
SUBSTITUTE HOUSE BILL 1536

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Health Care (originally sponsored by Representative Dyer)

Read first time 02/27/95.

1 AN ACT Relating to the long-term care partnership program; and
2 amending RCW 48.85.010, 48.85.020, 48.85.030, 48.85.040, 48.85.050, and
3 74.09.585.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 48.85.010 and 1993 c 492 s 458 are each amended to
6 read as follows:

7 The department of social and health services shall ~~((from July 1,~~
8 ~~1993, to July 1, 1998))~~, in conjunction with the office of the
9 insurance commissioner, coordinate a ((pilot)) long-term care insurance
10 program entitled the Washington long-term care partnership, whereby
11 private insurance and medicaid funds shall be used to finance long-term
12 care. ((This program must allow for the exclusion of an individual's
13 assets, as approved by the federal health care financing
14 administration, in a determination of the individual's eligibility for
15 medicaid; the amount of any medicaid payment; or any subsequent
16 recovery by the state for a payment for medicaid services to the extent
17 such assets are protected by a long-term care insurance policy or
18 contract governed by chapter 48.84 RCW and meeting the criteria
19 prescribed in this chapter.)) For individuals purchasing a long-term

1 care insurance policy or contract governed by chapter 48.84 RCW and
2 meeting the criteria prescribed in this chapter, and any other terms as
3 specified by the office of the insurance commissioner and the
4 department of social and health services, this program shall allow for
5 the exclusion of some or all of the individual's assets in
6 determination of medicaid eligibility as approved by the federal health
7 care financing administration.

8 **Sec. 2.** RCW 48.85.020 and 1993 c 492 s 459 are each amended to
9 read as follows:

10 The department of social and health services shall seek approval
11 ~~((and a waiver of appropriate federal medicaid regulations))~~ from the
12 federal health care financing administration to allow the protection of
13 an individual's assets as provided in this chapter. The department
14 shall adopt all rules necessary to implement the Washington long-term
15 care partnership program, which rules shall permit the exclusion of all
16 or some of an individual's assets in a manner specified by the
17 department in a determination of medicaid eligibility to the extent
18 that private long-term care insurance provides payment or benefits for
19 services ~~((that medicaid would approve or cover for medicaid~~
20 ~~recipients))~~.

21 **Sec. 3.** RCW 48.85.030 and 1993 c 492 s 460 are each amended to
22 read as follows:

23 (1) The insurance commissioner shall adopt rules defining the
24 criteria that long-term care insurance policies must meet to satisfy
25 the requirements of this chapter. The rules shall provide that all
26 long-term care insurance policies purchased for the purposes of this
27 chapter:

28 (a) Be guaranteed renewable;

29 (b) Provide coverage for ~~((home and community-based services and))~~
30 nursing home care and provide coverage for an alternative plan of care
31 benefit as defined by the commissioner;

32 (c) Provide optional coverage for home and community-based
33 services. Such home and community-based services shall be included in
34 the coverage unless rejected in writing by the applicant;

35 (d) Provide automatic inflation protection or similar coverage for
36 any policyholder through the age of seventy-nine and made optional at

1 age eighty to protect the policyholder from future increases in the
2 cost of long-term care;

3 ~~((d))~~ (e) Not require prior hospitalization or confinement in a
4 nursing home as a prerequisite to receiving long-term care benefits;
5 and

6 ~~((e))~~ (f) Contain at least a six-month grace period that permits
7 reinstatement of the policy or contract retroactive to the date of
8 termination if the policy or contract holder's nonpayment of premiums
9 arose as a result of a cognitive impairment suffered by the policy or
10 contract holder as certified by a physician.

11 (2) Insurers offering long-term care policies for the purposes of
12 this chapter shall demonstrate to the satisfaction of the insurance
13 commissioner that they:

14 (a) Have procedures to provide notice to each purchaser of the
15 long-term care consumer education program;

16 (b) Offer case management services;

17 (c) Have procedures that provide for the keeping of individual
18 policy records and procedures for the explanation of coverage and
19 benefits identifying those payments or services available under the
20 policy that meet the purposes of this chapter;

21 (d) Agree to provide the insurance commissioner, on or before
22 September 1 of each year, an annual report containing ~~((the following))~~
23 information(~~+~~

24 ~~(i) The number of policies issued and of the policies issued, that~~
25 ~~number sorted by issue age;~~

26 ~~(ii) To the extent possible, the financial circumstance of the~~
27 ~~individuals covered by such policies;~~

28 ~~(iii) The total number of claims paid; and~~

29 ~~(iv) Of the number of claims paid, the number paid for nursing home~~
30 ~~care, for home care services, and community-based services)) derived~~
31 ~~from the long-term care partnership long-term care insurance uniform~~
32 ~~data set as specified by the office of the insurance commissioner.~~

33 **Sec. 4.** RCW 48.85.040 and 1993 c 492 s 461 are each amended to
34 read as follows:

35 The insurance commissioner(~~(, in conjunction with))~~ shall, with the
36 cooperation of the department of social and health services and members
37 of the long-term care insurance industry, ((shall)) develop a consumer
38 education program designed to educate consumers as to the need for

1 long-term care, methods for financing long-term care, the availability
2 of long-term care insurance, and the availability and eligibility
3 requirements of the asset protection program provided under this
4 chapter.

5 **Sec. 5.** RCW 48.85.050 and 1993 c 492 s 462 are each amended to
6 read as follows:

7 By January 1 of each year until 1998, the insurance commissioner,
8 in conjunction with the department of social and health services, shall
9 report to the legislature on the progress of the asset protection
10 program. The report shall include:

11 (1) The success of the agencies in implementing the program;

12 (2) The number of insurers offering long-term care policies meeting
13 the criteria for asset protection;

14 (3) The number, age, and financial circumstances of individuals
15 purchasing long-term care policies meeting the criteria for asset
16 protection;

17 (4) The number of individuals seeking consumer information
18 services;

19 (5) The extent and type of benefits paid by insurers offering
20 policies meeting the criteria for asset protection;

21 (6) Estimates of the impact of the program on present and future
22 medicaid expenditures;

23 (7) The cost-effectiveness of the program; and

24 (8) A determination regarding the appropriateness of continuing the
25 program.

26 **Sec. 6.** RCW 74.09.585 and 1989 c 87 s 7 are each amended to read
27 as follows:

28 (1) The department shall establish standards consistent with
29 section 1917 of the social security act in determining the period of
30 ineligibility for medical assistance due to the transfer of resources.

31 (2) There shall be no penalty imposed for the transfer of assets
32 that are excluded in a determination of the individual's eligibility
33 for medicaid to the extent such assets are protected by the long-term
34 care insurance policy or contract pursuant to chapter 48.85 RCW.

1 (3) The department may waive a period of ineligibility if the
2 department determines that denial of eligibility would work an undue
3 hardship.

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