

2 **2SHB 1908 - H AMD 711**

3 By Representative

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5 On page 57, after line 6, insert the following:

6 "Sec. 71. RCW 48.85.010 and 1993 c 492 s 458 are each amended to  
7 read as follows:

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

28 **Sec. 72.** RCW 48.85.020 and 1993 c 492 s 459 are each amended to  
29 read as follows:

30 The department of social and health services shall seek approval  
31 ~~((and a waiver of appropriate federal medicaid regulations))~~ from the  
32 federal health care financing administration to allow the protection of  
33 an individual's assets as provided in this chapter. The department  
34 shall adopt all rules necessary to implement the Washington long-term  
35 care partnership program, which rules shall permit the exclusion of all

1 or some of an individual's assets in a manner specified by the  
2 department in a determination of medicaid eligibility to the extent  
3 that private long-term care insurance provides payment or benefits for  
4 services ~~((that medicaid would approve or cover for medicaid~~  
5 ~~recipients))~~.

6 **Sec. 73.** RCW 48.85.030 and 1993 c 492 s 460 are each amended to  
7 read as follows:

8 (1) The insurance commissioner shall adopt rules defining the  
9 criteria that long-term care insurance policies must meet to satisfy  
10 the requirements of this chapter. The rules shall provide that all  
11 long-term care insurance policies purchased for the purposes of this  
12 chapter:

13 (a) Be guaranteed renewable;

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

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

20 (d) Provide automatic inflation protection or similar coverage for  
21 any policyholder through the age of seventy-nine and made optional at  
22 age eighty to protect the policyholder from future increases in the  
23 cost of long-term care;

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

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

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

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

37 (b) Offer case management services;

1 (c) Have procedures that provide for the keeping of individual  
2 policy records and procedures for the explanation of coverage and  
3 benefits identifying those payments or services available under the  
4 policy that meet the purposes of this chapter;

5 (d) Agree to provide the insurance commissioner, on or before  
6 September 1 of each year, an annual report containing (~~the following~~)  
7 information(~~:~~

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

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

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

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

17 **Sec. 74.** RCW 48.85.040 and 1993 c 492 s 461 are each amended to  
18 read as follows:

19 The insurance commissioner(~~, in conjunction with~~) shall, with the  
20 cooperation of the department of social and health services and members  
21 of the long-term care insurance industry, (~~shall~~) develop a consumer  
22 education program designed to educate consumers as to the need for  
23 long-term care, methods for financing long-term care, the availability  
24 of long-term care insurance, and the availability and eligibility  
25 requirements of the asset protection program provided under this  
26 chapter.

27 **Sec. 75.** RCW 48.85.050 and 1993 c 492 s 462 are each amended to  
28 read as follows:

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

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

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

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

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

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

8 (6) Estimates of the impact of the program on present and future  
9 medicaid expenditures;

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

11 (8) A determination regarding the appropriateness of continuing the  
12 program.

13 **Sec. 76.** RCW 74.09.585 and 1989 c 87 s 7 are each amended to read  
14 as follows:

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

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

22 (3) The department may waive a period of ineligibility if the  
23 department determines that denial of eligibility would work an undue  
24 hardship."

25 Renumber the remaining sections consecutively and correct the  
26 title.

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