

direct the Department of Public Safety to strictly enforce the 70 mph limit once it becomes effective. Current Department of Transportation data indicates a vast majority of interstate drivers travel at 69.8 mph on average. Through my action today, the speed limit will increase but actual speeds on Iowa's highways will not. I expect Iowa drivers to respect the law and the posted speed limit.

The higher speed limit will become effective on July 1, 2005. In the meantime, I direct the Department of Transportation to work in cooperation with the Department of Public Safety to conduct a study of the interstate system to determine areas that 70 mph may not be safe. Under this law, the Department of Transportation is authorized to establish a lower speed limit if warranted. Based on the study's findings, a determination will be made on the appropriate speed limit for individual areas of Iowa's interstate system.

House File 826 is approved on this date with the following exceptions, which I hereby disapprove:

I am unable to approve the items designated as Section 7 and Section 9 in their entirety. These sections deal with the allocation of funds to the Department of Public Safety for vehicles utilized by the Iowa State Patrol from fines attributable to speeding fines. Although I agree with the need to increase funding for the Iowa State Patrol vehicle fleet, I do not believe the proper way is to directly tie the increase in speeding fines with the allocation for vehicles. This could leave the impression by some of tickets being written solely for improving the Iowa State Patrol fleet as opposed to the need for safety on our roads. I would encourage the Legislature to appropriate through the normal process for the Department of Public Safety and fund directly from the general fund additional resources for the Iowa State Patrol vehicle fleet.

For the above reasons, I respectfully disapprove these items in accordance with Article 3, Section 16, of the Constitution of the State of Iowa. All other items in House File 826 are hereby approved as of this date.

Sincerely,  
THOMAS J. VILSACK, *Governor*

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## CHAPTER 166

### MEDICAL ASSISTANCE — LONG-TERM CARE ASSET DISREGARD PROGRAM

*H.F. 819*

**AN ACT** relating to asset disregard under the medical assistance program for the purchase of a certified long-term care insurance policy, providing for a repeal, providing a contingent effective date, and providing an appropriation.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. 249A.35 PURCHASE OF CERTIFIED LONG-TERM CARE INSURANCE POLICY — COMPUTATION UNDER MEDICAL ASSISTANCE PROGRAM.

A computation for the purposes of determining eligibility under this chapter concerning an

individual who is the beneficiary of a certified long-term care insurance policy under chapter 514H shall include consideration of the asset disregard provided in section 514H.5.

Sec. 2. NEW SECTION. 514H.1 DEFINITIONS.

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

1. "Certified 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.
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.4 and regulated in section 514G.7.
4. "Qualified long-term care services" means qualified long-term care services as defined in section 7702B(c) of the Internal Revenue Code.

Sec. 3. NEW SECTION. 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 appropriate action to maintain the waiver granted by the centers for Medicare and Medicaid services of the United States department of health and human services under 42 U.S.C. § 1396 relating to providing medical assistance under chapter 249A, in effect prior to the effective date of this Act.

Sec. 4. NEW SECTION. 514H.3 ELIGIBILITY.

An individual who is the beneficiary of a certified 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.

Sec. 5. NEW SECTION. 514H.4 INSURER REQUIREMENTS.

1. An insurer or other person who wishes to issue a certified long-term care insurance policy meeting the requirements of this chapter shall, at a minimum, offer to each policyholder or prospective policyholder a policy that provides both of the following:
  - a. Facility coverage, including but not limited to long-term care facility coverage.
  - b. Nonfacility coverage, including but not limited to home and community-based care coverage.
2. An insurer or other person who complies with subsection 1 may also elect to offer a certified long-term care insurance policy that provides only facility coverage.

Sec. 6. NEW SECTION. 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 certified 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 certified long-term care insurance policy for qualified long-term care services if the policy meets all of the following criteria:

- a. If purchased prior to January 1, 2005, provides benefits in an amount equal to at least seventy thousand dollars as computed on January 1, 2005.
  - b. If purchased on or after January 1, 2005, provides benefits in an amount equal to at least seventy thousand dollars as computed on January 1, 2005, compounded annually by at least five percent, or an amount equal to at least the minimum face amount specified by the commissioner of insurance pursuant to subsection 3, whichever amount is greater.
  - c. Includes a provision under which the total amount of the benefit increases by at least five percent, compounded annually.
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 certified long-term care insurance policy have been applied to the cost of qualified long-term care services as required under this chapter.
  3. Beginning September 1, 2006, or one year after the effective date of this Act, whichever is later, the commissioner of insurance shall issue a bulletin annually on that date, declaring the minimum face amount for policies to qualify for the Iowa long-term care asset disregard incentive program for the following calendar year. In making this determination, the commissioner shall consult with the division responsible for collecting data on average nursing home costs in Iowa. Additionally, in making this determination, the commissioner shall consider the current average daily cost for three years of nursing home care and other relevant information.

Sec. 7. NEW SECTION. 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.

Sec. 8. NEW SECTION. 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 certified 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 the effective date of this Act, 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 the effective date of this Act, consistent with the Iowa long-term care asset disregard incentive program.

Sec. 9. NEW SECTION. 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 certified long-term care insurance policies in other states.

Sec. 10. NEW SECTION. 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. The insurance division shall consult with representatives of the insurance industry in adopting such rules. This delegation of rulemaking authority shall be construed narrowly.

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

Sec. 12. MEDICAL ASSISTANCE STATE PLAN AMENDMENT — WAIVER — IOWA LONG-TERM CARE ASSET DISREGARD INCENTIVE PROGRAM.

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

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

Sec. 13. CONTINGENT EFFECTIVE DATE — IOWA LONG-TERM CARE ASSET DISREGARD INCENTIVE PROGRAM.

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

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

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

.....	\$	300,000
.....	FTEs	2.00

Approved May 2, 2005

**CHAPTER 167**

**HEALTH CARE AND HEALTH CARE FINANCE**

*H.F. 841*

**AN ACT** relating to health care reform, including provisions relating to the medical assistance program, providing appropriations, providing effective dates, and providing for retroactive applicability.

*Be It Enacted by the General Assembly of the State of Iowa:*

DIVISION I  
IOWACARE

Section 1. NEW SECTION. 249J.1 TITLE.

This chapter shall be known and may be cited as the "Iowacare Act".