

HOUSE No. 934

The Commonwealth of Massachusetts

PRESENTED BY:

Kay Khan

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to a long term care partnership program.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>
<i>John V. Fernandes</i>	<i>10th Worcester</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>

HOUSE No. 934

By Ms. Khan of Newton, a petition (accompanied by bill, House, No. 934) of Kay Khan and others that the Division of Insurance submit a plan providing for a long-term care insurance partnership program. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 3939 OF 2011-2012.]

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

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

10 The plan amendment shall comply with the requirements of all relevant state and federal
11 statutes and regulations including Subchapter B, Section 6021, of the federal 2005 Deficit
12 Reduction Act, and 211 Code of Massachusetts Regulations (CMR) 65.00, Massachusetts' Long-
13 Term Care Insurance Regulations. To the extent allowed under the state plan amendment as
14 approved by the federal Secretary of Health and Human Services (HHS), individuals who have
15 purchased long term care insurance policies that meet the minimum standards prior to the
16 implementation of the Partnership Program shall be afforded the same so-called asset disregard

17 status for purposes of determining financial eligibility for MassHealth services as those who
18 purchase qualifying policies after the Program has commenced.

19 Upon approval by HHS of the state plan amendment, the Division shall develop
20 regulations to implement and administer the Partnership Program consistent with state plan
21 approval. The Division is authorized to assess and collect reasonable fees necessary for the
22 proper administration of the Partnership Program from insurance agents and companies selling
23 long term care insurance partnership policies. In establishing said fees, the Division shall
24 consider fee levels in other states administering programs similar to the Partnership Program.

25 The Division shall submit a report annually to the Legislature summarizing the results of
26 the Partnership Program. The information contained in the report shall include, but not be limited
27 to, the type and number of policies sold under the Partnership Program, the number of
28 individuals denied policies and the reasons for such denials, and the estimated annual savings to
29 the MassHealth program resulting from the operation of the Partnership Program. The Division
30 shall have the authority to enter into a reciprocal agreement with another state that has authorized
31 and implemented a program similar to the Partnership Programs where the agreement provides
32 for the granting of mutual, multi-state Medicaid asset protection for a purchaser of long term care
33 insurance policies in one state accesses services in another state.

34 SECTION 2. Individuals who purchase long term care insurance policies that meet the
35 minimum standards outlined in the act shall be allowed to deduct from income subject to state
36 taxation 50% of the annual premium but not more than \$3,000 per year. Married individuals
37 filing jointly or separately are allowed to each claim the exemption from state taxable income of
38 50% of the annual premium but not more than \$3,000 per year.