HOUSE RESOLUTION

WHEREAS, Nationally, approximately 40 percent of persons aged 65 and over will eventually need long-term care, with an average stay of 2.5 years at a cost ranging from $30,000 to $65,000 annually; and

WHEREAS, Our nation's current financing structure relies too heavily on individuals and families to bear the financial burden of long-term supportive services; the financial burden can be so large that, for many individuals, particularly those with moderate income, the only alternative is Medicaid, which requires spending down all assets in order to qualify to receive long-term care benefits; and

WHEREAS, Medicare does not cover expenses for long-term care patients; Medicaid is the largest source of funding for long-term care in the United States, and is considered a lifeline for many vulnerable Americans; in 2004, Medicaid paid for 49 percent of the total amount spent on long-term care services, making the financing of long-term care costs a significant issue for both state and federal budgets; the growth in spending by the federal government and states for long-term care services through Medicaid will continue to increase as the American population ages; and

WHEREAS, As a possible solution to spiraling Medicaid growth, the "Long-Term Care Partnership program," which is a public-private partnership between states and private insurance companies, began in 1987 as a demonstration project with the intent of (1) encouraging and recognizing planning for long-term care, especially among the moderate income individuals, and (2) reducing the future reliance on Medicaid as a funding source for long-term care services; four states participated in the demonstration project: California, Connecticut, Indiana, and New York; and

WHEREAS, To date, the four states have seen savings in health care bills and, more importantly, have been able to offer more affordable long-term care policies to middle income individuals; and

WHEREAS, Although the federal Omnibus Budget Reconciliation Act of 1993 recognized the four initial states' long-term care partnership programs, the Act restricted the expansion of the program to other states because of (1) concerns that there were not enough consumer protections in the partnerships, (2) perceptions that only the lowest income individuals should qualify for Medicaid, and (3) concerns that the linkage between the public and private sectors placed extensive public responsibility to ensure the fairness, viability, and quality of the private insurance products; and

WHEREAS, Over the last 10 years, twenty-one states have passed long-term care partnership legislation in anticipation that the federal government would eventually allow partnerships to exist beyond the four demonstration project states: Arkansas, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, Virginia, and Washington; and

WHEREAS, In February 2006, the federal Deficit Reduction Act of 2005 was enacted to allow all states the option to enact long-term partnership policies as long as the policies follow federal tax qualifications, consumer protections, and inflation protections; and

WHEREAS, Illinois should investigate the possibility of implementing a Long-Term Care Partnership program to give low and moderate income individuals affordable options to protect their assets and to reduce Illinois' Medicaid program expenditures; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that there is created the Task Force on Long-Term Care Partnerships, consisting of 10 members appointed as follows: (1) Five members appointed by the Speaker of the House of Representatives, three of whom shall be General Assembly members, with one of those three designated as a co-chairman of the Task Force at the time of appointment, and two of whom shall be public members; and (2) five members appointed by the Minority Leader of the House of Representatives, three of whom shall be General Assembly members, with one of those three designated as a co-chairman of the Task Force at the time of appointment, and two of whom shall be public members; the Director of Financial and Professional Regulation and the Director of Healthcare and Family Services shall serve as ex officio members; the appointments shall be made by January 1, 2007; and be it further

RESOLVED, That the Task Force shall (1) investigate Illinois' current funding structure of long-term care and its impact on lower and moderate income individuals; (2) research the status of the programs implemented by the four states administering long-term care partnerships; (3) analyze federal criteria to implement a long-term care partnership and the impact it would have on Illinois' Medicaid Plan; and (4) consider the social and economic benefits of enacting a Long-Term Care Partnership program in Illinois; and be it further

RESOLVED, That the Department of Financial and Professional Regulation's Division of Insurance shall provide staff support to the Task Force, as necessary; and be it further

RESOLVED, That the Task Force shall report its findings and recommendations to the House of Representatives by March 31, 2007; and be it further

RESOLVED, That copies of this resolution be delivered to the directors of the Department of Financial and Professional Regulation and the Department of Healthcare and Family Services.