

By: Wilcoxson of the Senate  
and  
Greenwood of the House

[ public health and safety - Oklahoma Long-Term Care  
Partnership Act - creating - codification -  
contingent effective date ]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 1-1955.1 of Title 63, unless  
there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Long-  
Term Care Partnership Act".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 1-1955.2 of Title 63, unless  
there is created a duplication in numbering, reads as follows:

As used in the Oklahoma Long-Term Care Partnership Act, unless  
the context clearly indicates otherwise:

1. "Asset disregard" means the total assets an individual owns  
and may retain upon application for the state Medicaid program and  
still qualify for benefits if the individual:

- a. is a beneficiary of a Long-Term Care Partnership  
Program approved policy, and
- b. has exhausted the benefits of such policy.

Asset disregard is increased by One Dollar (\$1.00) for each One  
Dollar (\$1.00) of benefit paid out under the individual's long-term  
insurance policy if the individual purchased the policy through the  
Oklahoma Long-Term Care Partnership Program;

2. "Authority" means the Oklahoma Health Care Authority;

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

4. "Oklahoma Long-Term Care Partnership Program approved policy" means a long-term care insurance policy that is approved by the Insurance Department and provided through state-approved long-term care insurers through the Oklahoma Long-Term Care Partnership Program.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-1955.3 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Upon repeal of the restrictions to asset protection contained in the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66, 107 Stat. 312, there shall be established the Oklahoma Long-Term Care Partnership Program, to be administered by the Oklahoma Health Care Authority, with the assistance of the Insurance 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 the state Medicaid program without first being required to substantially exhaust their resources;

3. Provide counseling services to individuals in planning for their long-term care needs; and

4. Alleviate the financial burden on the state's Medicaid program by encouraging the pursuit of private initiatives.

B. Upon exhaustion of benefits under a Long-Term Care Partnership Program policy, certain resources of an individual, as described in subsection C of this section, shall not be considered by the Authority when determining any of the following:

1. Medicaid eligibility;

2. The amount of any Medicaid payment; and

3. Any subsequent recovery by the state of a payment for medical services.

C. The Oklahoma Health Care Authority shall amend the state Medicaid program to allow for asset disregard. The Authority shall provide for asset disregard by counting insurance benefits paid under a policy toward asset disregard to the extent the payments are for covered services under the Oklahoma Long-Term Care Partnership Program for purchasers of an Oklahoma Long-Term Care Partnership Program approved policy.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-1955.4 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. An individual who is a beneficiary of an Oklahoma Long-Term Care Partnership Program approved policy is eligible for assistance under the state Medicaid program using asset disregard pursuant to the provisions of subsection C of Section 3 of the Oklahoma Long-Term Care Partnership Act.

B. If the Oklahoma Long-Term Care Partnership Program is discontinued, an individual who purchased an Oklahoma Long-Term Care Partnership Program approved policy prior to the date the program was discontinued shall be eligible to receive asset disregard.

C. The Oklahoma Health Care Authority may enter into reciprocal agreements with other states to extend the asset disregard to residents of the state who purchase long-term care policies in another state which has an asset disregard program that is substantially similar to the asset disregard program as established under the Oklahoma Long-Term Care Partnership Act.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-1955.5 of Title 63, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Health Care Authority and the Insurance Department are hereby authorized to promulgate rules to implement and administer the provisions of the Oklahoma Long-Term Care Partnership Act.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-1955.6 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. A long-term care insurance policy issued after the effective date of this act shall contain a notice provision to the consumer detailing in plain language the current law pertaining to asset disregard and asset tests.

B. The notice to the consumer under subsection A of this section shall be developed by the Insurance Commissioner.

SECTION 7. This act shall become effective sixty (60) days from the date of Congressional repeal of the restrictions to asset protection contained in the federal Omnibus Budget Reconciliation Act of 1993, Public Law 103-66, 107 Stat. 312.

Passed the Senate the 9th day of March, 2004.

\_\_\_\_\_  
Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2004.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives