



2026

Long-Term Care Training Workbook



WEBINAR / VIRTUAL LIVE TRAINING

ABOUT THE AUTHOR

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TRAINING OVERVIEW

During this course, participants will learn about the state and federal regulations and requirements and the relationship between qualified state long-term care insurance Partnership programs and other public and private coverage of long-term care services, including Medicaid. They will learn about the available long-term care services and providers, as well as changes or improvements in long-term care services or providers. Also taught will be the alternatives to the purchase of long-term care insurance as well as the effect of inflation on benefits and the importance of inflation protection. Finally, participants will gain an understanding of the consumer suitability standards and guidelines.

WORKBOOK

This workbook is designed to be a tool that you can reference during the course and also something to take with you for referencing after the training is complete. The blanks you find in the workbook are designed for you to fill in based on the information most relevant to you, your business, and your clients. The tables found at the end of the workbook and the information you learn during the course will help you to complete the workbook.

2026 TAX SUMMARY – Federal Tax Deductions for Premiums

All figures updated as of January 1, 2026

We have done our utmost to update these figures based on current published information. Always work with and refer clients to a certified accountant for tax advice.

- ✓ Always check with your carrier on whether the LTC policy is “Tax Qualified”.
- ✓ It is often the case that “hybrid” and “linked-benefit” policies will NOT qualify for a premium deduction.
- ✓ Premiums for life insurance death benefits, or the life insurance portion of a hybrid LTC policy, are NOT deductible.
- ✓ Policies must cover “qualified long-term care services”

TAX QUALIFIED POLICY PREMIUM INDEX

Age of Insured Before Close of the Year	2026 LTCI Eligible Premium Deduction
Age 40 or below	\$500
Age 41-50	\$930
Age 51-60	\$1,860
Age 61-70	\$4,960
Age 71 and over	\$6,200

2026 IRS Limits

- Gift Tax Exclusion: \$19,000 (or \$38,000 for married couple splitting gifts)
- Lifetime Estate and Gift Tax Exemption: \$13.99 million
- Itemized Deductions – Medical Expenses: The medical expense deduction threshold is 7.5% of AGI

EXAMPLE Tax Treatment of TQ Policy Premium

The Individual

Age of Individual	55
Adjusted Gross Income (AGI)	\$60,000
Medical Expenses (Excluding LTCI Premiums)	\$4,000
Annual Premium for Tax-Qualified LTCI Policy	\$2,000

Calculating the Deduction

	AMOUNT	HOW TO CALCULATE
Eligible Premium Deduction	\$1,860	Age bracket on 2025 LTCI Eligible Premium Index Table
Total Medical Expenses	\$5,860	\$4,000 Medical Expenses + \$1,860 of Eligible LTCI Premiums
7.5% of AGI	\$4,500	\$60,000 x 7.5%
Medical Expenses that Exceed 7.5% of AGI	\$1,360	Total Medical Expenses minus AGI
Total Deduction	\$1,360	
AGI Less Deduction	\$58,640	AGI minus Total Deduction

TREATMENT OF ASSETS AND INCOME

Assets: Medicaid Divides Assets into Three Classes

Countable (non-exempt or available)	Non-Countable (exempt)	Inaccessible Assets
<p>Any personal financial resources owned or controlled by the Medicaid applicant must be spent on care.</p> <ul style="list-style-type: none"> Cash, stocks, bonds, general investments Tax-qualified pension plans if applicant is retired Deferred annuities if not annuitized Life insurance with cash surrender value (subject to state-specific limits) Vacation and investment property 	<p>These are acknowledged by Medicaid, but not used in determining eligibility:</p> <ul style="list-style-type: none"> Cash allowance (subject to state-specific limits) Prepaid funeral (some states limit its cost) Term life insurance Business assets, if applicant derives livelihood from them A car for personal use (some states cap its value) Personal items 	<p>These resources would have had to be spent on the applicant's care (countable assets) or, in the case of a primary home, been subject to a lien for recovery of benefits. However, they have been protected by being transferred to family or friends.</p> <p>There are only two ways to protect assets:</p> <ul style="list-style-type: none"> Giving them away Placing in trust

Primary Residence – Home Equity

Medicaid excludes a primary residence up to the applicable home equity limit in effect for the year of application. Federal law establishes a minimum and maximum range, and each state selects a limit within that range. Use the tables at the back of this workbook to find your state's current rates. Not that these will change annually.

Look-back and Ineligibility Periods

3 years increased to 5	State Formula	Penalty (Ineligibility Period)
<p>As a result of the DRA of 2005, the look-back period was increased from three to five years, effective February 8, 2006. The period is in line with the five-year look-back for transfers into a trust.</p> <p>The transfer of assets into inaccessible status for less than fair market value (generally defined as gifts) within the applicable look-back period creates a period of ineligibility from Medicaid benefits.</p>	<p>The formula used by all states to determine ineligibility period is:</p> <p><i>Transferred assets, divided by the average monthly cost of nursing home care in the applicant's state, equals the number of months of ineligibility.</i></p> <p>The state's Medicaid office determines the average monthly cost of nursing home care in the applicant's state that is used in the formula above.</p> <p>Your state's monthly cost of nursing home care: \$ _____</p>	<p>The penalty period generally begins when the individual has applied for Medicaid, is otherwise eligible, and is receiving institutional or home- and community-based long-term care services but for the transfer.</p>

Medicaid has the right to review financial records at the time an application for benefits is received. State Medicaid programs evaluate each applicant's financial situation before granting access. The state looks for transfers of countable assets within a certain period of time, called a look-back period.

Asset Treatment: Individuals and Couples

Individual	Couples	Community Spouse Resource Allowance (CSRA)
<p>Medicaid considers all assets classified as countable to be spent on skilled nursing home care before eligibility is granted. The individual would be allowed to keep assets considered non-countable:</p> <ul style="list-style-type: none"> Cash allowance (subject to state-specific limits, commonly around \$2,000) Prepaid funeral (some states limit its cost) Term life insurance Business assets, if applicant derives livelihood from them A car for personal use (some states cap its value) Personal items Primary residence if it does not exceed a cap set by the state of either <p style="text-align: center;">\$ _____ or \$ _____</p>	<p>All countable assets in a marriage are considered jointly held and available to be spent on the institutionalized spouse, subject to certain spousal allowance limits. A provision called the spousal impoverishment rule allows the community spouse to retain a certain amount of assets and income. Beyond this allowance, all of the couple's assets, earned by and held in the name of either partner or jointly, are generally considered countable and available to fund the institutionalized spouse's care.</p> <p>This is the case even if:</p> <ul style="list-style-type: none"> there is a premarital agreement they were never contributed to by the institutionalized spouse even if the couple lives in a community-property state (where assets brought into the marriage are not subject to division in a divorce.) <p>There is an exception to this rule in some states. If the community spouse has a tax-qualified plan that currently prohibits access to its assets, it might not be considered as part of the institutionalized spouse's asset. Please check your state policy on qualified plans for community spouses who have not retired.</p>	<p>A snapshot is taken of the couple's assets on the day the spouse goes into a medical institution or nursing home where he/she is expected to stay more than 30 days.</p> <p>The community spouse gets to keep a certain amount of those assets, calculated by the community spouse resource allowance (CSRA) formula. The CSRA was established to allow the community spouse to survive financially if his/her spouse needed SNF care.</p> <p>The community spouse is allowed to keep half of the couple's combined assets, but:</p> <ul style="list-style-type: none"> no LESS than a minimum (called the floor) no MORE than a maximum (the ceiling) assets in excess of the ceiling are required to be spent down on the institutionalized spouse's care. <p>Your State's Minimum (floor) \$ _____</p> <p>Your State's Maximum (ceiling) \$ _____</p>

States have the option of raising the minimum (floor). Some states have raised it to the maximum (the ceiling). In those states, the community spouse gets to keep the maximum in combined assets and must spend down assets above the maximum on the institutionalized spouse's care.

Income: Individuals

Individuals	Spend Down States	Income Cap States
<p>All income, regardless of how earned or when received, is considered available to be spent on the Medicaid beneficiary's care, with three exceptions:</p> <ul style="list-style-type: none"> Personal monthly needs allowance, usually between \$30-\$60 per month to cover such items as clothing, toiletries, and medical expenses not covered by Medicare or Medicaid The beneficiary's Medicare Part B premiums Medicare supplement insurance premiums 	<p>More than half the states employ a so-called spend-down program in which the beneficiary's monthly income goes to the nursing home, with Medicaid making up any difference.</p> <p>The only condition is that, in the aggregate, the monthly income must be less than the private cost of a room.</p> <p>Therefore, if an individual has enough income to pay for their own care, regardless of if they meet the asset criteria, Medicaid will not pay for their care.</p> <p>Which is your state? (circle)</p> <p style="text-align: center;"> <input type="checkbox"/> income cap state <input type="checkbox"/> spend down state </p>	<p>The remaining states are considered "income cap" states and eligibility for Medicaid benefits is barred if the nursing home resident's income exceeds 300% of the federal SSI benefit rate, as adjusted annually.</p> <p>A Miller Trust allows the excess above this amount to be paid into a qualified income trust, into which all income is deposited and from which distributions under the cap may be made to the nursing home.</p> <p><i>Please remember that in a cap state, a Medicaid applicant's income will still have to be spent on his care, even if it is under the cap; the cap only determines eligibility.</i></p>

Qualified Income Trusts

The rules that allow states to set a cap also provide a means to circumvent it, via setting up a Miller Trust.

Established either by the family of the applicant or the nursing facility, the trust must provide that:

- Beneficiary be the Medicaid applicant
- Applicant's income be paid into the trust
- Beneficiary (the applicant) receive a monthly personal needs allowance
- Applicant's spouse, if any, be paid a sum equal to the minimum monthly maintenance needs allowance
- Trustee distribute to the nursing home to pay for the applicant's care, an amount less than the current cap
- The balance remains in trust, and at the death of the applicant, the trust turns the balance over to the state

Income: Couples

Income	MMMNA	Raise the Floor
The community spouse's monthly income is never used in determining eligibility for the institutionalized spouse.	<p>The community spouse is allowed to keep a Minimum Monthly Maintenance Needs Allowance (MMMNA) of no less than the minimum known as the floor.</p> <p>Your state's minimum:</p> <p>\$ _____</p>	<p>Each state has the right to raise the floor (minimum) up to a maximum to allow the community spouse to keep more income.</p> <p>Your state's maximum:</p> <p>\$ _____</p>

Income Cap States

This list reflects states treated as income-cap states as of early 2026; state classifications may change.

Alabama	Idaho	Oklahoma
Alaska	Iowa	Oregon
Arizona	Kentucky	South Carolina
Arkansas	Louisiana	South Dakota
Colorado	Mississippi	Tennessee
Delaware	Nevada	Texas
Florida	New Jersey	Wyoming
Georgia	New Mexico	

COST OF CARE

Monthly Median Costs (2024 – National Average)

Source: Genworth 2025 Cost of Care Survey. <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

<ul style="list-style-type: none"> Homemaker Services \$6,292 Home Health Aide \$6,483 <p style="text-align: center; color: white;">In-Home Care </p>	<ul style="list-style-type: none"> Adult Day Health Care \$2,167 Assisted Living Facility \$5,900 <p style="text-align: center; color: white;">Community & Assisted Living </p>	<ul style="list-style-type: none"> Semi-Private Room \$9,277 Private Room \$10,646 <p style="text-align: center; color: white;">Nursing Home Facility </p>
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PARTNERSHIP GUIDE

YOUR STATE'S PARTNERSHIP PROGRAM STATUS

Active Partnership Program: YES NO

REQUIREMENTS OF A PARTNERSHIP POLICY

- Covers an insured who was a resident of the state when coverage first became effective
- Is a tax-qualified (TQ) policy under IRC section 7702B
- Is issued after the State's Partnership effective date
- Meets certain consumer protection requirements (based on the NAIC 2000 Model Act and Regulation)
- Policy has correct inflation protection

INFLATION PROTECTION REQUIRED FOR LTC POLICY TO QUALIFY AS PARTNERSHIP POLICY

60 and Younger	compound inflation protection*
61 to 75	compound inflation protection* simple inflation protection
76 and older	must be offered one of the inflation protection options above, but not required to purchase any

*Most states allow CPI inflation protection to count as compound. Check with your state and carrier(s).

DOLLAR-FOR-DOLLAR ASSET PROTECTION

- Dollar-for-dollar policies protect a specific amount of personal assets
- For every dollar that an LTC Partnership insurance policy pays out in benefits, a dollar of assets can be protected during the Medicaid eligibility determination.
- The amount protected is calculated based on the amount of benefits paid by the LTC insurance company on the policyholder's behalf
- It is not equal to the amount of the premiums paid and not necessarily equal to the benefit maximum.

PARTNERSHIP ASSET PROTECTION SCENARIOS

	Countable, Non-Exempt Assets (Must be spent down)	Partnership LTC Insurance Benefits Paid	Dollar for Dollar Assets Protected	Medicaid Spend Down
Person A	\$50,000	\$50,000	\$50,000	\$0
Person B	\$200,000	\$180,000	\$180,000	\$20,000
Person C	\$1,000,000	\$500,000	\$500,000	\$500,000
Person D	\$200,000	\$0	\$0	\$200,000

Each person also keeps the cash allowance their state allows.

MEDICAID REFERENCE GUIDE - 2026

All figures updated as of January 1, 2026

We have done our utmost to update these figures based on current published information by state. Please contact your state Medicaid office to see if these figures have changed. Always work with and refer clients to a qualified elder law attorney.

Primary Residence Home Equity Limit

AL	\$752,000
AK	\$752,000
AZ	\$752,000
AR	\$752,000
CA	No maximum home equity limit.
CO	\$752,000
CT	\$1,130,000
DC	\$1,130,000
DE	\$752,000
FL	\$752,000
GA	\$752,000
HI	\$1,130,000
ID	\$1,130,000
IL	\$752,000
IN	\$752,000
IA	\$752,000
KS	\$752,000
KY	\$752,000
LA	\$752,000
ME	\$1,130,000
MD	\$752,000
MA	\$1,130,000
MI	\$752,000
MN	\$752,000
MS	\$752,000
MO	\$752,000
MT	\$752,000
NE	\$752,000
NV	\$752,000
NH	\$752,000
NJ	\$1,130,000
NM	\$752,000
NY	\$1,130,000
NC	\$752,000
ND	\$752,000
OH	\$752,000
OK	\$752,000
OR	\$752,000
PA	\$752,000
RI	\$752,000
SC	\$752,000
SD	\$752,000
TN	\$752,000
TX	\$752,000
UT	\$752,000
VT	\$752,000
VA	\$752,000
WA	\$752,000
WV	\$752,000
WI	\$752,000
WY	\$752,000

Exceptions apply where a spouse, minor child, or blind or disabled child resides in the home.

Average Monthly Nursing Facility Cost

(Used for Divisor Calculations)

AL	\$7,800.00
AK	Varies by facility
AZ	\$8,666.72-Maricopa/Pima/Pinal; \$8,132.22 – all other
AR	\$8,834.00
CA	\$13,656.00
CO	\$10,814.00
CT	\$15,526.00
DC	\$15,238.80
DE	\$13,378.33 (\$439.84 per day)
FL	\$10,645.00
GA	\$10,965.00
HI	\$8,850.00
ID	\$10,901.03 (\$363.37 per day)
IL	Varies. See IL DHS calculator
IN	\$7,651.00
IA	\$9,702.77 (\$319.17 per day)
KS	\$287.14 per day
KY	\$324.41 per day
LA	\$7,200.00 (\$236.71 per day)
ME	\$12,294.00
MD	\$12,501.00 (\$411 per day)
MA	\$450.00 per day
MI	\$12,216.30
MN	\$11,653.00
MS	\$9,430.00 (\$309 per day)
MO	\$7,909.00
MT	\$9,816.05 (\$322.72 per day)
NE	Monthly private pay rate (varies)
NV	\$10,417.00
NH	\$12,892.60 (\$423.82 per day)
NJ	\$402.74 per day
NM	\$9,209.00
NY	Varies by location.
NC	\$10,904.00 (\$384 per day)
ND	\$11,638.00 (\$442.22 per day)
OH	\$7,787.00
OK	\$247.72 per day
OR	\$14,585.00
PA	\$12,811.50 (\$421.20 per day)
RI	\$10,190.00 (\$335 per day)
SC	\$9,758.58 (\$320.83 per day)
SD	\$9,749.92 (\$320.55 per day)
TN	\$8,846.10 (\$295.87 per day)
TX	\$7,339.00 (\$242.13 per day)
UT	\$7,344.00
VT	\$12,535.13 (\$417.84 per day)
VA	\$9703.00 Northern Virginia; \$7,324.00 All Other Counties
WA	\$14,059.00 (\$462.00 per day)
WV	\$11,903.00 (\$396.76 per day)
WI	\$10,708.49 (\$352.06 per day)
WY	\$10,114.00

The average monthly (or daily) cost of nursing facility care used by a state to measure the value of long-term care services. The divisor is used only to calculate Medicaid transfer penalty periods and does not represent eligibility limits or actual nursing facility charges.

$$\text{Penalty Period} = \frac{\text{Uncompensated Transfer Amount}}{\text{State Divisor}}$$

Spousal Impoverishment Provision Community Spouse Resource Allowance

	MINIMUM	MAXIMUM
AL	\$32,532	\$162,660
AK	\$162,660	
AZ	\$32,532	\$162,660
AR	\$32,532	\$162,660
CA	\$162,660	
CO	\$162,660	
CT	\$50,000	\$162,660
DC	\$32,532	\$162,660
DE	\$32,532	\$162,660
FL	\$162,660	
GA	\$162,660	
HI	\$162,660	
ID	\$32,532	\$162,660
IL	\$143,172	
IN	\$32,532	\$162,660
IA	\$32,532	\$162,660
KS	\$32,532	\$162,660
KY	\$32,532	\$162,660
LA	\$162,660	
ME	\$162,660	
MD	\$32,532	\$162,660
MA	\$32,532	\$162,660
MI	\$32,532	\$162,660
MN	\$162,660	
MS	\$162,660	
MO	\$32,532	\$162,660
MT	\$32,532	\$162,660
NE	\$32,532	\$162,660
NV	\$162,660	
NH	\$32,532	\$162,660
NJ	\$32,532	\$162,660
NM	\$32,532	\$162,660
NY	\$74,820	\$162,660
NC	\$32,532	\$162,660
ND	\$32,532	\$162,660
OH	\$32,532	\$162,660
OK	\$32,532	\$162,660
OR	\$32,532	\$162,660
PA	\$32,532	\$162,660
RI	\$32,532	\$162,660
SC	\$66,480	
SD	\$32,532	\$162,660
TN	\$32,532	\$162,660
TX	\$32,532	\$162,660
UT	\$32,532	\$162,660
VT	\$162,660	
VA	\$32,532	\$162,660
WA	\$32,532	\$162,660
WV	\$32,532	\$162,660
WI	\$50,000	\$162,660
WY	\$162,660	

States apply these limits within the federal framework; the community spouse's protected share is generally one-half of combined countable assets, subject to these minimums and maximums.

Monthly Maintenance Needs Allowance (Figures by State)

	MINIMUM	MAXIMUM
AL	\$2,643.75	
AK	\$4,066.50	
AZ	\$2,644.00	\$4,066.50
AR	\$2,643.75	\$4,066.50
CA	\$4,066.50	
CO	\$2,643.75	\$4,066.50
CT	\$2,643.75	\$4,066.50
DC	\$4,066.50	
DE	\$2,643.75	\$4,066.50
FL	\$2,644.00	\$4,067.00
GA	\$4,066.50	
HI	\$4,066.50	
ID	\$2,643.75	\$4,066.50
IL	\$4,066.50	
IN	\$2,644.00	\$4,067.00
IA	\$4,066.50	
KS	\$2,643.75	\$4,066.50
KY	\$2,644.00	\$4,066.50
LA	\$4,066.50	
ME	\$2,643.75	\$4,066.50
MD	\$2,643.00	\$4,066.50
MA	\$2,643.75	\$4,066.50
MI	\$2,643.75	\$4,066.50
MN	\$2,645.00	\$4,066.50
MS	\$4,066.50	
MO	\$2,644.00	\$4,066.50
MT	\$2,644.00	\$4,067.00
NE	\$2,643.75	\$4,066.50
NV	\$4,066.50	
NH	\$2,644.00	\$4,067.00
NJ	\$2,643.75	\$4,066.50
NM	\$2,643.75	\$4,066.50
NY	\$4,066.50	
NC	\$2,644.00	\$4,066.50
ND	\$2,644.00	
OH	\$2,643.75	\$4,066.50
OK	\$4,067.00	
OR	\$2,643.75	\$4,066.50
PA	\$2,644.00	\$4,066.50
RI	\$2,643.75	\$4,066.50
SC	\$4,066.50	
SD	\$2,643.75	\$4,066.50
TN	\$2,643.75	\$4,066.50
TX	\$4,066.50	
UT	\$2,643.75	\$4,066.50
VT	\$2,707.00	\$3,948.00
VA	\$2,643.75	\$4,066.50
WA	\$2,644.00	\$4,066.50
WV	\$2,643.75	\$4,066.50
WI	\$3,525.00	\$4,066.50
WY	\$4,066.50	

FEDERAL LIMITS

Minimum MMNA (effective 7/1/25 – 6/30/26)

\$2,643.75 – includes all of the United States except Hawaii and Alaska

\$3,040.00 – Hawaii

\$3,303.75 – Alaska

Maximum MMNA (effective 1/1/26 – 12/31/26)

\$4,066.50