
A BILL FOR AN ACT

RELATING TO LONG-TERM CARE.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 LONG-TERM CARE PARTNERSHIP PROGRAM

6 § -1 Purpose. The purpose of the long-term care
7 partnership program is to encourage people to purchase long-term
8 care insurance in return for allowing the total amount of
9 benefits paid under a qualified individual long-term care policy
10 as an asset disregard, dollar for dollar, when applying for
11 medicaid. The program is intended to reduce future medicaid
12 costs for long-term care by delaying or eliminating dependence
13 on medicaid by providing incentives for individuals to insure
14 against the potentially high costs of long-term care.

15 § -2 Definitions. For the purposes of this chapter:

16 "Assets" means real and personal property, income, and any
17 other economic resources owned, earned, or attributable to an
18 individual.



1 "Certified long-term care insurance partnership policy"
2 means a policy provided by a producer in accordance with chapter
3 431 and approved by the department that:

4 (1) Meets all of the requirements of a qualified long-term
5 care insurance contract as defined in section 7702B(b)
6 of the Internal Revenue Code; and

7 (2) Was issued not earlier than the effective date of the
8 state plan amendment.

9 "Department" means the department of human services.

10 "Medicaid" means the program for medical assistance
11 established under 42 United States Code chapter 7, subchapter
12 XIX, or any successor program.

13 "Partnership" means a cooperative agreement between the
14 state medicaid agency and the federal government.

15 "State medicaid agency" means the division of the
16 department of human services that is the federally designated
17 single state agency charged with administration and supervision
18 of the state medicaid program.

19 "State plan amendment" means the state medicaid plan
20 amendment made to the federal Department of Health and Human
21 Services that provides for the disregard of any assets in an
22 amount equal to the insurance benefit payments that are made to



1 or on the behalf of an individual who is a beneficiary under a
2 certified long-term care insurance policy.

3 **§ -3 Long-term care partnership established.** (a) The
4 department shall establish a long-term care partnership program
5 that enables an individual who has assets that would otherwise
6 disqualify the individual from receiving medicaid benefits to
7 continue receiving medicaid benefits; provided that the
8 individual purchases and maintains long-term care insurance that
9 is in compliance with this chapter.

10 (b) All long-term care insurance plans authorized under
11 this chapter shall include a provision that specifies that the
12 long-term care insurance plan shall be the primary payer of
13 long-term care costs and that medicaid shall be the secondary
14 payer.

15 **§ -4 Eligibility for long-term care benefits under**
16 **medicaid; assets not considered.** Notwithstanding any other law
17 to the contrary, an individual who purchases a certified long-
18 term care insurance partnership policy and has assets above the
19 eligibility levels for receipt of medicaid benefits shall be
20 eligible to receive medicaid benefits and any other long-term
21 care services specified by the department without regard to the
22 individual's assets.



1 **§ -5 Amendments to medicaid rules and state plan.** (a)

2 The department shall prepare a state plan amendment to seek
3 appropriate amendments to its medicaid rules and state plan to
4 allow protection of assets pursuant to section -4. The
5 protection shall be provided to the extent approved by the
6 federal Centers for Medicare and Medicaid Services for any
7 purchaser of a certified long-term care insurance partnership
8 policy and shall last for the life of the purchaser. The
9 protection shall be provided under the medicaid program. Any
10 purchaser of a certified long-term care insurance partnership
11 policy shall be guaranteed coverage under the medicaid program
12 if the individual meets all other applicable eligibility
13 requirements for the receipt of medicaid benefits that are not
14 related to the individual's assets.

15 (b) The department shall seek any federal waivers and
16 approvals necessary to accomplish the purposes of this chapter.

17 **§ -6 Certification of policies or plans.** The department
18 of commerce and consumer affairs shall certify a policy as a
19 certified long-term care insurance partnership policy only if it
20 meets the requirements of chapter 431, 42 United States Code
21 1396p, and section 7702B(b) of the Internal Revenue Code.



1 **§ -7 Rules.** The department shall adopt rules pursuant
2 to chapter 91 to implement this chapter.

3 **§ -8 Long-term care partnership program outreach.** The
4 department shall establish an outreach program to educate
5 consumers about the need for long-term care, the mechanisms for
6 financing long-term care, the availability of long-term care
7 insurance, and asset protection provided under this chapter.
8 The department shall coordinate with the executive office on
9 aging to establish the program."

10 SECTION 2. This Act shall take effect upon its approval.



Report Title:

Long-term Care Partnership Program

Description:

Implements the long-term care partnership program, allowing individuals to qualify for medicaid coverage for continued long-term care prior to exhausting their assets. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

