BILL ANALYSIS

H.B. 1834
By: Delisi
Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Long-term care is one of the leading cost drivers in the Medicaid program. Medicaid pays for 67 percent of all nursing facility days in Texas, and less than five percent of Texans have private long-term care insurance. As the population in Texas ages, the fiscal impact of publicly financing long-term care may grow exponentially. This impact may lessen if more Texans are encouraged to purchase long-term care insurance. However, current law does not provide any impetus for Texans who can afford the cost to purchase that insurance due to strict asset limits for Medicaid eligibility and required estate recovery of assets.

As proposed, HB 1834 creates a long-term care partnership program in Texas. Texans who purchase long-term care policies under this program will be eligible for asset disregard up to the value of services covered by the private policy should they ever apply for Medicaid long-term care coverage.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 and to the commissioner of insurance in SECTION 2 of this bill.

ANALYSIS

HB 1834 defines approved plan, asset protection, dollar-for-dollar asset disregard, executive commissioner, and partnership for long-term care program.

HB 1834 directs the Health and Human Services Commission (HHSC), with the assistance of the Department of Insurance (TDI), to implement and administer a long-term care partnership program as part of the medical assistance program, consistent with the provisions established under the federal Deficit Reduction Act of 2005 (DRA). To the extent allowed by federal laws, the executive commissioner, in adopting rules and standards in the medical assistance program, is required to allow for a dollar-for-dollar model of asset protection and asset disregard to an individual whose insurance policy meets the benefits standards of the commissioner of TDI. The protected assets will not be considered during Medicaid eligibility determination or in Estate Recovery obligations.

The bill further provides that HHSC is authorized but not required to enter into reciprocal agreements with other states to extend asset protection to a resident of Texas who purchased a long-term care policy in another state. It also requires the executive commissioner to adopt rules as necessary to administer the partnership for long-term care program, and requires the executive commissioner, in adopting rules, to provide for dollar-for-dollar asset disregard and asset protection for purchasers of an approved plan and count benefits paid under the approved plan toward the dollar-for-dollar asset disregard to the extent the benefits are provided for covered services under the approved plan. The bill requires HHSC to submit a report to the legislature on the progress of the partnership for long-term care program not later than January 1 of each odd-numbered year and sets forth specific requirements for the report. HHSC may request information from TDI to prepare the report.

House Bill 1834 defines approved plan, dollar-for-dollar asset disregard, asset protection, medical assistance program, and partnership for long-term care program. It directs TDI to assist HHSC in the administration of the partnership. It directs TDI to assist HHSC, as necessary, to perform its duties and functions with respect to the administration of the partnership for long-term care program. The commissioner in consultation with HHSC is required to adopt minimum standards for qualification of a policy as an approved plan for the partnership program, consistent with the DRA. Upon discontinuation of the partnership for long-term care program, the bill provides protections by keeping individuals with an approved plan eligible to receive dollar-for-dollar asset disregard and asset protection under the medical assistance program. It further authorizes the commissioner of TDI to adopt rules for implementation.

House Bill 1834 requires HHSC, in consultation with the Department of Aging and Disability Services (DADS) and TDI, to develop and implement a public awareness and education campaign, sets forth what the campaign is designed to do, and requires DADS and TDI to cooperate with and assist HHSC.

House Bill 1834 also requires HHSC to amend the state's Medicaid plan as necessary to implement the program.

House Bill 1834 also allows a delay in implementing any provision of the bill until any necessary waiver or federal approval is obtained.

EFFECTIVE DATE

September 1, 2007.