

AN ACT concerning long-term care.

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

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

Section 5. Findings. The General Assembly finds that 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.

The General Assembly declares that Medicare is not intended to cover the majority of long-term care expenses. Medicaid is the largest source of funding for long-term care in the United States, 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.

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

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

Section 10. Definitions. As used in this Act:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 15. Illinois Long-term Care Partnership Program.

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

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

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

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

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

(b) The Agency shall:

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

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

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

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

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

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

Section 20. Administration.

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

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

(320 ILCS 35/Act rep.)

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

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