

SB 1547

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THE STATE SENATE
Tuesday, February 24, 2004

Senate Bill No. 1547

As Amended

SENATE BILL NO. 1547 - 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 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 1-1956 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

1 b. has exhausted the benefits of such policy.

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

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

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

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

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 1-1957 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 A. Upon repeal of the restrictions to asset protection
19 contained in the Omnibus Budget Reconciliation Act of 1993, Public
20 Law 103-66, 107 Stat. 312, there shall be established the Oklahoma
21 Long-Term Care Partnership Program, to be administered by the
22 Oklahoma Health Care Authority, with the assistance of the Insurance
23 Department, to do the following:

1 1. Provide incentives for individuals to insure against the
2 costs of providing for their long-term care needs;

3 2. Provide a mechanism for individuals to qualify for coverage
4 of the cost of their long-term care needs under the state Medicaid
5 program without first being required to substantially exhaust their
6 resources;

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

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

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

15 1. Medicaid eligibility;

16 2. The amount of any Medicaid payment; and

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

19 C. The Oklahoma Health Care Authority shall amend the state
20 Medicaid program to allow for asset disregard. The Authority shall
21 provide for asset disregard by counting insurance benefits paid
22 under a policy toward asset disregard to the extent the payments are
23 for covered services under the Oklahoma Long-Term Care Partnership

1 Program for purchasers of an Oklahoma Long-Term Care Partnership
2 Program approved policy.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1-1958 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

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

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

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

21 SECTION 5. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 1-1959 of Title 63, unless there
23 is created a duplication in numbering, reads as follows:

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

5 SECTION 6. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1-1960 of Title 63, unless there
7 is created a duplication in numbering, reads as follows:

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

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

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

18 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-18-04 - DO
19 PASS, As Amended and Coauthored.