

(P. 227) 2/4/93

Sub Comm - Human Res.
Szymoniak, Baker, Kramer

(P. 203) 2/2/93 Human Res.
(P. 386) 2/23/93 Do Pass

FILED FEB 2 1993
(P. 489) 3/9/93 Home Human Res.
3/31/93 Amend/Do Pass w/ H. 3598

SENATE FILE
BY PALMER

Passed Senate, Date (P. 442) 3/1/93
Vote: Ayes 47 Nays 3

Passed House, Date (P. 1535) 4/22/93
Vote: Ayes 97 Nays 3

Referred 49/0
4/28/93
Approved (P. 1397) May 4, 1993

A BILL FOR

- 1 An Act relating to the establishment of a long-term care asset
- 2 preservation program.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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SFB3

1 Section 1. NEW SECTION. 249F.1 LONG-TERM CARE ASSET
2 PRESERVATION PROGRAM.

3 1. The Iowa long-term care asset preservation program is
4 established to do all of the following:

5 a. Provide incentives for an individual to insure against
6 the costs of providing for the individual's own long-term
7 care.

8 b. Provide a mechanism for an individual to qualify for
9 coverage of the costs of the individual's long-term care needs
10 under the medical assistance program pursuant to chapter 249A
11 prior to substantially exhausting the assets of the
12 individual.

13 c. Assist in developing methods for increasing access to
14 and the affordability of a long-term care policy.

15 d. Provide counseling services to individuals regarding
16 planning for long-term care needs.

17 e. Assist in alleviating the financial burden on the
18 state's medical assistance program by encouraging the pursuit
19 of private long-term care payment initiatives.

20 2. The department of human services, the department of
21 elder affairs, and the division of insurance of the department
22 of commerce shall administer this program as provided in this
23 chapter.

24 Sec. 2. NEW SECTION. 249F.2 DUTIES OF DEPARTMENTS.

25 1. The department of human services shall make application
26 to the United States department of health and human services
27 for any necessary waivers under 42 U.S.C. § 1396n relating to
28 providing assistance under chapter 249A.

29 2. The division of insurance shall adopt rules pursuant to
30 chapter 17A for the certification of any long-term care policy
31 or contract which, if purchased by an eligible individual,
32 will allow such individual to retain additional assets as
33 provided in section 249F.4. A policy certified pursuant to
34 this section shall satisfy the definition in section 514G.4,
35 subsection 1, and additionally shall, at a minimum, do all of

1 the following:

2 a. Inform the purchaser of the availability of consumer
3 information concerning the long-term care asset preservation
4 program established in this chapter.

5 b. Provide the option of home and community-based services
6 in addition to nursing home care.

7 c. Provide case management services in all home care
8 plans.

9 d. Provide for inflation protection.

10 e. Provide for recordkeeping and an explanation of benefit
11 reports on insurance payments which qualify for the asset
12 adjustment under section 249F.4.

13 f. Provide for written reports to the division regarding
14 the effects of this program on the amount of medical
15 assistance payments made under chapter 249A.

16 3. The division of insurance shall develop and implement a
17 plan providing information to persons who may be eligible to
18 participate in the long-term care asset preservation program.

19 Sec. 3. NEW SECTION. 249F.3 ELIGIBILITY -- PARTICIPATION
20 IN PROGRAM.

21 An individual who elects to participate in the long-term
22 care asset preservation program shall make application to the
23 department of human services on a form provided by the
24 department. The department shall find that the individual is
25 eligible if the individual satisfies all of the following:

26 1. Is at least sixty-five years of age.

27 2. Is eligible to receive medical assistance pursuant to
28 chapter 249A upon application of the asset adjustment.

29 3. Is the beneficiary of a medicare supplemental insurance
30 policy approved by the division of insurance, or is enrolled
31 in a prepaid health care delivery plan that provides acute
32 care and preventive care services.

33 4. Is the beneficiary of a certified long-term care policy
34 or contract approved by the division of insurance, or is
35 enrolled in a prepaid health care delivery plan that provides

1 long-term care services.

2 Sec. 4. NEW SECTION. 249F.4 ASSET ADJUSTMENT.

3 1. As used in this chapter, "asset adjustment" means an
4 increase in the amount of assets an individual who purchases a
5 qualified long-term care policy or contract and who meets the
6 requirements of section 249F.3 may retain for purposes of
7 determining eligibility for long-term care services under
8 chapter 249A equal to the benefit amount actually paid out
9 under the individual's policy or contract.

10 2. The department of human services shall make an asset
11 adjustment for an individual who is qualified pursuant to
12 section 249F.3 and who purchases a qualified long-term care
13 policy. The asset adjustment is available to the individual
14 after the benefits of the long-term care policy have been
15 applied to the cost of long-term care as required in
16 subsection 1.

17 EXPLANATION

18 This bill establishes a long-term care asset preservation
19 program in the department of human services. The program is
20 to provide incentives for a qualified individual to insure
21 against costs of providing for the individual's long-term care
22 while increasing the allowable assets which the individual may
23 retain to qualify under chapter 249A, the medical assistance
24 chapter (Medicaid). The bill provides that the department of
25 human services is to make application to the U.S. department
26 of health and human services for any necessary waivers to
27 implement the program, the division of insurance is to certify
28 qualifying long-term care policies and contracts for the
29 program, and the department of elder affairs is to develop a
30 plan to educate persons who may be eligible to participate.

31 The bill establishes eligibility criteria for individuals
32 intending to participate under the program. The criteria
33 include that the individual be at least 65 years of age,
34 eligible to receive medical assistance pursuant to chapter
35 249A except for the asset requirements, and is the beneficiary

1 of certain health care coverages. The asset adjustment
2 established in this chapter means an increase in the amount of
3 assets an individual who purchases a qualified long-term care
4 policy or contract and who meets the requirements of section
5 249F.3 may retain for purposes of determining eligibility for
6 long-term care services under chapter 249A equal to the
7 benefit amount actually paid out under the individual's policy
8 or contract.

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**SENATE FILE 63
FISCAL NOTE**

A fiscal note for Senate File 63 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 63 establishes a long-term care asset preservation program in the Department of Human Services (DHS). The Program will provide incentives for a qualified individual to insure against costs of providing for the individual's long-term care. It will also increase the allowable assets which the individual may retain and still qualify under Medicaid. The DHS is required to make application for any necessary federal waivers to implement the program. The Division of Insurance is to certify qualifying long-term care policies and contracts for the program, and develop a plan to educate persons who may be eligible to participate.

Criteria for participation include that the individual be at least 65 years of age, eligible to receive Medicaid except for the asset requirements, and is the beneficiary of certain health care coverages.

Assumptions:

1. The Division of Insurance would require 1.5 FTE positions along with their support to implement and maintain the program.
2. No policies would be sold in FY 1994.
3. The DHS would require additional administrative and Income Maintenance staff in FY 1995.
4. Federal funds would be available to match State expenditures.

Fiscal Impact:

The total projected expenditures in FY 1994 related to Senate File 63 are estimated to be \$101,000. This will pay for the new positions in the Division of Insurance. The FY 1995 projected expenditures are estimated to be \$466,000, of which the State cost will be \$284,000. This will pay for the staff in the Division of Insurance and for additional Income Maintenance Workers in the Department of Human Services.

Sources: Department of Commerce, Division of Insurance
Department of Human Services

(LSB 1342ss, JMN)

FILED APRIL 8, 1993

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 63

H-3610

- 1 Amend Senate File 63, as passed by the Senate, as
- 2 follows:
- 3 1. Page 3, line 4, by striking the word
- 4 "increase" and inserting the following: "additional
- 5 exemption".

By BLODGETT of Cerro Gordo

H-3610 FILED APRIL 1, 1993

adopted 4/22/93 (P. 1535)

SENATE FILE 63

H-3782

- 1 Amend Senate File 63, as passed by the Senate, as
- 2 follows:
- 3 1. Page 1, line 25, by inserting after the word
- 4 "shall" the following: "seek approval of a state plan
- 5 amendment or".

By BLODGETT of Cerro Gordo

H-3782 FILED APRIL 7, 1993

adopted 4/22/93 (P. 1533)

SENATE FILE 63

H-4006

- 1 Amend Senate File 63, as passed by the Senate, as
- 2 follows:
- 3 1. Page 2, by striking lines 29 through 32.
- 4 2. By renumbering as necessary.

By BLODGETT of Cerro Gordo

H-4006 FILED APRIL 15, 1993

adopted 4/22/93 (P. 1534)

SENATE FILE 63

H-3598

- 1 Amend Senate File 63, as passed by the Senate, as
- 2 follows:
- 3 1. Page 2, line 16, by striking the words
- 4 "division of insurance" and inserting the following:
- 5 "department of elder affairs".

WITHDRAWN
4-22-93

By COMMITTEE ON HUMAN RESOURCES
PLASIER of Sioux, Chairperson

H-3598 FILED MARCH 31, 1993

SENATE FILE 63

H-3599

- 1 Amend Senate File 63, as passed by the Senate, as
- 2 follows:
- 3 1. Page 1, lines 20 and 21, by striking the words
- 4 ", the department of elder affairs,".

By BLODGETT of Cerro Gordo

H-3599 FILED MARCH 31, 1993

adopted
4/22/93 (P. 1533)

HOUSE AMENDMENT TO
SENATE FILE 63

S-3607

- 1 Amend Senate File 63, as passed by the Senate, as
2 follows:
3 1. Page 1, lines 20 and 21, by striking the words
4 ", the department of elder affairs,".
5 2. Page 1, line 25, by inserting after the word
6 "shall" the following: "seek approval of a state plan
7 amendment or".
8 3. Page 2, by striking lines 29 through 32.
9 4. Page 3, line 4, by striking the word
10 "increase" and inserting the following: "additional
11 exemption".
12 5. By renumbering, relettering, or redesignating
13 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-3607 FILED APRIL 23, 1993

Senate Concurred
4/28/93
(P.1397)

SENATE FILE 63

AN ACT

RELATING TO THE ESTABLISHMENT OF A LONG-TERM CARE ASSET
PRESERVATION PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 249F.1 LONG-TERM CARE ASSET
PRESERVATION PROGRAM.

1. The Iowa long-term care asset preservation program is established to do all of the following:
 - a. Provide incentives for an individual to insure against the costs of providing for the individual's own long-term care.
 - b. Provide a mechanism for an individual to qualify for coverage of the costs of the individual's long-term care needs

under the medical assistance program pursuant to chapter 249A prior to substantially exhausting the assets of the individual.

- c. Assist in developing methods for increasing access to and the affordability of a long-term care policy.
- d. Provide counseling services to individuals regarding planning for long-term care needs.
- e. Assist in alleviating the financial burden on the state's medical assistance program by encouraging the pursuit of private long-term care payment initiatives.

2. The department of human services and the division of insurance of the department of commerce shall administer this program as provided in this chapter.

Sec. 2. NEW SECTION. 249F.2 DUTIES OF DEPARTMENTS.

1. The department of human services shall seek approval of a state plan amendment or make application to the United States department of health and human services for any necessary waivers under 42 U.S.C. § 1396n relating to providing assistance under chapter 249A.

2. The division of insurance shall adopt rules pursuant to chapter 17A for the certification of any long-term care policy or contract which, if purchased by an eligible individual, will allow such individual to retain additional assets as provided in section 249F.4. A policy certified pursuant to this section shall satisfy the definition in section 514G.4, subsection 1, and additionally shall, at a minimum, do all of the following:

- a. Inform the purchaser of the availability of consumer information concerning the long-term care asset preservation program established in this chapter.
- b. Provide the option of home and community-based services in addition to nursing home care.
- c. Provide case management services in all home care plans.
- d. Provide for inflation protection.

e. Provide for recordkeeping and an explanation of benefit reports on insurance payments which qualify for the asset adjustment under section 249F.4.

f. Provide for written reports to the division regarding the effects of this program on the amount of medical assistance payments made under chapter 249A.

3. The division of insurance shall develop and implement a plan providing information to persons who may be eligible to participate in the long-term care asset preservation program.

Sec. 3. NEW SECTION. 249F.3 ELIGIBILITY -- PARTICIPATION IN PROGRAM.

An individual who elects to participate in the long-term care asset preservation program shall make application to the department of human services on a form provided by the department. The department shall find that the individual is eligible if the individual satisfies all of the following:

1. Is at least sixty-five years of age.
2. Is eligible to receive medical assistance pursuant to chapter 249A upon application of the asset adjustment.
3. Is the beneficiary of a certified long-term care policy or contract approved by the division of insurance, or is enrolled in a prepaid health care delivery plan that provides long-term care services.

Sec. 4. NEW SECTION. 249F.4 ASSET ADJUSTMENT.

1. As used in this chapter, "asset adjustment" means an additional exemption in the amount of assets an individual who purchases a qualified long-term care policy or contract and who meets the requirements of section 249F.3 may retain for purposes of determining eligibility for long-term care services under chapter 249A equal to the benefit amount actually paid out under the individual's policy or contract.

2. The department of human services shall make an asset adjustment for an individual who is qualified pursuant to section 249F.3 and who purchases a qualified long-term care policy. The asset adjustment is available to the individual

after the benefits of the long-term care policy have been applied to the cost of long-term care as required in subsection 1.

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 63, Seventy-fifth General Assembly.

JOHN P. DWYER
Secretary of the Senate

Approved May 4, 1993

TERRY E. BRANSTAD
Governor