

108TH CONGRESS
2D SESSION

H. R. 4595

To amend the Public Health Service Act to fund breakthroughs in Alzheimer's disease research while providing more help to caregivers and increasing public education about prevention.

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2004

Mr. MARKEY (for himself, Mr. SMITH of New Jersey, Mr. MENENDEZ, Ms. JACKSON-LEE of Texas, Mr. GREEN of Texas, Mr. KILDEE, Mr. MANZULLO, Ms. MCCARTHY of Missouri, Mr. MEEHAN, Mr. NEAL of Massachusetts, Mr. KIND, Mr. KENNEDY of Rhode Island, and Mr. McDERMOTT) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Public Health Service Act to fund breakthroughs in Alzheimer's disease research while providing more help to caregivers and increasing public education about prevention.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Ronald Reagan Alzheimer’s Breakthrough Act of 2004”.

4 (b) TABLE OF CONTENTS.—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—INCREASING THE FEDERAL COMMITMENT TO
ALZHEIMER’S RESEARCH

Sec. 101. Doubling NIH funding for Alzheimer’s disease research.

Sec. 102. Priority to Alzheimer’s disease research.

Sec. 103. Alzheimer’s disease prevention initiative.

Sec. 104. Alzheimer’s disease clinical research.

Sec. 105. Research on Alzheimer’s disease caregiving.

Sec. 106. National summit on Alzheimer’s disease.

TITLE II—PUBLIC EDUCATION ABOUT ALZHEIMER’S DISEASE

Sec. 201. Public education campaign.

TITLE III—ASSISTANCE FOR CAREGIVERS

Sec. 301. Increased funding for National Family Caregiver Support Program.

Sec. 302. Alzheimer’s disease demonstration grants.

Sec. 303. Safe return program.

Sec. 304. Lifespan respite care.

Sec. 305. Credit for taxpayers with long-term care needs.

Sec. 306. Treatment of premiums on qualified long-term care insurance con-
tracts.

Sec. 307. Additional consumer protections for long-term care insurance.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) Alzheimer’s disease is a disorder that de-
9 stroys cells in the brain. The disease is the leading
10 cause of dementia, a condition that involves gradual
11 memory loss, decline in the ability to perform rou-
12 tine tasks, disorientation, difficulty in learning, loss
13 of language skills, impairment of judgment, and per-

1 sonality changes. As the disease progresses, people
2 with Alzheimer's disease become unable to care for
3 themselves. The loss of brain cells eventually leads
4 to the failure of other systems in the body.

5 (2) An estimated 4,500,000 Americans have
6 Alzheimer's disease and 1 in 10 people have a family
7 member with the disease. By 2050, the number of
8 individuals with the disease could range from
9 13,000,000 to 16,000,000 unless science finds a way
10 to prevent or cure the disease.

11 (3) One in 10 people over the age of 65, and
12 nearly half of those over the age of 85 have Alz-
13 heimer's disease. Younger people also get the dis-
14 ease.

15 (4) The Alzheimer's disease process may begin
16 in the brain as many as 20 years before the symp-
17 toms of Alzheimer's disease appear. A person will
18 live an average of 8 years and as many as 20 once
19 the symptoms of Alzheimer's disease appear.

20 (5) The average lifetime cost of care for an in-
21 dividual with Alzheimer's disease is \$170,000.

22 (6) In 2000, medicare alone spent
23 \$31,900,000,000 for the care of individuals with
24 Alzheimer's disease and this amount is projected to
25 increase to \$49,300,000,000 in 2010.

1 (7) Forty-nine percent of medicare beneficiaries
2 who have Alzheimer's disease also receive medicaid.
3 Of the total population dually eligible for medicare
4 and medicaid, 22 percent have Alzheimer's disease.

5 (8) Seven in 10 people with Alzheimer's disease
6 live at home. While almost 75 percent of home care
7 is provided by family and friends, the average an-
8 nual cost of paid care for people with Alzheimer's
9 disease at home is \$12,500 per year. Almost all fam-
10 ilies pay this cost out of pocket.

11 (9) Half of all nursing home residents have Alz-
12 heimer's disease or a related disorder. The average
13 annual cost of Alzheimer's disease nursing home
14 care is nearly \$64,000. Medicaid pays nearly half of
15 the total nursing home bill and helps 2 out of 3 resi-
16 dents pay for their care. Medicaid expenditures for
17 nursing home care for people with Alzheimer's dis-
18 ease are estimated to increase from \$18,200,000,000
19 in 2000 to \$33,000,000,000 in 2010.

20 (10) In fiscal year 2004, the Federal Govern-
21 ment will spend an estimated \$680,000,000 on Alz-
22 heimer's disease research. If our Nation achieves its
23 research goals (preventing the onset of Alzheimer's
24 disease in those at risk and treating and delaying
25 progression of the disease in those who have symp-

1 toms), the projected number of cases of Alzheimer's
2 disease can be reduced by more than one-third by
3 the middle of the century. The number of baby
4 boomers with moderate to severe Alzheimer's disease
5 can be reduced by 60 percent.

6 (11) A study commissioned by the United Hos-
7 pital Fund estimated that the annual value of this
8 informal care system is \$257,000,000,000. Family
9 caregiving comes at enormous physical, emotional,
10 and financial sacrifice, putting the whole system at
11 risk.

12 (12) One in 8 Alzheimer's disease caregivers be-
13 comes ill or injured as a direct result of caregiving.
14 One in 3 uses medication for problems related to
15 caregiving. Older caregivers are 3 times more likely
16 to become clinically depressed than others in their
17 age group.

18 (13) Elderly spouses strained by caregiving are
19 63 percent more likely to die during a given 4-year
20 period than other spouses their age.

21 (14) Almost 3 of 4 caregivers are women. One
22 in 3 has children or grandchildren under the age of
23 18 living at home. Caregiving leaves them less time
24 for other family members and they are much more

1 likely to report family conflicts because of their
2 caregiving role.

3 (15) Most Alzheimer's disease caregivers work
4 outside the home before beginning their caregiving
5 careers, but caregiving forces them to miss work, cut
6 back to part-time, take less demanding jobs, choose
7 early retirement, or give up work altogether. As a
8 result, in 2002, Alzheimer's disease cost American
9 business an estimated \$36,500,000,000 in lost pro-
10 ductivity, as well as an additional \$24,600,000,000
11 in business contributions to the total cost of care.

12 **TITLE I—INCREASING THE FED-**
13 **ERAL COMMITMENT TO ALZ-**
14 **HEIMER'S RESEARCH**

15 **SEC. 101. DOUBLING NIH FUNDING FOR ALZHEIMER'S DIS-**
16 **EASE RESEARCH.**

17 (a) IN GENERAL.—For the purpose of conducting
18 and supporting research on Alzheimer's disease (including
19 related activities under subpart 5 of part C of title IV of
20 the Public Health Service Act (42 U.S.C. 285e et seq.)
21 there is authorized to be appropriated \$1,400,000,000 for
22 fiscal year 2005, and such sums as may be necessary for
23 each of fiscal years 2006 through 2009.

24 (b) AGING PROCESS REGARDING WOMEN.—Section
25 445H(b) of the Public Health Service Act (42 U.S.C.

1 285e–10(b)) is amended by striking “2003” and inserting
 2 “2009”.

3 (c) CLINICAL RESEARCH AND TRAINING AWARDS.—
 4 Section 445I(d) of the Public Health Service Act (42
 5 U.S.C. 285e–10a(d)) is amended by striking “2005” and
 6 inserting “2009”.

7 **SEC. 102. PRIORITY TO ALZHEIMER’S DISEASE RESEARCH.**

8 Section 443 of the Public Health Service Act (42
 9 U.S.C. 285e) is amended—

10 (1) by striking “The general” and inserting

11 “(a) IN GENERAL.—The general”; and

12 (2) by adding at the end the following:

13 “(b) PRIORITIES.—The Director of the Institute
 14 shall, in expending amounts appropriated under this sub-
 15 part, give priority to conducting and supporting Alz-
 16 heimer’s disease research.”.

17 **SEC. 103. ALZHEIMER’S DISEASE PREVENTION INITIATIVE.**

18 Section 444 of the Public Health Service Act (42
 19 U.S.C. 285e–1) is amended—

20 (1) in subsection (d), by inserting “and train-
 21 ing” after “conduct research”; and

22 (2) by adding at the end the following:

23 “(e) The Director of the National Institutes of
 24 Health shall, in collaboration with the Director of the In-
 25 stitute, the directors of other relevant institutes, and with

1 volunteer organizations and other stakeholders, undertake
 2 an Alzheimer’s Disease Prevention Initiative to—

3 “(1) accelerate the discovery of new risk and
 4 protective factors for Alzheimer’s disease;

5 “(2) rapidly identify candidate diagnostics,
 6 therapies, or preventive interventions or agents for
 7 clinical investigation and trials relating to Alz-
 8 heimer’s disease;

9 “(3) support or undertake such investigations
 10 and trials; and

11 “(4) implement effective prevention and treat-
 12 ment strategies, including strategies to improve pa-
 13 tient care and alleviate caregiver burdens relating to
 14 Alzheimer’s disease.”.

15 **SEC. 104. ALZHEIMER’S DISEASE CLINICAL RESEARCH.**

16 (a) CLINICAL RESEARCH.—Section 445F of the Pub-
 17 lic Health Service Act (42 U.S.C. 285e–8) is amended to
 18 read as follows:

19 **“SEC. 445F. ALZHEIMER’S DISEASE CLINICAL RESEARCH.**

20 “(a) IN GENERAL.—The Director of the Institute,
 21 pursuant to subsections (d) and (e) of section 444, shall
 22 conduct and support cooperative clinical research regard-
 23 ing Alzheimer’s disease. Such research shall include—

1 “(1) investigating therapies, interventions, and
2 agents to detect, treat, slow the progression of, or
3 prevent Alzheimer’s disease;

4 “(2) enhancing the national infrastructure for
5 the conduct of clinical trials;

6 “(3) developing and testing novel approaches to
7 the design and analysis of such trials;

8 “(4) facilitating the enrollment of patients for
9 such trials, including patients from diverse popu-
10 lations;

11 “(5) developing improved diagnostics and
12 means of patient assessment for Alzheimer’s disease;
13 and

14 “(6) as determined appropriate by the Director
15 of the Institute, the Alzheimer’s Disease Centers
16 and Alzheimer’s Disease Research Centers estab-
17 lished under section 445.

18 “(b) EARLY DIAGNOSIS AND DETECTION RE-
19 SEARCH.—

20 “(1) IN GENERAL.—The Director of the Insti-
21 tute, in consultation with the directors of other rel-
22 evant institutes and centers of the National Insti-
23 tutes of Health, shall conduct, or make grants for
24 the conduct of, research related to the early detec-
25 tion and diagnosis of Alzheimer’s disease and of

1 mild cognitive impairment or other potential precursors to Alzheimer's disease.

3 “(2) EVALUATION.—The research described in
4 paragraph (1) may include the evaluation of diagnostic tests and imaging techniques.

6 “(c) VASCULAR DISEASE.—The Director of the Institute, in consultation with the directors of other relevant
7 institutes and centers of the National Institutes of Health,
8 shall conduct, or make grants for the conduct of, research
9 related to the relationship of vascular disease and Alzheimer's disease, including clinical trials to determine
10 whether drugs developed to prevent cerebrovascular disease can prevent the onset or progression of Alzheimer's
11 disease.

15 “(d) NATIONAL ALZHEIMER'S COORDINATING CENTER.—The Director of the Institute may establish a National Alzheimer's Coordinating Center to facilitate collaborative research among the Alzheimer's Disease Centers and Alzheimer's Disease Research Centers established
16 under section 445.”.

21 (b) ALZHEIMER'S DISEASE CENTERS.—Section
22 445(a)(1) of the Public Health Service Act (42 U.S.C.
23 285e–2(a)(1)) is amended by inserting “, and outcome
24 measures and disease management” after “treatment
25 methods”.

1 **SEC. 105. RESEARCH ON ALZHEIMER'S DISEASE**
2 **CAREGIVING.**

3 Section 445C of the Public Health Service Act (42
4 U.S.C. 285e-5) is amended—

5 (1) by striking “Sec. 445C. (a)” and inserting
6 the following:

7 **“SEC. 445C. RESEARCH ON ALZHEIMER'S DISEASE SERV-**
8 **ICES AND CAREGIVING.**

9 “(a) SERVICES RESEARCH.—”;

10 (2) by striking subsections (b), (c), and (e);

11 (3) by inserting after subsection (a) the fol-
12 lowing:

13 “(b) INTERVENTIONS RESEARCH.—The Director
14 shall, in collaboration with the directors of the other rel-
15 evant institutes and centers of the National Institutes of
16 Health, conduct, or make grants for the conduct of, clin-
17 ical, social, and behavioral research related to interven-
18 tions designed to help caregivers of patients with Alz-
19 heimer's disease and related disorders and improve patient
20 outcomes.”; and

21 (4) in subsection (d) by striking “(d) the Direc-
22 tor” and inserting “(c) MODEL CURRICULA AND
23 TECHNIQUES. —The Director”.

24 **SEC. 106. NATIONAL SUMMIT ON ALZHEIMER'S DISEASE.**

25 (a) IN GENERAL.—Not later than 1 year after the
26 date of enactment of this Act, the Secretary of Health and

1 Human Services (referred to in this section as the “Sec-
2 retary”) shall convene a summit of researchers, represent-
3 atives of academic institutions, Federal and State policy-
4 makers, public health professionals, and representatives of
5 voluntary health agencies to provide a detailed overview
6 of current research activities at the National Institutes of
7 Health, as well as to discuss and solicit input related to
8 potential areas of collaboration between the National In-
9 stitutes of Health and other Federal health agencies, in-
10 cluding the Centers for Disease Control and Prevention,
11 the Administration on Aging, the Agency for Healthcare
12 Research and Quality, and the Health Resources and
13 Services Administration, related to research, prevention,
14 and treatment of Alzheimer’s disease.

15 (b) FOCUS AREAS.—The summit convened under
16 subsection (a) shall focus on—

17 (1) a broad range of Alzheimer’s disease re-
18 search activities relating to biomedical research, pre-
19 vention research, and caregiving issues;

20 (2) clinical research for the development and
21 evaluation of new treatments for the disease;

22 (3) translational research on evidence-based and
23 cost-effective best practices in the treatment and
24 prevention of the disease;

1 (4) information and education programs for
2 health care professionals and the public relating to
3 the disease;

4 (5) priorities among the programs and activities
5 of the various Federal agencies regarding such dis-
6 eases; and

7 (6) challenges and opportunities for scientists,
8 clinicians, patients, and voluntary organizations re-
9 lating to the disease.

10 (c) REPORT.—Not later than 180 days after the date
11 on which the National Summit on Alzheimer’s Disease is
12 convened under subsection (a), the Director of National
13 Institutes of Health shall prepare and submit to the ap-
14 propriate committees of Congress a report that includes
15 a summary of the proceedings of the summit and a de-
16 scription of Alzheimer’s research, education, and other ac-
17 tivities that are conducted or supported through the na-
18 tional research institutes.

19 (d) PUBLIC INFORMATION.—The Secretary shall
20 make readily available to the public information about the
21 research, education, and other activities relating to Alz-
22 heimer’s disease and other related dementias, conducted
23 or supported by the National Institutes of Health.

24 (e) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated to carry out this section,

1 such sums as may be necessary for each of fiscal years
2 2005 through 2009.

3 **TITLE II—PUBLIC EDUCATION**
4 **ABOUT ALZHEIMER’S DISEASE**

5 **SEC. 201. PUBLIC EDUCATION CAMPAIGN.**

6 Part P of title III of the Public Health Service Act
7 (42 U.S.C. 280g et seq.) is amended by adding at the end
8 the following:

9 **“SEC. 3990. ALZHEIMER’S DISEASE PUBLIC EDUCATION**
10 **CAMPAIGN.**

11 “(a) IN GENERAL.—The Secretary, acting through
12 the Director of the Centers for Disease Control and Pre-
13 vention, shall carry out a program to educate the public
14 and public health community regarding—

15 “(1) diagnosis and early warning signs of Alz-
16 heimer’s disease; and

17 “(2) how healthy lifestyles could maintain cog-
18 nitive function and brain health.

19 “(b) EDUCATION OF HEALTH PROFESSIONALS AND
20 PARTNERSHIPS.—The program carried out under sub-
21 section (a) shall include activities to educate health profes-
22 sionals about the diagnosis, care, and management of Alz-
23 heimer’s disease and dementia, and the development of
24 partnerships between State health departments, area

1 agencies on aging, and local organizations serving people
 2 with Alzheimer’s disease.

3 “(c) AUTHORIZATION OF APPROPRIATIONS.—For the
 4 purpose of carrying out this section, there are authorized
 5 to be appropriated \$7,000,000 for fiscal year 2005, and
 6 such sums as may be necessary for each of fiscal years
 7 2006 through 2009.”.

8 **TITLE III—ASSISTANCE FOR** 9 **CAREGIVERS**

10 **SEC. 301. INCREASED FUNDING FOR NATIONAL FAMILY** 11 **CAREGIVER SUPPORT PROGRAM.**

12 (a) IN GENERAL.—Section 303(e)(1) of the Older
 13 Americans Act of 1965 (42 U.S.C. 3023(e)(1)) is amend-
 14 ed by striking “\$125,000,000 for fiscal year 2001” and
 15 inserting “\$250,000,000 for fiscal year 2005”.

16 (b) NATIVE AMERICANS.—Section 643(2) of the
 17 Older Americans Act of 1965 (42 U.S.C. 3057n(2)) is
 18 amended by striking “\$5,000,000 for fiscal year 2001”
 19 and inserting “\$10,000,000 for fiscal year 2005”.

20 **SEC. 302. ALZHEIMER’S DISEASE DEMONSTRATION** 21 **GRANTS.**

22 Section 398B(e) of the Public Health Service Act (42
 23 U.S.C. 280c–5(e)) is amended—

24 (1) by striking “and such” and inserting
 25 “such”; and

1 (2) by inserting before the period “,
2 \$25,000,000 for fiscal year 2005, and such sums as
3 may be necessary for each of the fiscal years 2006
4 through 2009”.

5 **SEC. 303. SAFE RETURN PROGRAM.**

6 Section 240001(d) of the Violent Crime Control and
7 Law Enforcement Act of 1994 (42 U.S.C. 14181(d)) is
8 amended to read as follows:

9 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to carry out this section,
11 \$1,000,000 for fiscal year 2005.”.

12 **SEC. 304. LIFESPAN RESPITE CARE.**

13 The Public Health Service Act (42 U.S.C. 201 et
14 seq.) is amended by adding at the end the following:

15 **“TITLE XXIX—LIFESPAN**
16 **RESPITE CARE**

17 **“SEC. 2901. FINDINGS AND PURPOSES.**

18 “(a) FINDINGS.—Congress finds that—

19 “(1) an estimated 26,000,000 individuals in the
20 United States care each year for 1 or more adult
21 family members or friends who are chronically ill,
22 disabled, or terminally ill;

23 “(2) an estimated 18,000,000 children in the
24 United States have chronic physical, developmental,
25 behavioral, or emotional conditions that demand

1 caregiver monitoring, management, supervision, or
2 treatment beyond that required of children generally;

3 “(3) nearly 4,000,000 individuals in the United
4 States of all ages who have mental retardation or
5 another developmental disability live with their fami-
6 lies;

7 “(4) almost 25 percent of the Nation’s elders
8 experience multiple chronic disabling conditions that
9 make it necessary to rely on others for help in meet-
10 ing their daily needs;

11 “(5) every year, approximately 600,000 Ameri-
12 cans die at home and many of these individuals rely
13 on extensive family caregiving before their death;

14 “(6) of all individuals in the United States
15 needing assistance in daily living, 42 percent are
16 under age 65;

17 “(7) there are insufficient resources to replace
18 family caregivers with paid workers;

19 “(8) if services provided by family caregivers
20 had to be replaced with paid services, it would cost
21 approximately \$200,000,000,000 annually;

22 “(9) the family caregiver role is personally re-
23 warding but can result in substantial emotional,
24 physical, and financial hardship;

1 “(10) approximately 75 percent of family care-
2 givers are women;

3 “(11) family caregivers often do not know
4 where to find information about available respite
5 care or how to access it;

6 “(12) available respite care programs are insuf-
7 ficient to meet the need and are directed at pri-
8 marily lower income populations and family care-
9 givers of the elderly, leaving large numbers of family
10 caregivers without adequate support; and

11 “(13) the limited number of available respite
12 care programs find it difficult to recruit appro-
13 priately trained respite workers.

14 “(b) PURPOSES.—The purposes of this title are—

15 “(1) to encourage States to establish State and
16 local lifespan respite care programs;

17 “(2) to improve and coordinate the dissemina-
18 tion of respite care information and resources to
19 family caregivers;

20 “(3) to provide, supplement, or improve respite
21 care services to family caregivers;

22 “(4) to promote innovative, flexible, and com-
23 prehensive approaches to—

24 “(A) the delivery of respite care;

1 “(B) respite care worker and volunteer re-
2 cruitment and training programs; and

3 “(C) training programs for family care-
4 givers to assist such family caregivers in mak-
5 ing informed decisions about respite care serv-
6 ices;

7 “(5) to support evaluative research to identify
8 effective respite care services that alleviate, reduce,
9 or minimize any negative consequences of caregiving;
10 and

11 “(6) to promote the dissemination of results,
12 findings, and information from programs and re-
13 search projects relating to respite care delivery, fam-
14 ily caregiver strain, respite care worker and volun-
15 teer recruitment and training, and training pro-
16 grams for family caregivers that assist such family
17 caregivers in making informed decisions about res-
18 pite care services.

19 **“SEC. 2902. DEFINITIONS.**

20 “In this title:

21 “(1) ELIGIBLE RECIPIENT.—The term ‘eligible
22 recipient’ means—

23 “(A) a State agency;

24 “(B) any other public entity that is capa-
25 ble of operating on a statewide basis;

1 “(C) a private, nonprofit organization that
2 is capable of operating on a statewide basis;

3 “(D) a political subdivision of a State that
4 has a population of not less than 3,000,000 in-
5 dividuals; or

6 “(E) any recognized State respite coordi-
7 nating agency that has—

8 “(i) a demonstrated ability to work
9 with other State and community-based
10 agencies;

11 “(ii) an understanding of respite care
12 and family caregiver issues; and

13 “(iii) the capacity to ensure meaning-
14 ful involvement of family members, family
15 caregivers, and care recipients.

16 “(2) ADULT WITH A SPECIAL NEED.—The term
17 ‘adult with a special need’ means a person 18 years
18 of age or older who requires care or supervision to—

19 “(A) meet the person’s basic needs; or

20 “(B) prevent physical self-injury or injury
21 to others.

22 “(3) CHILD WITH A SPECIAL NEED.—The term
23 ‘child with a special need’ means a person less than
24 18 years of age who requires care or supervision be-
25 yond that required of children generally to—

1 “(A) meet the child’s basic needs; or

2 “(B) prevent physical self-injury or injury
3 to others.

4 “(4) FAMILY CAREGIVER.—The term ‘family
5 caregiver’ means an unpaid family member, a foster
6 parent, or another unpaid adult, who provides in-
7 home monitoring, management, supervision, or
8 treatment of a child or adult with a special need.

9 “(5) RESPITE CARE.—The term ‘respite care’
10 means planned or emergency care provided to a
11 child or adult with a special need in order to provide
12 temporary relief to the family caregiver of that child
13 or adult.

14 “(6) LIFESPAN RESPITE CARE.—The term ‘life-
15 span respite care’ means a coordinated system of ac-
16 cessible, community-based respite care services for
17 family caregivers of children or adults with special
18 needs.

19 **“SEC. 2903. LIFESPAN RESPITE CARE GRANTS AND COOP-**
20 **ERATIVE AGREEMENTS.**

21 “(a) PURPOSES.—The purposes of this section are—

22 “(1) to expand and enhance respite care serv-
23 ices to family caregivers;

24 “(2) to improve the statewide dissemination and
25 coordination of respite care; and

1 “(3) to provide, supplement, or improve access
2 and quality of respite care services to family care-
3 givers, thereby reducing family caregiver strain.

4 “(b) AUTHORIZATION.—Subject to subsection (f), the
5 Secretary is authorized to award grants or cooperative
6 agreements to eligible recipients who submit an applica-
7 tion pursuant to subsection (d).

8 “(c) FEDERAL LIFESPAN APPROACH.—In carrying
9 out this section, the Secretary shall work in cooperation
10 with the National Family Caregiver Support Program Of-
11 ficer of the Administration on Aging, and respite care pro-
12 gram officers in the Administration for Children and Fam-
13 ilies, the Administration on Developmental Disabilities,
14 the Maternal and Child Health Bureau of the Health Re-
15 sources and Services Administration, and the Substance
16 Abuse and Mental Health Services Administration, to en-
17 sure coordination of respite care services for family care-
18 givers of children and adults with special needs.

19 “(d) APPLICATION.—

20 “(1) SUBMISSION.—Each eligible recipient de-
21 siring to receive a grant or cooperative agreement
22 under this section shall submit an application to the
23 Secretary at such time, in such manner, and con-
24 taining such information as the Secretary shall re-
25 quire.

1 “(2) CONTENTS.—Each application submitted
2 under this section shall include—

3 “(A) a description of the applicant’s—

4 “(i) understanding of respite care and
5 family caregiver issues;

6 “(ii) capacity to ensure meaningful in-
7 volvement of family members, family care-
8 givers, and care recipients; and

9 “(iii) collaboration with other State
10 and community-based public, nonprofit, or
11 private agencies;

12 “(B) with respect to the population of fam-
13 ily caregivers to whom respite care information
14 or services will be provided or for whom respite
15 care workers and volunteers will be recruited
16 and trained, a description of—

17 “(i) the population of family care-
18 givers;

19 “(ii) the extent and nature of the res-
20 pite care needs of that population;

21 “(iii) existing respite care services for
22 that population, including numbers of fam-
23 ily caregivers being served and extent of
24 unmet need;

1 “(iv) existing methods or systems to
2 coordinate respite care information and
3 services to the population at the State and
4 local level and extent of unmet need;

5 “(v) how respite care information dis-
6 semination and coordination, respite care
7 services, respite care worker and volunteer
8 recruitment and training programs, or
9 training programs for family caregivers
10 that assist such family caregivers in mak-
11 ing informed decisions about respite care
12 services will be provided using grant or co-
13 operative agreement funds;

14 “(vi) a plan for collaboration and co-
15 ordination of the proposed respite care ac-
16 tivities with other related services or pro-
17 grams offered by public or private, non-
18 profit entities, including area agencies on
19 aging;

20 “(vii) how the population, including
21 family caregivers, care recipients, and rel-
22 evant public or private agencies, will par-
23 ticipate in the planning and implementa-
24 tion of the proposed respite care activities;

1 “(viii) how the proposed respite care
2 activities will make use, to the maximum
3 extent feasible, of other Federal, State,
4 and local funds, programs, contributions,
5 other forms of reimbursements, personnel,
6 and facilities;

7 “(ix) respite care services available to
8 family caregivers in the applicant’s State
9 or locality, including unmet needs and how
10 the applicant’s plan for use of funds will
11 improve the coordination and distribution
12 of respite care services for family care-
13 givers of children and adults with special
14 needs;

15 “(x) the criteria used to identify fam-
16 ily caregivers eligible for respite care serv-
17 ices;

18 “(xi) how the quality and safety of
19 any respite care services provided will be
20 monitored, including methods to ensure
21 that respite care workers and volunteers
22 are appropriately screened and possess the
23 necessary skills to care for the needs of the
24 care recipient in the absence of the family
25 caregiver; and

1 “(xii) the results expected from pro-
2 posed respite care activities and the proce-
3 dures to be used for evaluating those re-
4 sults; and

5 “(C) assurances that, where appropriate,
6 the applicant shall have a system for maintain-
7 ing the confidentiality of care recipient and
8 family caregiver records.

9 “(e) REVIEW OF APPLICATIONS.—

10 “(1) ESTABLISHMENT OF REVIEW PANEL.—
11 The Secretary shall establish a panel to review appli-
12 cations submitted under this section.

13 “(2) MEETINGS.—The panel shall meet as often
14 as may be necessary to facilitate the expeditious re-
15 view of applications.

16 “(3) FUNCTION OF PANEL.—The panel shall—

17 “(A) review and evaluate each application
18 submitted under this section; and

19 “(B) make recommendations to the Sec-
20 retary concerning whether the application
21 should be approved.

22 “(f) AWARDING OF GRANTS OR COOPERATIVE
23 AGREEMENTS.—

24 “(1) IN GENERAL.—The Secretary shall award
25 grants or cooperative agreements from among the

1 applications approved by the panel under subsection
2 (e)(3).

3 “(2) PRIORITY.—When awarding grants or co-
4 operative agreements under this subsection, the Sec-
5 retary shall give priority to applicants that show the
6 greatest likelihood of implementing or enhancing
7 lifespan respite care statewide.

8 “(g) USE OF GRANT OR COOPERATIVE AGREEMENT
9 FUNDS.—

10 “(1) IN GENERAL.—

11 “(A) MANDATORY USES OF FUNDS.—Each
12 eligible recipient that is awarded a grant or co-
13 operative agreement under this section shall use
14 the funds for, unless such a program is in exist-
15 ence—

16 “(i) the development of lifespan res-
17 pite care at the State and local levels; and

18 “(ii) an evaluation of the effectiveness
19 of such care.

20 “(B) DISCRETIONARY USES OF FUNDS.—

21 Each eligible recipient that is awarded a grant
22 or cooperative agreement under this section
23 may use the funds for—

1 “(i) respite care services for family
2 caregivers of children and adults with spe-
3 cial needs;

4 “(ii) respite care worker and volunteer
5 training programs; or

6 “(iii) training programs for family
7 caregivers to assist such family caregivers
8 in making informed decisions about respite
9 care services.

10 “(C) EVALUATION.—If an eligible recipient
11 uses funds awarded under this section for an
12 activity described in subparagraph (B), the eli-
13 gible recipient shall use funds for an evaluation
14 of the effectiveness of the activity.

15 “(2) SUBCONTRACTS.—Each eligible recipient
16 that is awarded a grant or cooperative agreement
17 under this section may use the funds to subcontract
18 with a public or nonprofit agency to carry out the
19 activities described in paragraph (1).

20 “(h) TERM OF GRANTS OR COOPERATIVE AGREE-
21 MENTS.—

22 “(1) IN GENERAL.—The Secretary shall award
23 grants or cooperative agreements under this section
24 for terms that do not exceed 5 years.

1 “(2) RENEWAL.—The Secretary may renew a
 2 grant or cooperative agreement under this section at
 3 the end of the term of the grant or cooperative
 4 agreement determined under paragraph (1).

5 “(i) SUPPLEMENT, NOT SUPPLANT.—Funds made
 6 available under this section shall be used to supplement
 7 and not supplant other Federal, State, and local funds
 8 available for respite care services.

9 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
 10 are authorized to be appropriated to carry out this sec-
 11 tion—

12 “(1) \$90,500,000 for fiscal year 2005; and

13 “(2) such sums as are necessary for fiscal years
 14 2006 through 2009.

15 **“SEC. 2904. NATIONAL LIFESPAN RESPITE RESOURCE CEN-**
 16 **TER.**

17 “(a) ESTABLISHMENT.—From funds appropriated
 18 under subsection (c), the Secretary shall award a grant
 19 or cooperative agreement to a public or private nonprofit
 20 entity to establish a National Resource Center on Lifespan
 21 Respite Care (referred to in this section as the ‘center’).

22 “(b) PURPOSES OF THE CENTER.—The center
 23 shall—

24 “(1) maintain a national database on lifespan
 25 respite care;

1 “(2) provide training and technical assistance
2 to State, community, and nonprofit respite care pro-
3 grams; and

4 “(3) provide information, referral, and edu-
5 cational programs to the public on lifespan respite
6 care.

7 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 \$500,000 for each of fiscal years 2005 through 2009.”.

10 **SEC. 305. CREDIT FOR TAXPAYERS WITH LONG-TERM CARE**
11 **NEEDS.**

12 (a) IN GENERAL.—Subpart A of part IV of sub-
13 chapter A of chapter 1 of the Internal Revenue Code of
14 1986 (relating to nonrefundable personal credits) is
15 amended by inserting after section 25B the following new
16 section:

17 **“SEC. 25C. CREDIT FOR TAXPAYERS WITH LONG-TERM**
18 **CARE NEEDS.**

19 “(a) ALLOWANCE OF CREDIT.—

20 “(1) IN GENERAL.—There shall be allowed as a
21 credit against the tax imposed by this chapter for
22 the taxable year an amount equal to the applicable
23 credit amount multiplied by the number of applica-
24 ble individuals with respect to whom the taxpayer is
25 an eligible caregiver for the taxable year.

1 “(2) APPLICABLE CREDIT AMOUNT.—For pur-
 2 poses of paragraph (1), the applicable credit amount
 3 shall be determined in accordance with the following
 4 table:

5 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
 6 COME.—

7 “(1) IN GENERAL.—The amount of the credit
 8 allowable under subsection (a) shall be reduced (but
 9 not below zero) by \$100 for each \$1,000 (or fraction
 10 thereof) by which the taxpayer’s modified adjusted
 11 gross income exceeds the threshold amount. For
 12 purposes of the preceding sentence, the term ‘modi-
 13 fied adjusted gross income’ means adjusted gross in-
 14 come increased by any amount excluded from gross
 15 income under section 911, 931, or 933.

16 “(2) THRESHOLD AMOUNT.—For purposes of
 17 paragraph (1), the term ‘threshold amount’ means—

18 “(A) \$150,000 in the case of a joint re-
 19 turn, and

20 “(B) \$75,000 in any other case.

21 “(3) INDEXING.—In the case of any taxable
 22 year beginning in a calendar year after 2004, each
 23 dollar amount contained in paragraph (2) shall be
 24 increased by an amount equal to the product of—

25 “(A) such dollar amount, and

1 “(B) the medical care cost adjustment de-
 2 termined under section 213(d)(10)(B)(ii) for
 3 the calendar year in which the taxable year be-
 4 gins, determined by substituting ‘2003’ for
 5 ‘1996’ in subclause (II) thereof.

6 If any increase determined under the preceding sen-
 7 tence is not a multiple of \$50, such increase shall
 8 be rounded to the next lowest multiple of \$50.

9 “(c) DEFINITIONS.—For purposes of this section—
 10 “(1) APPLICABLE INDIVIDUAL.—

11 “(A) IN GENERAL.—The term ‘applicable
 12 individual’ means, with respect to any taxable
 13 year, any individual who has been certified, be-
 14 fore the due date for filing the return of tax for
 15 the taxable year (without extensions), by a phy-
 16 sician (as defined in section 1861(r)(1) of the
 17 Social Security Act) as being an individual with
 18 long-term care needs described in subparagraph
 19 (B) for a period—

20 “(i) which is at least 180 consecutive
 21 days, and

22 “(ii) a portion of which occurs within
 23 the taxable year.

24 Such term shall not include any individual oth-
 25 erwise meeting the requirements of the pre-

ceding sentence unless within the 39½ month period ending on such due date (or such other period as the Secretary prescribes) a physician (as so defined) has certified that such individual meets such requirements.

“(B) INDIVIDUALS WITH LONG-TERM CARE NEEDS.—An individual is described in this subparagraph if the individual meets any of the following requirements:

“(i) The individual is at least 18 years of age and—

“(I) is unable to perform (without substantial assistance from another individual) at least 3 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

“(II) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consulta-

1 tion with the Secretary of Health and
2 Human Services), is unable to engage
3 in age appropriate activities.

4 “(ii) The individual is at least 6 but
5 not 18 years of age and—

6 “(I) is unable to perform (with-
7 out substantial assistance from an-
8 other individual) at least 3 activities
9 of daily living (as defined in section
10 7702B(c)(2)(B)) due to a loss of
11 functional capacity,

12 “(II) requires substantial super-
13 vision to protect such individual from
14 threats to health and safety due to se-
15 vere cognitive impairment and is un-
16 able to perform at least 1 activity of
17 daily living (as so defined) or to the
18 extent provided in regulations pre-
19 scribed by the Secretary (in consulta-
20 tion with the Secretary of Health and
21 Human Services), is unable to engage
22 in age appropriate activities,

23 “(III) has a level of disability
24 similar to the level of disability de-
25 scribed in subclause (I) (as deter-

1 mined under regulations promulgated
2 by the Secretary), or

3 “(IV) has a complex medical con-
4 dition (as defined by the Secretary)
5 that requires medical management
6 and coordination of care.

7 “(iii) The individual is at least 2 but
8 not 6 years of age and—

9 “(I) is unable due to a loss of
10 functional capacity to perform (with-
11 out substantial assistance from an-
12 other individual) at least 2 of the fol-
13 lowing activities: eating, transferring,
14 or mobility,

15 “(II) has a level of disability
16 similar to the level of disability de-
17 scribed in subclause (I) (as deter-
18 mined under regulations promulgated
19 by the Secretary), or

20 “(III) has a complex medical con-
21 dition (as defined by the Secretary)
22 that requires medical management
23 and coordination of care.

24 “(iv) The individual is under 2 years
25 of age and—

1 “(I) requires specific durable
2 medical equipment by reason of a se-
3 vere health condition or requires a
4 skilled practitioner trained to address
5 the individual’s condition to be avail-
6 able if the individual’s parents or
7 guardians are absent,

8 “(II) has a level of disability
9 similar to the level of disability de-
10 scribed in subclause (I) (as deter-
11 mined under regulations promulgated
12 by the Secretary), or

13 “(III) has a complex medical con-
14 dition (as defined by the Secretary)
15 that requires medical management
16 and coordination of care.

17 “(v) The individual has 5 or more
18 chronic conditions (as defined in subpara-
19 graph (C)) and is unable to perform (with-
20 out substantial assistance from another in-
21 dividual) at least 1 activity of daily living
22 (as so defined) due to a loss of functional
23 capacity.

24 “(C) CHRONIC CONDITION.—For purposes
25 of this paragraph, the term ‘chronic condition’

1 means a condition that lasts for at least 6 con-
2 secutive months and requires ongoing medical
3 care.

4 “(2) ELIGIBLE CAREGIVER.—

5 “(A) IN GENERAL.—A taxpayer shall be
6 treated as an eligible caregiver for any taxable
7 year with respect to the following individuals:

8 “(i) The taxpayer.

9 “(ii) The taxpayer’s spouse.

10 “(iii) An individual with respect to
11 whom the taxpayer is allowed a deduction
12 under section 151(c) for the taxable year.

13 “(iv) An individual who would be de-
14 scribed in clause (iii) for the taxable year
15 if section 151(c)(1)(A) were applied by
16 substituting for the exemption amount an
17 amount equal to the sum of the exemption
18 amount, the standard deduction under sec-
19 tion 63(c)(2)(C), and any additional stand-
20 ard deduction under section 63(c)(3) which
21 would be applicable to the individual if
22 clause (iii) applied.

23 “(v) An individual who would be de-
24 scribed in clause (iii) for the taxable year
25 if—

1 “(I) the requirements of clause
2 (iv) are met with respect to the indi-
3 vidual, and

4 “(II) the requirements of sub-
5 paragraph (B) are met with respect to
6 the individual in lieu of the support
7 test of section 152(a).

8 “(B) RESIDENCY TEST.—The require-
9 ments of this subparagraph are met if an indi-
10 vidual has as his principal place of abode the
11 home of the taxpayer and—

12 “(i) in the case of an individual who
13 is an ancestor or descendant of the tax-
14 payer or the taxpayer’s spouse, is a mem-
15 ber of the taxpayer’s household for over
16 half the taxable year, or

17 “(ii) in the case of any other indi-
18 vidual, is a member of the taxpayer’s
19 household for the entire taxable year.

20 “(C) SPECIAL RULES WHERE MORE THAN
21 1 ELIGIBLE CAREGIVER.—

22 “(i) IN GENERAL.—If more than 1 in-
23 dividual is an eligible caregiver with re-
24 spect to the same applicable individual for
25 taxable years ending with or within the

1 same calendar year, a taxpayer shall be
2 treated as the eligible caregiver if each
3 such individual (other than the taxpayer)
4 files a written declaration (in such form
5 and manner as the Secretary may pre-
6 scribe) that such individual will not claim
7 such applicable individual for the credit
8 under this section.

9 “(ii) NO AGREEMENT.—If each indi-
10 vidual required under clause (i) to file a
11 written declaration under clause (i) does
12 not do so, the individual with the highest
13 modified adjusted gross income (as defined
14 in section 32(c)(5)) shall be treated as the
15 eligible caregiver.

16 “(iii) MARRIED INDIVIDUALS FILING
17 SEPARATELY.—In the case of married indi-
18 viduals filing separately, the determination
19 under this subparagraph as to whether the
20 husband or wife is the eligible caregiver
21 shall be made under the rules of clause (ii)
22 (whether or not one of them has filed a
23 written declaration under clause (i)).

24 “(d) IDENTIFICATION REQUIREMENT.—No credit
25 shall be allowed under this section to a taxpayer with re-

1 spect to any applicable individual unless the taxpayer in-
 2 cludes the name and taxpayer identification number of
 3 such individual, and the identification number of the phy-
 4 sician certifying such individual, on the return of tax for
 5 the taxable year.

6 “(e) TAXABLE YEAR MUST BE FULL TAXABLE
 7 YEAR.—Except in the case of a taxable year closed by rea-
 8 son of the death of the taxpayer, no credit shall be allow-
 9 able under this section in the case of a taxable year cov-
 10 ering a period of less than 12 months.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 6213(g)(2) of the Internal Revenue
 13 Code of 1986 is amended by striking “and” at the
 14 end of subparagraph (L), by striking the period at
 15 the end of subparagraph (M) and inserting “, and”,
 16 and by inserting after subparagraph (M) the fol-
 17 lowing new subparagraph:

18 “(N) an omission of a correct TIN or phy-
 19 sician identification required under section
 20 25C(d) (relating to credit for taxpayers with
 21 long-term care needs) to be included on a re-
 22 turn.”.

23 (2) The table of sections for subpart A of part
 24 IV of subchapter A of chapter 1 of such Code is

1 amended by inserting after the item relating to sec-
 2 tion 25B the following new item:

“25C. Credit for taxpayers with long-term care needs.”.

3 (c) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 December 31, 2003.

6 **SEC. 306. TREATMENT OF PREMIUMS ON QUALIFIED LONG-**
 7 **TERM CARE INSURANCE CONTRACTS.**

8 (a) IN GENERAL.—Part VII of subchapter B of chap-
 9 ter 1 of the Internal Revenue Code of 1986 (relating to
 10 additional itemized deductions) is amended by redesign-
 11 nating section 224 as section 225 and by inserting after
 12 section 223 the following new section:

13 **“SEC. 224. PREMIUMS ON QUALIFIED LONG-TERM CARE IN-**
 14 **SURANCE CONTRACTS.**

15 “(a) IN GENERAL.—In the case of an individual,
 16 there shall be allowed as a deduction an amount equal to
 17 the applicable percentage of the amount of eligible long-
 18 term care premiums (as defined in section 213(d)(10))
 19 paid during the taxable year for coverage for the taxpayer
 20 and the taxpayer’s spouse and dependents under a quali-
 21 fied long-term care insurance contract (as defined in sec-
 22 tion 7702B(b)).

23 “(b) APPLICABLE PERCENTAGE.—For purposes of
 24 subsection (a)—

1 “(1) IN GENERAL.—Except as otherwise pro-
2 vided in this subsection, the applicable percentage
3 shall be determined in accordance with the following
4 table based on the number of years of continuous
5 coverage (as of the close of the taxable year) of the
6 individual under any qualified long-term care insur-
7 ance contracts (as defined in section 7702B(b)):

8 “(2) SPECIAL RULES FOR INDIVIDUALS WHO
9 HAVE ATTAINED AGE 55.—In the case of an indi-
10 vidual who has attained age 55 as of the close of the
11 taxable year, the following table shall be substituted
12 for the table in paragraph (1):

13 “(3) ONLY COVERAGE AFTER 2003 TAKEN INTO
14 ACCOUNT.—Only coverage for periods after Decem-
15 ber 31, 2003, shall be taken into account under this
16 subsection.

17 “(4) CONTINUOUS COVERAGE.—An individual
18 shall not fail to be treated as having continuous cov-
19 erage if the aggregate breaks in coverage during any
20 1-year period are less than 60 days.

21 “(c) COORDINATION WITH OTHER DEDUCTIONS.—
22 Any amount paid by a taxpayer for any qualified long-
23 term care insurance contract to which subsection (a) ap-
24 plies shall not be taken into account in computing the

1 amount allowable to the taxpayer as a deduction under
2 section 162(l) or 213(a).”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 62(a) of the Internal Revenue Code
5 of 1986 is amended by inserting after paragraph
6 (19) the following new paragraph:

7 “(20) PREMIUMS ON QUALIFIED LONG-TERM
8 CARE INSURANCE CONTRACTS.—The deduction al-
9 lowed by section 224.”.

10 (2) The table of sections for part VII of sub-
11 chapter B of chapter 1 of such Code is amended by
12 striking the last item and inserting the following
13 new items:

“224. Premiums on qualified long-term care insurance contracts.
“225. Cross reference.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2003.

17 **SEC. 307. ADDITIONAL CONSUMER PROTECTIONS FOR**
18 **LONG-TERM CARE INSURANCE.**

19 (a) ADDITIONAL PROTECTIONS APPLICABLE TO
20 LONG-TERM CARE INSURANCE.—Subparagraphs (A) and
21 (B) of section 7702B(g)(2) of the Internal Revenue Code
22 of 1986 (relating to requirements of model regulation and
23 Act) are amended to read as follows:

1 “(A) IN GENERAL.—The requirements of
2 this paragraph are met with respect to any con-
3 tract if such contract meets—

4 “(i) MODEL REGULATION.—The fol-
5 lowing requirements of the model regula-
6 tion:

7 “(I) Section 6A (relating to guar-
8 anteed renewal or noncancellability),
9 and the requirements of section 6B of
10 the model Act relating to such section
11 6A.

12 “(II) Section 6B (relating to pro-
13 hibitions on limitations and exclu-
14 sions).

15 “(III) Section 6C (relating to ex-
16 tension of benefits).

17 “(IV) Section 6D (relating to
18 continuation or conversion of cov-
19 erage).

20 “(V) Section 6E (relating to dis-
21 continuance and replacement of poli-
22 cies).

23 “(VI) Section 7 (relating to unin-
24 tentional lapse).

1 “(VII) Section 8 (relating to dis-
2 closure), other than section 8F there-
3 of.

4 “(VIII) Section 11 (relating to
5 prohibitions against post-claims un-
6 derwriting).

7 “(IX) Section 12 (relating to
8 minimum standards).

9 “(X) Section 13 (relating to re-
10 quirement to offer inflation protec-
11 tion), except that any requirement for
12 a signature on a rejection of inflation
13 protection shall permit the signature
14 to be on an application or on a sepa-
15 rate form.

16 “(XI) Section 25 (relating to pro-
17 hibition against preexisting conditions
18 and probationary periods in replace-
19 ment policies or certificates).

20 “(XII) The provisions of section
21 26 relating to contingent nonforfeiture
22 benefits, if the policyholder declines
23 the offer of a nonforfeiture provision
24 described in paragraph (4).

1 “(ii) MODEL ACT.—The following re-
2 quirements of the model Act:

3 “(I) Section 6C (relating to pre-
4 existing conditions).

5 “(II) Section 6D (relating to
6 prior hospitalization).

7 “(III) The provisions of section 8
8 relating to contingent nonforfeiture
9 benefits, if the policyholder declines
10 the offer of a nonforfeiture provision
11 described in paragraph (4).

12 “(B) DEFINITIONS.—For purposes of this
13 paragraph—

14 “(i) MODEL PROVISIONS.—The terms
15 ‘model regulation’ and ‘model Act’ mean
16 the long-term care insurance model regula-
17 tion, and the long-term care insurance
18 model Act, respectively, promulgated by
19 the National Association of Insurance
20 Commissioners (as adopted as of Sep-
21 tember 2000).

22 “(ii) COORDINATION.—Any provision
23 of the model regulation or model Act listed
24 under clause (i) or (ii) of subparagraph
25 (A) shall be treated as including any other

1 provision of such regulation or Act nec-
 2 essary to implement the provision.

3 “(iii) DETERMINATION.—For pur-
 4 poses of this section and section 4980C,
 5 the determination of whether any require-
 6 ment of a model regulation or the model
 7 Act has been met shall be made by the
 8 Secretary.”.

9 (b) EXCISE TAX.—Paragraph (1) of section
 10 4980C(c) of the Internal Revenue Code of 1986 (relating
 11 to requirements of model provisions) is amended to read
 12 as follows:

13 “(1) REQUIREMENTS OF MODEL PROVISIONS.—

14 “(A) MODEL REGULATION.—The following
 15 requirements of the model regulation must be
 16 met:

17 “(i) Section 9 (relating to required
 18 disclosure of rating practices to consumer).

19 “(ii) Section 14 (relating to applica-
 20 tion forms and replacement coverage).

21 “(iii) Section 15 (relating to reporting
 22 requirements), except that the issuer shall
 23 also report at least annually the number of
 24 claims denied during the reporting period
 25 for each class of business (expressed as a

1 percentage of claims denied), other than
2 claims denied for failure to meet the wait-
3 ing period or because of any applicable
4 preexisting condition.

5 “(iv) Section 22 (relating to filing re-
6 quirements for marketing).

7 “(v) Section 23 (relating to standards
8 for marketing), including inaccurate com-
9 pletion of medical histories, other than
10 paragraphs (1), (6), and (9) of section
11 23C, except that—

12 “(I) in addition to such require-
13 ments, no person shall, in selling or
14 offering to sell a qualified long-term
15 care insurance contract, misrepresent
16 a material fact; and

17 “(II) no such requirements shall
18 include a requirement to inquire or
19 identify whether a prospective appli-
20 cant or enrollee for long-term care in-
21 surance has accident and sickness in-
22 surance.

23 “(vi) Section 24 (relating to suit-
24 ability).

1 “(vii) Section 29 (relating to standard
2 format outline of coverage).

3 “(viii) Section 30 (relating to require-
4 ment to deliver shopper’s guide).

5 The requirements referred to in clause (vi) shall
6 not include those portions of the personal work-
7 sheet described in Appendix B relating to con-
8 sumer protection requirements not imposed by
9 section 4980C or 7702B.

10 “(B) MODEL ACT.—The following require-
11 ments of the model Act must be met:

12 “(i) Section 6F (relating to right to
13 return), except that such section shall also
14 apply to denials of applications and any re-
15 fund shall be made within 30 days of the
16 return or denial.

17 “(ii) Section 6G (relating to outline of
18 coverage).

19 “(iii) Section 6H (relating to require-
20 ments for certificates under group plans).

21 “(iv) Section 6I (relating to policy
22 summary).

23 “(v) Section 6J (relating to monthly
24 reports on accelerated death benefits).

1 “(vi) Section 7 (relating to incontest-
2 ability period).

3 “(C) DEFINITIONS.—For purposes of this
4 paragraph, the terms ‘model regulation’ and
5 ‘model Act’ have the meanings given such terms
6 by section 7702B(g)(2)(B).”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to policies issued more than 1 year
9 after the date of the enactment of this Act.

○