

2 **E2SSB 5304** - H AMD TO REV COMM AMD (H-2235.7/93) **000363 WITHDRAWN 4-8-**
3 **93**

4 By Representative Dyer

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6 On page 150, after line 14 of the amendment, insert the following:

7 NEW SECTION. **Sec. 452.** The department of social and health
8 services shall from July 1, 1993, to July 1, 1998, coordinate a pilot
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.

19 NEW SECTION. **Sec. 453.** The department of social and health
20 services shall seek approval and a waiver of appropriate federal
21 medicaid regulations to allow the protection of an individual's assets
22 as provided in this chapter. The department shall adopt all rules
23 necessary to implement the Washington long-term care partnership
24 program, which rules shall permit the exclusion of an individual's
25 assets in a determination of medicaid eligibility to the extent that
26 private long-term care insurance provides payment or benefits for
27 services that medicaid would approve or cover for medicaid recipients.

28 NEW SECTION. **Sec. 454.** (1) The insurance commissioner shall adopt
29 rules defining the criteria that long-term care insurance policies must
30 meet to satisfy the requirements of this chapter. The rules shall
31 provide that all long-term care insurance policies purchased for the
32 purposes of this chapter:

- 33 (a) Be guaranteed renewable;
- 34 (b) Provide coverage for home and community-based services and
35 nursing home care;

1 (c) Provide automatic inflation protection or similar coverage to
2 protect the policyholder from future increases in the cost of long-term
3 care;

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

6 (e) 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.

31 NEW SECTION. **Sec. 455.** The insurance commissioner, in conjunction
32 with the department of social and health services, shall develop a
33 consumer education program designed to educate consumers as to the need
34 for long-term care, methods for financing long-term care, the
35 availability of long-term care insurance, and the availability and
36 eligibility requirements of the asset protection program provided under
37 this chapter.

1 NEW SECTION. **Sec. 456.** By January 1 of each year, the insurance
2 commissioner, in conjunction with the department of social and health
3 services, shall report to the legislature on the progress of the asset
4 protection program. The report shall include:

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

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

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

11 (4) The number of individuals seeking consumer information
12 services;

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

15 (6) Estimates of the impact of the program on present and future
16 medicaid expenditures;

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

18 (8) A determination regarding the appropriateness of continuing the
19 program.

20 NEW SECTION. **Sec. 457.** Sections 452 through 456 of this act shall
21 constitute a new chapter in Title 48 RCW."

22 Renumber the remaining sections consecutively and correct internal
23 references accordingly.

24 EFFECT: Establishes long-term care partnership program. (Similar
25 to HB 1971.)

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