

HOUSE No. 1004

By Mr. Mariano of Quincy, petition of Ronald Mariano relative to a long term care partnership program. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO A LONG TERM CARE PARTNERSHIP PROGRAM.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Notwithstanding any general of special law to the
2 contrary the Division of Insurance, after prior consultation with
3 states with experience with long-term care insurance policies, repre-
4 sentatives of consumers of long-term care insurance policies, long-
5 term care providers including the Massachusetts Extended Care
6 federation, Inc. shall submit a state plan amendment to the Secretary
7 of the federal office of Health and Human Services (HHS) providing
8 for a Long Term Care Insurance Partnership Program. Such a pro-
9 gram shall, for purposes of determining financial eligibility for
10 MassHealth services, disregard assets or resources in an amount
11 equal to the insurance benefit payments that are made to or on behalf
12 of an individual who is a beneficiary under a qualified long-term
13 care insurance policy.

14 The plan amendment shall comply with the requirements of all
15 relevant state and federal statutes and regulations including Sub-
16 chapter B, Section 6021, of the federal 2005 Deficit Reduction Act,
17 and 211 Code of Massachusetts Regulations (CMR) 65.00, Massa-
18 chusetts' Long-Term Care Insurance Regulations. To the extent
19 allowed under the state plan amendment as approved by the federal
20 Secretary of Health and Human Services (HHS), individuals who
21 have purchased long term care insurance policies that meet the min-
22 imum standards prior to the implementation of the Partnership Pro-
23 gram shall be afforded the same so-called asset disregard status for
24 purposes of determining financial eligibility for MassHealth services

25 as those who purchase qualifying policies after the Program has
26 commenced.

27 Upon approval by HHS of the state plan amendment, the Division
28 shall develop regulations to implement and administer the Partner-
29 ship Program consistent with state plan approval.

30 The Division is authorized to assess and collect reasonable fees
31 necessary for the proper administration of the Partnership Program
32 from insurance agents and companies selling long term care insur-
33 ance partnership policies. In establishing said fees, the Division
34 shall consider fee levels in other states administering programs sim-
35 ilar to the Partnership Program.

36 The Division shall submit a report annually to the Legislature
37 summarizing the results of the Partnership Program. The informa-
38 tion contained in the report shall include, but not be limited to, the
39 type and number of policies sold under the Partnership Program, the
40 number of individuals denied policies and the reasons for such
41 denials, and the estimated annual savings to the MassHealth pro-
42 gram resulting from the operation of the Partnership Program. The
43 Division shall have the authority to enter into a reciprocal agreement
44 with another state that has authorized and implemented a program
45 similar to the Partnership Programs where the agreement provides
46 for the granting of mutual, multi-state Medicaid asset protection for
47 a purchaser of long term care insurance policies in one state who
48 accesses services in another state.

1 SECTION 2. Individuals who purchase long term care insurance
2 policies that meet the minimum standards outlined in the act shall be
3 allowed to deduct from income subject to state taxation 50% of the
4 annual premium but not more than \$3,000 per year. Married indi-
5 viduals filing jointly or separately are allowed to each claim the
6 exemption from state taxable income of 50% of the annual premium
7 but not more than \$3,000 per year.