

Policy Clarification PMN 17815-440

Submitted: 12/11/15

Agency: CAOs

Subject: Treatment of Long Term Care (LTC) Insurance Policies

Question: What action must the CAO take when an individual has a LTC insurance policy?

Response By: Division of Health Services

Date: 12/11/15

If an individual has a long term care insurance policy that provides payment directly to the individual, the payment should be counted as unearned income in the month the payment is received or expected to be received.

If the policy provides payments directly to the LTC facility or service provider the payments are **not** counted as income. They are treated as a third party resource and should **not** be entered into the Client Information System (CIS).

If payments from the policy are assigned to someone other than the policy holder, LTC facility or service provider the policy must be evaluated under the fair consideration and transfer provisions in LTC Chapter 440.8, Disposition of Assets and Fair Consideration.

All LTC insurance policies should be scanned to the case record.

In addition, the CAO **must** send copies of **all** LTC insurance policies by mail or by fax to the Division of Third Party Liability, at the following address:

Division of Third Party Liability
P.O. Box 8486
Harrisburg, Pennsylvania 17105-8486
Fax: (717) 772-6598

For more information about LTC insurance policies see LTC Chapter 450.247, Disability/LTC Insurance.