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NCOIL APPLAUDS FEDERAL EXPANSION OF LONG-TERM CARE PARTNERSHIP PROGRAMS

Troy, New York, February 17, 2006 – The National Conference of Insurance Legislators (NCOIL) applauds the United States Congress for passing legislation that effectively expands the accessibility of long-term care partnership programs. President Bush signed the *Deficit Reduction Act of 2005* on February 8, 2006, one week after the House of Representatives passed the measure by a 216-214 margin. The bill previously passed the Senate by a 51-50 vote on December 21, 2005.

Before passage of the legislation, only California, Indiana, Connecticut, and New York had enacted long-term care partnership programs. All other states were prohibited from developing such systems by the *Omnibus Budget Reconciliation Act of 1993*.

Long-term care partnership programs permit individuals to purchase long-term care insurance through private companies and to access Medicaid later in life after benefits through their private insurance carrier have been fully utilized. For individuals who choose to participate in the partnership programs, Medicaid allows the protection of personal assets on a dollar-for-dollar basis. This protection permits an individual to receive Medicaid benefits without first exhausting all remaining personal assets. Every benefit dollar paid by the insurer on behalf of the policyholder is a dollar that the policyholder is allowed to protect when applying for Medicaid benefits.

Additional provisions of the *Deficit Reduction Act of 2005* stipulate that long-term care policies provide some level of inflation protection; that sellers of long-term care insurance demonstrate knowledge of such policies; and that the insurer notify the Secretary of Health and Human Services (HHS) pertaining to benefits paid and policy termination.

The benefits of long-term care partnership programs extend beyond personal asset protection. Partnership programs provide state taxpayers substantial savings. In the ten years that California, Indiana, Connecticut, and New York had operational long-term care partnership programs, less than 200 individuals accessed Medicaid.

NCOIL has been a vocal supporter of expanding access to long-term care partnerships and has worked to increase accessibility via resolutions and letters to Congress.

For further details, please contact the NCOIL National Office at 518-687-0178 or at info@ncoil.org.

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