

House Amendment 1479

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1 1 Amend House File 819 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 <Section 1. NEW SECTION. 249A.35 PURCHASE OF
1 5 CERTIFIED LONG-TERM CARE INSURANCE POLICY ==
1 6 COMPUTATION UNDER MEDICAL ASSISTANCE PROGRAM.
1 7 A computation for the purposes of determining
1 8 eligibility under this chapter concerning an
1 9 individual who is the beneficiary of a certified long=
1 10 term care insurance policy under chapter 514H shall
1 11 include consideration of the asset disregard provided
1 12 in section 514H.5.
1 13 Sec. 2. NEW SECTION. 514H.1 DEFINITIONS.
1 14 As used in this chapter, unless the context
1 15 otherwise requires:
1 16 1. "Certified long-term care insurance policy"
1 17 means a long-term care insurance contract that is
1 18 issued by an insurer or other person who complies with
1 19 section 514H.4.
1 20 2. "Long-term care facility" means a facility
1 21 licensed under chapter 135C or an assisted living
1 22 program certified under chapter 231C.
1 23 3. "Long-term care insurance" means long-term care
1 24 insurance as defined in section 514G.4 and regulated
1 25 in section 514G.7.
1 26 4. "Qualified long-term care services" means
1 27 qualified long-term care services as defined in
1 28 section 7702B(c) of the Internal Revenue Code.
1 29 Sec. 3. NEW SECTION. 514H.2 IOWA LONG-TERM CARE
1 30 ASSET DISREGARD INCENTIVE PROGRAM == ESTABLISHMENT AND
1 31 ADMINISTRATION.
1 32 1. The Iowa long-term care asset disregard
1 33 incentive program is established to do all of the
1 34 following:
1 35 a. Provide incentives for individuals to insure
1 36 against the costs of providing for their long-term
1 37 care needs.
1 38 b. Provide a mechanism for individuals to qualify
1 39 for coverage of the costs of their long-term care
1 40 needs under the medical assistance program without
1 41 first being required to substantially exhaust all
1 42 their resources.
1 43 c. Assist in developing methods for increasing
1 44 access to and the affordability of long-term care
1 45 insurance.
1 46 d. Alleviate the financial burden on the state's
1 47 medical assistance program by encouraging the pursuit
1 48 of private initiatives.
1 49 2. The insurance division of the department of
1 50 commerce shall administer the program in cooperation
2 1 with the division responsible for medical services
2 2 within the department of human services. Each agency
2 3 shall take appropriate action to maintain the waiver
2 4 granted by the centers for Medicare and Medicaid
2 5 services of the United States department of health and
2 6 human services under 42 U.S.C. } 1396 relating to
2 7 providing medical assistance under chapter 249A, in
2 8 effect prior to the effective date of this Act.
2 9 Sec. 4. NEW SECTION. 514H.3 ELIGIBILITY.
2 10 An individual who is the beneficiary of a certified
2 11 long-term care insurance policy approved by the
2 12 insurance division may be eligible for assistance
2 13 under the medical assistance program using the asset
2 14 disregard provisions pursuant to section 514H.5.
2 15 Sec. 5. NEW SECTION. 514H.4 INSURER
2 16 REQUIREMENTS.
2 17 1. An insurer or other person who wishes to issue
2 18 a certified long-term care insurance policy meeting
2 19 the requirements of this chapter shall, at a minimum,
2 20 offer to each policyholder or prospective policyholder
2 21 a policy that provides both of the following:
2 22 a. Facility coverage, including but not limited to
2 23 long-term care facility coverage.
2 24 b. Nonfacility coverage, including but not limited

2 25 to home and community-based care coverage.
2 26 2. An insurer or other person who complies with
2 27 subsection 1 may also elect to offer a certified long=
2 28 term care insurance policy that provides only facility
2 29 coverage.
2 30 Sec. 6. NEW SECTION. 514H.5 ASSET DISREGARD
2 31 ADJUSTMENT.
2 32 1. As used in this section, "asset disregard"
2 33 means a one dollar increase in the amount of assets an
2 34 individual who is the beneficiary of a certified long=
2 35 term care insurance policy and meets the requirements
2 36 of section 514H.3 may retain under section 249A.35 for
2 37 each one dollar of benefit paid out under the
2 38 individual's certified long-term care insurance policy
2 39 for qualified long-term care services if the policy
2 40 meets all of the following criteria:
2 41 a. If purchased prior to January 1, 2005, provides
2 42 benefits in an amount equal to at least seventy
2 43 thousand dollars as computed on January 1, 2005.
2 44 b. If purchased on or after January 1, 2005,
2 45 provides benefits in an amount equal to at least
2 46 seventy thousand dollars as computed on January 1,
2 47 2005, compounded annually by at least five percent, or
2 48 an amount equal to at least the minimum face amount
2 49 specified by the commissioner of insurance pursuant to
2 50 subsection 3, whichever amount is greater.
3 1 c. Includes a provision under which the total
3 2 amount of the benefit increases by at least five
3 3 percent, compounded annually.
3 4 2. When the division responsible for medical
3 5 services within the department of human services
3 6 determines whether an individual is eligible for
3 7 medical assistance under chapter 249A, the division
3 8 shall make an asset disregard adjustment for any
3 9 individual who meets the requirements of section
3 10 514H.3. The asset disregard shall be available after
3 11 benefits of the certified long-term care insurance
3 12 policy have been applied to the cost of qualified
3 13 long-term care services as required under this
3 14 chapter.
3 15 3. Beginning September 1, 2006, or one year after
3 16 the effective date of this Act, whichever is later,
3 17 the commissioner of insurance shall issue a bulletin
3 18 annually on that date, declaring the minimum face
3 19 amount for policies to qualify for the Iowa long-term
3 20 care asset disregard incentive program for the
3 21 following calendar year. In making this
3 22 determination, the commissioner shall consult with the
3 23 division responsible for collecting data on average
3 24 nursing home costs in Iowa. Additionally, in making
3 25 this determination, the commissioner shall consider
3 26 the current average daily cost for three years of
3 27 nursing home care and other relevant information.
3 28 Sec. 7. NEW SECTION. 514H.6 APPLICATION OF ASSET
3 29 DISREGARD TO DETERMINATION OF INDIVIDUAL'S ASSETS.
3 30 A public program administered by the state that
3 31 provides long-term care services and bases eligibility
3 32 upon the amount of the individual's assets shall apply
3 33 the asset disregard under section 514H.5 in
3 34 determining the amount of the individual's assets.
3 35 Sec. 8. NEW SECTION. 514H.7 PRIOR PROGRAM ==
3 36 DISCONTINUATION OF PROGRAM.
3 37 1. If the Iowa long-term care asset disregard
3 38 incentive program is discontinued, an individual who
3 39 is covered by a certified long-term care insurance
3 40 policy prior to the date the program is discontinued
3 41 is eligible to continue to receive an asset disregard
3 42 as defined under section 514H.5.
3 43 2. An individual who is covered by a long-term
3 44 care insurance policy under the long-term care asset
3 45 preservation program established pursuant to chapter
3 46 249G, Code 2005, on or before the effective date of
3 47 this Act, is eligible to continue to receive the asset
3 48 adjustment as defined under that chapter.
3 49 3. The insurance division, in cooperation with the
3 50 department of human services, shall adopt rules to
4 1 provide an asset disregard to individuals who are
4 2 covered by a long-term care insurance policy prior to
4 3 the effective date of this Act, consistent with the
4 4 Iowa long-term care asset disregard incentive program.
4 5 Sec. 9. NEW SECTION. 514H.8 RECIPROCAL

4 6 AGREEMENTS TO EXTEND ASSET DISREGARD.
4 7 The division responsible for medical services
4 8 within the department of human services may enter into
4 9 reciprocal agreements with other states to extend the
4 10 asset disregard under section 514H.5 to Iowa residents
4 11 who had purchased or were covered by certified long=
4 12 term care insurance policies in other states.

4 13 Sec. 10. NEW SECTION. 514H.9 RULES.

4 14 The insurance division of the department of
4 15 commerce in cooperation with the department of human
4 16 services shall adopt rules pursuant to chapter 17A as
4 17 necessary to administer this chapter. The insurance
4 18 division shall consult with representatives of the
4 19 insurance industry in adopting such rules. This
4 20 delegation of rulemaking authority shall be construed
4 21 narrowly.

4 22 Sec. 11. Chapter 249G, Code 2005, is repealed.

4 23 Sec. 12. MEDICAL ASSISTANCE STATE PLAN AMENDMENT
4 24 == WAIVER == IOWA LONG=TERM CARE ASSET DISREGARD
4 25 INCENTIVE PROGRAM.

4 26 1. The department of human services shall amend
4 27 the medical assistance state plan to provide that all
4 28 amounts paid for qualified long=term care services
4 29 under a certified long=term care insurance policy
4 30 pursuant to chapter 514H, as enacted in this Act,
4 31 shall be considered in determining the amount of the
4 32 asset disregard.

4 33 2. The department of human services shall seek
4 34 approval of a medical assistance state plan amendment
4 35 or make application to the United States department of
4 36 health and human services for any waiver necessary to
4 37 implement chapter 514H, as enacted in this Act.

4 38 Sec. 13. CONTINGENT EFFECTIVE DATE == IOWA LONG=
4 39 TERM CARE ASSET DISREGARD INCENTIVE PROGRAM.

4 40 1. This Act shall not take effect until all
4 41 medical assistance state plan amendments and waivers
4 42 necessary to implement chapter 514H, as enacted in
4 43 this Act, are approved by the United States department
4 44 of health and human services. The department of human
4 45 services shall notify the Code editor if such approval
4 46 is received.

4 47 2. If the requirement of subsection 1 is met, the
4 48 program shall begin no sooner than six months
4 49 following the date that the requirement is met.

4 50 Sec. 14. APPROPRIATION. There is appropriated
5 1 from the general fund of the state to the division of
5 2 insurance of the department of commerce for the fiscal
5 3 year beginning July 1, 2005, and ending June 30, 2006,
5 4 the following amount, or so much thereof as is
5 5 necessary, to establish an educational program to
5 6 inform Iowans regarding the Iowa long=term care asset
5 7 disregard incentive program and for up to the
5 8 following full=time equivalent positions:

5 9	\$	300,000
5 10	FTEs	2.00>

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5 14 SANDS of Louisa
5 15 HF 819.303 81
5 16 pf/cf/1996