

By: Nelson

S.B. No. 22

A BILL TO BE ENTITLED

AN ACT

relating to long-term care insurance and a partnership for long-term care program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 32, Human Resources Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. PARTNERSHIP FOR LONG-TERM CARE PROGRAM

Sec. 32.101. DEFINITIONS. In this subchapter:

(1) "Approved plan" means a long-term care benefit plan that is approved by the Texas Department of Insurance under Subchapter C, Chapter 1651, Insurance Code.

(2) "Asset protection" means the right extended to a plan holder of a long-term care benefit plan to dollar-for-dollar asset disregard issued under the medical assistance program.

(3) "Dollar-for-dollar asset disregard" means an asset disregard in which the amount of the disregard is equal to the sum of qualifying benefit payments made on behalf of the qualified plan holder.

(4) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(5) "Partnership for long-term care program" means the program established under this subchapter and Subchapter C, Chapter 1651, Insurance Code.

Sec. 32.102. PARTNERSHIP FOR LONG-TERM CARE PROGRAM. The

1 partnership for long-term care program is administered as part of
2 the medical assistance program by the department with the
3 assistance of the Texas Department of Insurance. The program must
4 be consistent with provisions governing the expansion of a state
5 long-term care partnership program established under the federal
6 Deficit Reduction Act of 2005 (Pub. L. No. 109-171).

7 Sec. 32.103. ASSET DISREGARD AND PROTECTION. (a) To the
8 extent allowed by the federal Deficit Reduction Act of 2005 (Pub. L.
9 No. 109-171) and other federal law, the executive commissioner, in
10 adopting rules and standards governing the medical assistance
11 program, shall allow for dollar-for-dollar asset disregard and
12 asset protection to provide medical assistance to an individual
13 receiving long-term care services if the individual is or was
14 covered by a long-term care benefit plan providing coverage for
15 long-term care that meets the applicable minimum benefit standards
16 of the commissioner of the Texas Department of Insurance under
17 Subchapter C, Chapter 1651, Insurance Code, and other requirements
18 for approval under the partnership for long-term care program.

19 (b) The department may not consider the resources of an
20 individual who has exhausted the individual's benefits under an
21 approved plan to the extent those resources are the subject of a
22 dollar-for-dollar asset disregard in determining:

23 (1) eligibility for medical assistance under the
24 medical assistance program;

25 (2) the amount of medical assistance to be provided;

26 or

27 (3) any subsequent recovery by this state of medical

1 assistance to be provided to the individual.

2 Sec. 32.104. RECIPROCAL AGREEMENTS. The department may
3 enter into reciprocal agreements with other states to extend asset
4 protection to a resident of this state who purchased a long-term
5 care benefit plan in another state that has a substantially similar
6 asset disregard program.

7 Sec. 32.105. RULES. (a) The executive commissioner shall
8 adopt rules as necessary to administer the partnership for
9 long-term care program and to implement this subchapter.

10 (b) In adopting rules under this section, the executive
11 commissioner shall:

12 (1) provide for dollar-for-dollar asset disregard and
13 asset protection for purchasers of an approved plan; and

14 (2) count benefits paid under the approved plan toward
15 the dollar-for-dollar asset disregard to the extent the benefits
16 are provided for covered services under the approved plan.

17 Sec. 32.106. ANNUAL REPORT. (a) Not later than January 1
18 of each odd-numbered year, the department shall submit a report to
19 the legislature on the progress of the partnership for long-term
20 care program during the preceding calendar year. The report must
21 include:

22 (1) the number of approved plans sold;

23 (2) the average age of individuals purchasing approved
24 plans; and

25 (3) a recommendation on whether to continue the
26 program.

27 (b) The department may request information from the Texas

1 Department of Insurance as necessary to prepare the report required
2 by this section.

3 SECTION 2. Chapter 1651, Insurance Code, is amended by
4 adding Subchapter C to read as follows:

5 SUBCHAPTER C. PARTNERSHIP FOR LONG-TERM CARE PROGRAM

6 Sec. 1651.101. DEFINITIONS. In this subchapter:

7 (1) "Approved plan" means a long-term care benefit
8 plan that is approved by the department under this subchapter.

9 (2) "Dollar-for-dollar asset disregard" and "asset
10 protection" have the meanings assigned by Section 32.101, Human
11 Resources Code.

12 (3) "Medical assistance program" means the medical
13 assistance program established under Chapter 32, Human Resources
14 Code.

15 (4) "Partnership for long-term care program" means the
16 program established under Subchapter C, Chapter 32, Human Resources
17 Code, and this subchapter.

18 Sec. 1651.102. APPLICABILITY. Except to the extent of a
19 conflict, Subchapters A and B apply to a plan issued in accordance
20 with this subchapter.

21 Sec. 1651.103. ASSISTANCE OF DEPARTMENT. The department
22 shall assist the Health and Human Services Commission as necessary
23 for the commission to perform its duties and functions with respect
24 to the administration of the partnership for long-term care
25 program.

26 Sec. 1651.104. LONG-TERM CARE INSURANCE POLICY FOR
27 PARTNERSHIP FOR LONG-TERM CARE PROGRAM. The commissioner, in

1 consultation with the Health and Human Services Commission, shall
2 adopt minimum standards for a long-term care benefit plan that may
3 qualify as an approved plan under the partnership for long-term
4 care program. The standards must be consistent with provisions
5 governing the expansion of a state long-term care partnership
6 program established under the federal Deficit Reduction Act of 2005
7 (Pub. L. No. 109-171).

8 Sec. 1651.105. EFFECT OF DISCONTINUATION OF PROGRAM ON
9 POLICY. If the partnership for long-term care program is
10 discontinued, an individual who purchased an approved plan before
11 the date the program is discontinued remains eligible to receive
12 dollar-for-dollar asset disregard and asset protection under the
13 medical assistance program.

14 Sec. 1651.106. RULES. The commissioner may adopt rules as
15 necessary to implement this subchapter.

16 SECTION 3. Subchapter B, Chapter 531, Government Code, is
17 amended by adding Section 531.0841 to read as follows:

18 Sec. 531.0841. LONG-TERM CARE INSURANCE AWARENESS AND
19 EDUCATION CAMPAIGN. (a) The commission, in consultation with the
20 Department of Aging and Disability Services and the Texas
21 Department of Insurance, shall develop and implement a public
22 awareness and education campaign designed to:

23 (1) educate the public on the cost of long-term care,
24 including the limits of Medicaid eligibility and the limits of
25 Medicare benefits;

26 (2) educate the public on the value and availability
27 of long-term care insurance; and

1 (3) encourage individuals to obtain long-term care
2 insurance.

3 (b) The Department of Aging and Disability Services and the
4 Texas Department of Insurance shall cooperate with and assist the
5 commission in implementing the campaign under this section.

6 (c) The commission may coordinate the implementation of the
7 campaign under this section with any other state outreach campaign
8 or activity relating to long-term care issues.

9 SECTION 4. The Health and Human Services Commission shall
10 amend this state's Medicaid plan as necessary to allow for
11 dollar-for-dollar asset disregard and asset protection for
12 purchasers of an approved policy under the partnership for
13 long-term care program established under Subchapter C, Chapter 32,
14 Human Resources Code, as added by this Act.

15 SECTION 5. If before implementing any provision of this Act
16 a state agency determines that a waiver or authorization from a
17 federal agency is necessary for implementation of that provision,
18 the agency affected by the provision shall request the waiver or
19 authorization and may delay implementing that provision until the
20 waiver or authorization is granted.

21 SECTION 6. This Act takes effect September 1, 2007.