

1 AN ACT concerning long-term care.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Illinois Long-Term Care Partnership Program Act.

6 Section 5. Findings. The General Assembly finds that our
7 nation's current financing structure relies too heavily on
8 individuals and families to bear the financial burden of
9 long-term supportive services. The financial burden can be so
10 large that, for many individuals, particularly those with
11 moderate income, the only alternative is Medicaid, which
12 requires spending down all assets in order to qualify to
13 receive long-term care benefits.

14 The General Assembly declares that Medicare is not intended
15 to cover the majority of long-term care expenses. Medicaid is
16 the largest source of funding for long-term care in the United
17 States, making the financing of long-term care costs a
18 significant issue for both State and federal budgets. The
19 growth in spending by the federal government and states for
20 long-term care services through Medicaid will continue to
21 increase as the American population ages.

22 The General Assembly finds that one solution to help
23 address the spiraling Medicaid growth and encourage

1 individuals to plan for their long-term care is the Long Term
2 Care Partnership Program, a public-private partnership between
3 states and private insurance companies. It is the intent of
4 this program to reduce future Medicaid costs for long-term care
5 by delaying or eliminating dependence on Medicaid by providing
6 incentives for individuals to insure against the cost of
7 providing for their long-term care needs. The program,
8 including the treatment of assets for Medicaid eligibility and
9 estate recovery, shall be structured and administered in
10 accordance with federal law and applicable federal guidelines.

11 Section 10. Definitions. As used in this Act:

12 "Agency" means the Department of Healthcare and Family
13 Services.

14 "Asset disregard" means, with respect to qualification for
15 State Medicaid benefits, the disregard of any assets or
16 resources in an amount equal to the insurance benefit payments
17 that are made to or on the behalf of an individual who is a
18 beneficiary under a qualified long-term care insurance
19 partnership policy.

20 "Department" means the Department of Financial and
21 Professional Regulation.

22 "Medicaid" means the federal medical assistance program
23 established under Title XIX of the Social Security Act.

24 "Qualified long-term care insurance partnership policy"
25 means a policy that meets all of the following requirements:

1 (1) it covers an insured who was a resident of Illinois
2 when coverage first became effective under the policy;

3 (2) it is a qualified long-term care insurance policy
4 as defined in Section 7702B(b) of the Internal Revenue Code
5 of 1986 issued not earlier than the effective date of the
6 State plan amendment;

7 (3) it meets the model regulations and requirements of
8 the National Association of Insurance Commissioners model
9 specified in paragraph (5) of Title VI, Section 6021 of the
10 federal Deficit Reduction Act of 2005, and the Director of
11 the Division of Insurance of the Department certifies it as
12 meeting these requirements; and

13 (4) if the policy is sold to an individual who:

14 (A) has not attained age 61 as of the date of
15 purchase, the policy provides compound annual
16 inflation protection;

17 (B) has attained age 61 but has not attained age 76
18 as of such date, the policy provides some level of
19 inflation protection; or

20 (C) has attained age 76 as of such date, the policy
21 may, but is not required to, provide some level of
22 inflation protection.

23 "State plan amendment" means a State Medicaid plan
24 amendment made to the federal Department of Health and Human
25 Services that provides for the disregard of any assets or
26 resources in an amount equal to the insurance benefit payments

1 that are made to or on the behalf of an individual who is a
2 beneficiary under a qualified long-term care insurance
3 partnership policy.

4 Section 15. Illinois Long-term Care Partnership Program.

5 (a) In accordance with Title VI, Section 6021 of the
6 federal Deficit Reduction Act of 2005, there shall be
7 established the Illinois Long-Term Care Partnership Program,
8 to be administered by the Agency with the assistance of the
9 Department to do the following:

10 (1) provide incentives for individuals to insure
11 against the costs of providing for their long-term care
12 needs;

13 (2) provide a mechanism for individuals to qualify for
14 coverage of the cost of their long-term care needs under
15 Medicaid without first being required to substantially
16 exhaust their resources;

17 (3) provide counseling services to individuals
18 planning for their long-term care needs; and

19 (4) alleviate the financial burden on the State's
20 medical assistance program by encouraging the pursuit of
21 private initiatives.

22 (b) The Agency shall:

23 (1) Within 180 days of the effective date of this Act,
24 or as soon thereafter as possible, make application to the
25 federal Department of Health and Human Services for a State

1 plan amendment to establish that, if an individual is a
2 beneficiary of a long-term care partnership program
3 certified policy, the total assets an individual owns and
4 may retain under Medicaid and still qualify for benefits
5 under Medicaid at the time the individual applies for
6 long-term care benefits are increased by \$1 for each \$1 of
7 benefit paid out under the individual's long-term care
8 partnership program certified insurance policy.

9 (2) Provide information and technical assistance to
10 the Department on the Department's role in assuring that
11 any individual who sells a qualified long-term care
12 insurance partnership policy receives training and
13 demonstrates evidence of an understanding of such policies
14 and how they relate to other public and private coverage of
15 long-term care.

16 (c) The Department may not impose any requirement affecting
17 the terms or benefits of qualified long-term care partnership
18 policies unless the Department imposes the requirement on all
19 long-term care policies sold in Illinois without regard to
20 whether the policy is covered under the partnership or is
21 offered in connection with the partnership.

22 (d) The issuers of qualified long-term care partnership
23 policies in Illinois shall provide regular reports to the
24 Secretary of the federal Department of Health and Human
25 Services, in accordance with federal regulation. Issuers of
26 qualified long-term care partnership policies in Illinois

1 shall provide appropriate reports to the Agency and to the
2 Department as determined by those entities.

3 Section 20. Administration.

4 (a) The Agency and the Department are authorized to adopt
5 regulations to implement the provisions of this Act and rules
6 for its administration.

7 (b) The Agency and Department must comply with all federal
8 rules developed in accordance with Title VI, Section 6021 of
9 the federal Deficit Reduction Act of 2005, regarding data
10 reporting, reciprocity with other states that develop
11 long-term care insurance partnership programs, and any other
12 matters, and shall have the authority to adopt regulations
13 relative to the provisions of any federal rules and their
14 administration.

15 (320 ILCS 35/Act rep.)

16 Section 25. The Partnership for Long-Term Care Act is
17 repealed.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.