

HOUSE No. 1004

The Commonwealth of Massachusetts

PETITION OF:

Ronald Mariano

In the Year Two Thousand and Seven.

AN 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:

SECTION 1. Notwithstanding any general or special law to the contrary the Division of Insurance, after prior consultation with states with experience with long-term care insurance policies, representatives of consumers of long-term care insurance policies, long-term care providers including the Massachusetts Extended Care federation, Inc. shall submit a state plan amendment to the Secretary of the federal office of Health and Human Services (HHS) providing for a Long Term Care Insurance Partnership Program. Such a program shall, for purposes of determining financial eligibility for MassHealth services, disregard 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 under a qualified long-term care insurance policy.

The plan amendment shall comply with the requirements of all relevant state and federal statutes and regulations including Subchapter B, Section 6021, of the federal 2005 Deficit Reduction Act, and 211 Code of Massachusetts Regulations (CMR) 65.00, Massachusetts' Long-Term Care Insurance Regulations. To the extent allowed under the state plan amendment as approved by the federal Secretary of Health and Human Services (HHS), individuals who have purchased long term care insurance policies that meet the minimum standards prior to the implementation of the Partnership Program shall be afforded the same so-called asset disregard status for purposes of determining financial eligibility for MassHealth services as those who purchase qualifying policies after the Program has commenced.

Upon approval by HHS of the state plan amendment, the Division shall develop regulations to implement and administer the Partnership Program consistent with state plan approval.

The Division is authorized to assess and collect reasonable fees necessary for the proper administration of the Partnership Program from insurance agents and companies selling long term care insurance partnership policies. In establishing said fees, the Division shall consider fee levels in other states administering programs similar to the Partnership Program.

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

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