

HMS TESTIFIER SIGN-UP SHEET

If you did not submit written testimony by ~~4:00~~^{1:13} p.m. yesterday and would like to testify, please sign-up on this sheet. Testifiers will be taken in the order signed in.

BILL NO: SB 2309

NAME	ORGANIZATION	POSITION (support/oppose)
Scott Wall	—	Support
Oren Chikamoto	American Council of Life	Comments
	Insurers	
Brenda Kosky	Consumer Family Stamp	Support
	Youth Alliance	

LATE

ChunOakland2 - Tyrell

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 9:23 AM
To: HMS Testimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2309 on 1/31/2012 1:15:00 PM

Testimony for HMS 1/31/2012 1:15:00 PM SB2309

Conference room: 016
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 1/31/2012

Comments:

LATE

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS
COMMENTING ON SENATE BILL 2309 BILL, RELATING TO LONG TERM CARE

January 31, 2012

Via e mail:

Hon. Senator Suzanne Chun Oakland, Chair
Committee on Human Services
State Senate
Hawaii State Capitol, Room 016
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Chun Oakland and Committee Members:

Thank you for the opportunity to comment on SB 2309, relating to Long Term Care.

Our firm represents the American Council of Life Insurers ("ACLI"), a national trade association, who represents more than three hundred (300) legal reserve life insurer and fraternal benefit society member companies operating in the United States. These member companies account for 90% of the assets and premiums of the United States Life and annuity industry. ACLI member company assets account for 91% of legal reserve company total assets. Two hundred thirty-five (235) ACLI member companies currently do business in the State of Hawaii; and they represent 93% of the life insurance premiums and 92% of the annuity considerations in this State.

In 2007 the legislature passed Act 233 which enabled the State of Hawaii to establish the Public Private Long Term Care Partnership Program enacted by Congress in 2006 as part of the Deficit Reduction Act (DRA).

ACLI generally believes that as a matter of policy the State of Hawaii should encourage families to provide for their own financial well-being. If a family is unable to support its long-term care needs, the State will need to spend its scarce resources for that purpose.

The partnership program allows people to preserve some of their assets and still qualify for Medicaid by purchasing a "partnership" long term care policy or exchanging an existing policy for a partnership policy.

The purpose and intent of SB 2309 is to implement the partnership program authorized by Act 233.

While ACLI is in full support of the intent and purposes of SB 2309, as drafted the bill is inconsistent with and contradicts many of the requirements of DRA. We have outlined below a number of the current bills inconsistencies with DRA. In place of the bill's provisions ACLI

would strongly urge this Committee to enacted legislation that has been enacted or adopted (via legislation or regulation) by other states throughout the country where a Long-Term Care Partnership Program is in place. For the Committee's convenience, we have attached a representative copy of provisions that have been adopted by the State of West Virginia.

Current Bill's Inconsistencies With the Deficit Reduction Act:

Section 1 of the Bill.

Section ____ 1: Purpose.

The purpose of the long-term care (LTC) partnership program is not to combine funds - it is to encourage more people to purchase LTC insurance in return for allowing the total amount of benefits paid under a qualified individual LTC policy as an asset disregard, dollar for dollar, when applying for Medicaid.

Further, the amount of benefits available under a DRA Partnership program has nothing to do with the applicant's assets.

Section ____ 2: Definitions

Certified Long-Term Care Insurance Partnership Policy

The second requirement stated in the definition of a Certified LTC Insurance Partnership Policy should be corrected to state "was issued not earlier than the effective date of the state plan amendment".

Partnership

The "partnership" is between the federal government [Deficit Reduction Act (DRA) of 2005] and state Medicaid agencies. The insurance company is not a party to the Partnership, other than issuing a Partnership qualified policy as a vehicle for the asset disregard calculation (which is the amount of benefits paid under the policy by the time one applies for Medicaid).

Section ____ 4: Eligibility for Long-Term Care benefits Under Medicaid; Assets Not Considered

There is no minimum level of coverage under the partnership program.

Section ____ 6: Certification of Policies or Plans

In all states that have adopted the partnership program, certification is done by a State's department of insurance, not state Medicaid agency – the agency has no knowledge of how forms are filed and approved, or what these are required to include. In most cases, forms already approved by the State's department of insurance which meet the DRA requirements can be certified for use under a Partnership Program.

Section ____ 7: Rules

Rules 1, 2, 3 and 5 would violate the DRA requirements – Partnership requirements are not allowed to be more restrictive than qualified LTC plans. As for item 4, under the DRA, companies are required to use the federally created and funded Clearinghouse to report in-force Partnership data. There is no need to establish other reporting requirements.

Section 2 of the Bill.

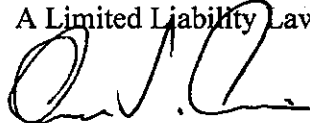
The proposed amendments to HRS §431:10H-221 are unnecessary for the filing of a State Plan Amendment. The topic of exchanges would be addressed in the implementation vehicle, which is how all 34 states which have implemented the LTC Partnership Program have handled it. As stated in each state's implementation rules, an exchange is not considered "replacement".

ACLI strongly supports Hawaii's adoption of the Long-Term Care Partnership Program.

If SB 2309 were, therefore, to be amended in the form set forth in West Virginia's enabling statute ACLI would support the bill.

Again, thank you for the opportunity to comment on SB 2309, relating to Long Term Care.

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Enrolled Version - Final Version

OTHER VERSIONS - Introduced Version |

Senate	House	Joint	Bill Status	WV Code	Audits/ Reports	Educational	Contact
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ENROLLED**H. B. 2884**

(By Delegates Campbell, Border, Perdue,
Webster and White)

[Passed April 11, 2009; in effect ninety days from passage.]

AN ACT to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §9-4E-1, §9-4E-2 and §9-4E-3, all relating to Medicaid; the development of a public-private long-term care partnership program.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new article, designated §9-4E-1, §9-4E-2 and §9-4E-3, all to read as follows:

ARTICLE 4E. Long-Term Care Partnership Program.**§9-4E-1. Purpose.**

(a) The purpose of this program shall be to reduce Medicaid costs for long-term care by encouraging the purchase of private long-term care insurance policies that are covered under the "qualified state long-term care insurance partnerships."

(b) It is the intent of the long-term care partnership to do

all of 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) Alleviate the financial burden on the state's medical assistance program by encouraging the pursuit of private initiatives.

§9-4E-2. Definitions.

(a) "Asset disregard" means, with regard to the state's medical assistance program, disregarding any assets or resources in an amount equal to the insurance benefit payments that are made to or on behalf of an individual who is a beneficiary under a qualified long-term care insurance partnership policy.

(b) "Long-term care insurance" means a policy described in section four (a), article fifteen (A), chapter thirty-three of this code.

(c) "Long-term care partnership program" means a qualified state long-term care insurance partnership as defined in 42 U.S.C. 1396, Section 1917(b) of the Social Security Act.

(d) "Medicaid" means that assistance provided under a state plan implemented by subchapter nineteen, chapter seven, Title 42, United States Code, as that chapter has been and may hereafter be amended.

§9-4E-3. Authority.

(a) The program shall be administered by the Bureau for Medical Services. The bureau shall establish a long-term care partnership program in West Virginia in order to provide for the financing of long-term care through a combination of private insurance and Medicaid in accordance with federal requirements on qualified state long-term care insurance partnerships.

(b) Not later than ninety days after the effective date of this article, the Bureau for Medical Services shall file a state plan amendment, pursuant to Title XIX of the United States Social Security Act and any amendments thereto, to the United States Department of Health and Human Services to establish that the assets an individual owns and may retain under Medicaid and still qualify for benefits under Medicaid at the time the individuals applies for benefits is increased dollar-for-dollar for each dollar paid out under the individuals's long-term care insurance policy if the individual is a beneficiary of a qualified long-term care partnership program policy.

(c) An individual who is a beneficiary of a West Virginia long-term care partnership program and meets eligibility requirements is eligible for assistance under the state's medical assistance program using the asset disregard as provided under

subsection (b).

(d) The Bureau of Medical Services shall pursue reciprocal agreements with other states to extend the asset disregard to West Virginia residents who purchased long-term care partnership policies in other states that are compliant with Title VI, Section 6021 of the Federal Deficit Reduction Act of 2005, PL 109-171, and any applicable federal regulations or guidelines.

(e) Upon diminishment of assets below the anticipated remaining benefits under a long-term care partnership program policy, certain assets of an individual, as provided under subsection (b), shall not be considered when determining any of the following:

(1) Medicaid eligibility;

(2) The amount of any Medicaid payment;

(3) Any subsequent recovery by the state of a payment for medical services or long-term care services.

(f) If the long-term care partnership program is discontinued, an individual who purchased a West Virginia long-term care partnership program policy before the date the program was discontinued shall be eligible to receive asset disregard if allowed as provided by Title VI, Section 6021 of the Federal Deficit Reduction Act of 2005, PL 109-171.

LATE

ChunOakland2 - Tyrell

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 10:12 AM
To: HMS Testimony
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for SB2309 on 1/31/2012 1:15:00 PM

Testimony for HMS 1/31/2012 1:15:00 PM SB2309

Conference room: 016
Testifier position: Support
Testifier will be present: Yes
Submitted by: Brenda Kosky
Organization: Consumer Family & Youth Alliance
E-mail: Brenda.Kosky@gmail.com
Submitted on: 1/31/2012

Comments: