete only four hours of initial training and three additional hours every three years. AHIP offers Iowa agents its eight-hour NAIC Model Course, as we believe it best meets their needs. This course fulfills the state's requirement, and it gives Iowa resident agents the opportunity to earn additional CE and obtain LTC partnership certification in other states. (Iowa agents who take a four-hour Iowa course cannot qualify to sell partnership policies in most other states without taking an eight-hour NAIC model course.)
- **Kansas.** The Department of Insurance has recommended that the state adopt the NAIC model for partnership training, but the number of hours of training that agents will be required to complete is under discussion. The passage of a bill was expected last spring, but the legislative session ended without action on it. Kansas has established a partnership program, and to comply with federal rules the state must issue partnership training requirements, so further action on this matter is required. But this is not expected to occur until next year's legislative session.
- **Kentucky.** Legislation was recently passed authorizing the establishment of an LTC partnership program and mandating the Office of Insurance to develop partnership training requirements. We will keep you informed as these requirements become finalized.
- **Michigan.** It has been proposed that agents selling partnership policies (not all LTCI agents) be required to take eight hours of initial training (the NAIC model plus a Michigan Medicaid supplement) and four hours of follow-up training every 24 months. However, the finalization of this rule has been delayed. The federal Centers for Medicare and Medicaid Services (CMS) and the state are discussing issues involving Medicaid estate recovery, and this matter must be resolved before Michigan's partnership program can be approved and related training requirements issued. We will keep you informed of developments.
- **Minnesota** requires resident LTCI agents to take a state-specific course. It is eight hours and is based on the NAIC model, but Minnesota-specific content must be incorporated into the course

(unlike in other states, where it can be added as a supplement). AHIP's Minnesota course is approved by the state and is available. Nonresident agents can qualify to sell LTCI by taking an eight-hour NAIC model course in another state, plus Minnesota-specific supplements.

- **Missouri** is launching its LTC partnership program on August 1. (The state's partnership training requirements have been in place for several months—see the charts that follow.)
- **Nevada** has received approval from the federal government of its partnership State Plan Amendment, opening the way for the sale of partnership policies. State officials report that the state is leaving the responsibility for partnership training entirely in the hands of the insurance carriers. The state will not issue specific training requirements (such as topics to be covered, hours of instruction, or deadlines), and it will not review courses; it simply requires carriers to ensure that the general training requirement of the federal Deficit Reduction Act (DRA) is met—that "any individual who sells a long-term care insurance policy under the partnership receives training and demonstrates evidence of an understanding of such policies and how they relate to other public and private coverage of long-term care." It is possible that Nevada may change this approach as its partnership program becomes active. In the meantime, AHIP offers Nevada agents its eight-hour NAIC Model Course, which meets the DRA requirement. However, each carrier determines whether it considers a course to fulfill training obligations, so Nevada agents should check with the carriers they represent to confirm that the carriers accept the AHIP course.
- **New Hampshire** has submitted to the federal government a State Plan Amendment seeking authorization to establish a partnership, but approval has not yet been granted, pending resolution of certain issues. In the meantime, the development of training requirements is on hold.
- **New Jersey** has established its training requirements. All LTCI agents must complete eight hours of initial training based on the NAIC model by July 1, 2009, and four hours of follow-up training every 24 months thereafter.
- **Oklahoma** has finalized its training requirements. The initial training is eight hours, with content based on the NAIC model. Agents already selling LTCI as of July 14, 2008, have until July 14, 2009, to complete the initial training; other agents must complete the initial training before they may sell LTCI. In addition, four hours of follow-up training will be required every 24 months. AHIP's NAIC Model Course has recently been approved by the state as fulfilling the initial training requirement and is now available.
- **Pennsylvania.** See page 7.
- **South Carolina.** A bill establishing training requirements was enacted by the legislature and signed by the governor on June 4th. All LTCI agents must complete eight hours of initial training based on the NAIC model by July 1, 2009, and four hours of follow-up training every 24 months thereafter. The Department of Insurance is currently developing a bulletin that will provide more details.
- **Tennessee** has issued its training requirements. All LTCI agents must complete eight hours of initial training and four hours of follow-up training. The content of the initial training is the NAIC model plus information on Tennessee's Medicaid and partnership programs. Agents already selling LTCI on or before July 1, 2008, have until July 1, 2009, to complete the initial training; other agents must complete the training before selling LTCI. The follow-up training

must be completed within the two-year license renewal period following the period in which the initial training was taken (in other words, the approach is similar to that of Arizona—see that state for an example). Agents exempt from general continuing education requirements (those who have been licensed continuously since January 1, 1994) must take the initial training but are not required by the state to take the follow-up training (although carriers may require them to do so).

- **Texas.** The rule mandating the state's partnership training requirements is to be officially published on August 1, with an August 5 effective date. Agents selling partnership policies (not all LTCI agents) must complete eight hours of initial training by January 1, 2009. The content of the initial training is the NAIC model plus supplements on Texas Medicaid eligibility and asset disregard under the Texas LTC partnership. Agents must also complete four hours of follow-up training within each two-year licensing renewal period after the period in which the initial training was completed.
- **Wisconsin** published its training requirements in early July. All LTCI agents must complete eight hours of initial training by January 1, 2009. The content of the initial training is based on the NAIC model, but it must include two hours of Medicaid and partnership content specific to Wisconsin and developed and issued by the state. Agents who have already completed an eight-hour NAIC model course, or who take such a course in another state, can fulfill Wisconsin's requirements by taking only the two hours of state-specific content. Agents will also have to do four hours of follow-up training every two years, but the exact timeframe during which this must be completed is still being worked out.

Colorado

Agents active in Colorado should be aware of several points in regard to the state's training requirements.

Requirements for resident agents. All resident LTCI agents must complete a 16-hour course by January 1, 2009. Eight hours must be classroom training; the other eight hours can be classroom, self-study, or Internet-based. The state has issued an outline stipulating the content of the course. (It does not follow the NAIC model, although there is some overlap.)

AHIP course. AHIP's 16-hour Colorado course has recently been approved by the state and is now available. Students receive eight hours of instruction in the classroom and eight hours on AHIP's website. Note that agents must take the entire 16-hour Colorado course from one training provider; they cannot take the eight classroom hours from one and the remaining eight hours from another.

Colorado two-hour course. Previously, agents obtained qualification to sell LTCI in Colorado by taking a two-hour course, and for the remainder of this year new agents can still qualify in this way. But those who do so will still have to complete the 16-hour course by January 1, 2009, like all other agents. So a new agent has two options:

- She can take the two-hour course now, begin selling LTCI, and take the 16-hour course before the end of the year.
- She can take the 16-hour course now and begin selling. If she does

this, she doesn't have to take the two-hour course.

For most new agents, it will make more sense to just go ahead and take the 16-hour course now, since they will have to take it in the next five months anyway.

Nonresident agents. Agents from other states can qualify to sell LTCI (including partnership policies) in Colorado if they are licensed to sell LTCI in their home state. This is true even if the home state's training rules require less than 16 hours or otherwise differ from Colorado's rules, and even if the state does not require any training in LTC partnerships—if the agent is licensed to sell LTCI in the home state, she can qualify to sell LTCI and LTC partnership policies in Colorado.

Pennsylvania

In late June Pennsylvania published a notice of a proposed regulation governing LTCI agent training and asked for comments from interested parties. If this regulation is enacted, as expected, Pennsylvania will have two training requirements:

- **Agents wishing to sell LTC partnership policies** must take a one-hour course on the Pennsylvania Medicaid program based on state-issued content. This course must be completed before an agent can sell or solicit partnership policies. This rule is already in effect.
- **All LTCI agents** will have to complete eight hours of training based on the NAIC model. (These eight hours may include the one-hour state-specific course or be taken in addition to it.) As noted above, this rule has been proposed but is still in the approval process. If it is enacted, agents will be given time to fulfill the new requirement, but the details of this are still being worked out. In addition, all LTCI agents will have to complete four hours of follow-up training within every 24-month licensing cycle after completion of the initial training.

Agents can satisfy the first requirement now by taking the one-hour Pennsylvania course on AHIP's website. When the second requirement becomes effective, we expect that our eight-hour NAIC Model Course will be approved as fulfilling it (although of course we cannot promise this). Those who wish to go ahead and take the eight-hour course now, even though this requirement is not yet finalized, may do so on our website. We will notify our readers when the eight-hour requirement goes into effect.

Upcoming Deadlines

A reminder of approaching deadlines for completion of initial partnership training:

- August 1—Nebraska
- September 1—Ohio
- September 10—Maryland (for agents already selling LTCI as of September 10, 2007; other agents had to complete training before

selling LTCI)

- October 1—Georgia

Note also that in several states the deadline was July 1, 2008, and in many others it was earlier. Check the chart below for full information on state deadlines.

For state chart information, [click here](#)

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