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HOUSE BILL 1536

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State of Washington

54th Legislature

1995 Regular Session

By Representative Dyer

Read first time 01/30/95. Referred to Committee on Health Care.

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, and 48.85.050.

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

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

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

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

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

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

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

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

27 (a) Be guaranteed renewable;

28 (b) Provide coverage for (~~home and community-based services and~~)  
29 nursing home care;

30 (c) Provide optional coverage for home and community-based  
31 services;

32 (d) Provide automatic compounded inflation protection or similar  
33 coverage to protect the policyholder from future increases in the cost  
34 of long-term care;

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

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

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

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

11       (b) Offer case management services;

12       (c) Have procedures that provide for the keeping of individual  
13 policy records and procedures for the explanation of coverage and  
14 benefits identifying those payments or services available under the  
15 policy that meet the purposes of this chapter;

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

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

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

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

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

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

30       The insurance commissioner, in conjunction with the department of  
31 social and health services and members of the long-term care insurance  
32 industry, shall develop a consumer education program designed to  
33 educate consumers as to the need for long-term care, methods for  
34 financing long-term care, the availability of long-term care insurance,  
35 and the availability and eligibility requirements of the asset  
36 protection program provided under this chapter.

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

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

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

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

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

13       (4) The number of individuals seeking consumer information  
14 services;

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

17       (6) Estimates of the impact of the program on present and future  
18 medicaid expenditures;

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

20       (8) A determination regarding the appropriateness of continuing the  
21 program.

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