CHAPTER 514H

LONG-TERM CARE ASSET DISREGARD INCENTIVES

Referred to in §87.4, §249A.35, §296.7, §331.301, §364.4, §505.28, §505.29, §669.14, §670.7

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514H.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Deficit Reduction Act of 2005"* means section 6021(a)(1)(A) of Pub. L. No. 109-171 as it pertains to the expansion of state long-term care insurance partnership programs.

2. *"Long-term care facility"* means a facility licensed under chapter 135C or an assisted living program certified under chapter 231C.

3. *"Long-term care insurance"* means long-term care insurance as defined in section 514G.103 and regulated in section 514G.105.

4. *"Qualified long-term care insurance policy"* means a long-term care insurance contract that is issued by an insurer or other person who complies with section 514H.4.

5. *"Qualified long-term care services"* means qualified long-term care services as defined in section 7702B(c) of the Internal Revenue Code.

6. *"Qualified state long-term care insurance partnership"* means an approved state plan amendment, according to the Deficit Reduction Act of 2005 that provides for the disregard of any assets or resources in an amount equal to the insurance benefit payments that are made to or on behalf of an individual who is a beneficiary.

2005 Acts, ch 166, §2, 13; 2008 Acts, ch 1175, §15; 2009 Acts, ch 145, §13, 14

514H.2 Iowa long-term care asset disregard incentive program — establishment and administration.

1. The Iowa long-term care asset disregard incentive program is established to do all of the following:

a. Provide incentives for individuals to insure against the costs of providing for their long-term care needs.

b. Provide a mechanism for individuals to qualify for coverage of the costs of their long-term care needs under the medical assistance program without first being required to substantially exhaust all their resources.

c. Assist in developing methods for increasing access to and the affordability of long-term care insurance.

d. Alleviate the financial burden on the state's medical assistance program by encouraging the pursuit of private initiatives.

2. The insurance division of the department of commerce shall administer the program in cooperation with the division responsible for medical services within the department of human services. Each agency shall take all necessary actions, including filing an appropriate medical assistance state plan amendment to the state Medicaid plan to take full advantage of the benefits and features of the Deficit Reduction Act of 2005.

2005 Acts, ch 166, §3, 13; 2009 Acts, ch 145, §15

514H.3 Eligibility.

An individual who is the beneficiary of a qualified long-term care insurance policy approved by the insurance division may be eligible for assistance under the medical assistance program using the asset disregard provisions pursuant to section 514H.5.

2005 Acts, ch 166, §4, 13; 2009 Acts, ch 145, §16

Referred to in **§514H.5**

514H.4 Insurer requirements.

An insurer or other person who wishes to issue a qualified long-term care insurance policy in Iowa shall conform with all policy guidelines as expressed in the Deficit Reduction Act of 2005 and in Iowa law and rules.

2005 Acts, ch 166, §5, 13; 2009 Acts, ch 145, §17

Referred to in **§514H.1**

514H.5 Asset disregard adjustment.

1. As used in this section, *"asset disregard"* means a one dollar increase in the amount of assets an individual who is the beneficiary of a qualified long-term care insurance policy and meets the requirements of section 514H.3 may retain under section 249A.35 for each one dollar of benefit paid out under the individual's qualified long-term care insurance policy for qualified long-term care services.

2. When the division responsible for medical services within the department of human services determines whether an individual is eligible for medical assistance under chapter 249A, the division shall make an asset disregard adjustment for any individual who meets the requirements of section 514H.3. The asset disregard shall be available after benefits of the qualified long-term care insurance policy have been applied to the cost of qualified long-term care services as required under this chapter.

2005 Acts, ch 166, §6, 13; 2009 Acts, ch 145, §18

Referred to in **§249A.35**, **§514H.3**, **§514H.6**, **§514H.7**, **§514H.8**

514H.6 Application of asset disregard to determination of individual's assets.

A public program administered by the state that provides long-term care services and bases eligibility upon the amount of the individual's assets shall apply the asset disregard under section 514H.5 in determining the amount of the individual's assets.

2005 Acts, ch 166, §7, 13

514H.7 Prior program — discontinuation of program.

1. If the Iowa long-term care asset disregard incentive program is discontinued, an individual who is covered by a qualified long-term care insurance policy prior to the date the program is discontinued is eligible to continue to receive an asset disregard as defined under section 514H.5.

2. An individual who is covered by a long-term care insurance policy under the long-term care asset preservation program established pursuant to chapter 249G, Code 2005, on or before November 17, 2005, is eligible to continue to receive the asset adjustment as defined under that chapter.

3. The insurance division, in cooperation with the department of human services, shall adopt rules to provide an asset disregard to individuals who are covered by a long-term care insurance policy prior to November 17, 2005, consistent with the Iowa long-term care asset disregard incentive program.

2005 Acts, ch 166, §8, 13; 2009 Acts, ch 145, §19

514H.8 Reciprocal agreements to extend asset disregard.

The division responsible for medical services within the department of human services may enter into reciprocal agreements with other states to extend the asset disregard under section 514H.5 to Iowa residents who had purchased or were covered by qualified long-term care insurance policies in other states.

2005 Acts, ch 166, §9, 13; 2009 Acts, ch 145, §20

514H.9 Rules.

The insurance division of the department of commerce in cooperation with the department of human services shall adopt rules pursuant to chapter 17A as necessary to administer this chapter.

2005 Acts, ch 166, §10, 13; 2009 Acts, ch 145, §21