

109TH CONGRESS
1ST SESSION

S. 1569

To amend title XIX of the Social Security Act to facilitate the establishment of additional long-term care insurance partnerships between States and insurers in order to promote the use of long-term care insurance.

IN THE SENATE OF THE UNITED STATES

JULY 29, 2005

Mr. CRAIG (for himself and Mr. BAYH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XIX of the Social Security Act to facilitate the establishment of additional long-term care insurance partnerships between States and insurers in order to promote the use of long-term care insurance.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Long-Term Care
5 Partnership Act of 2005”.

1 **SEC. 2. ALLOWANCE OF ADDITIONAL STATE LONG-TERM**
2 **CARE PARTNERSHIPS.**

3 (a) IN GENERAL.—Section 1917(b) of the Social Se-
4 curity Act (42 U.S.C. 1396(b)) is amended—

5 (1) in paragraph (1)(C)(i), by striking “shall
6 seek adjustment” and inserting “may seek adjust-
7 ment”;

8 (2) in paragraph (1)(C)(ii), by inserting “Quali-
9 fied State Long-Term Care Insurance Partnership
10 or under a” after “Clause (i) shall not apply in the
11 case of an individual who received medical assistance
12 under a”; and

13 (3) in paragraph (4)(B), by striking “(and shall
14 include, in the case of an individual to whom para-
15 graph (1)(C)(i) applies)”.

16 (b) DEFINITION OF A QUALIFIED STATE LONG-
17 TERM CARE INSURANCE PARTNERSHIP.—Section 1917(e)
18 of the Social Security Act (42 U.S.C. 1396p(e)) is amend-
19 ed by inserting at the end the following:

20 “(6) The term ‘Qualified State Long-Term
21 Care Insurance Partnership’ means a State plan
22 amendment that provides for the disregard of any
23 assets or resources in an amount equal to the insur-
24 ance benefits payments that are made under a long-
25 term care insurance policy (including a certificate

1 issued under a group insurance contract), but only
2 if—

3 “(A) the policy covers an insured who, at
4 the time coverage under the policy first becomes
5 effective, is a resident of such State or of a
6 State that maintains a Qualified Long-Term
7 Care Insurance Partnership;

8 “(B) the policy is a qualified long-term
9 care insurance contract within the meaning of
10 section 7702B(b) of the Internal Revenue Code
11 of 1986;

12 “(C) the policy provides some level of infla-
13 tion protection;

14 “(D) the policy satisfies any requirements
15 of State or other applicable law that apply to a
16 long-term care insurance policy; and

17 “(E) the issuer of the policy reports—

18 “(i) to the Secretary, such informa-
19 tion or data as the Secretary may require;
20 and

21 “(ii) to the State, the information or
22 data reported to the Secretary (if any), the
23 information or data required under the
24 minimum reporting requirements developed
25 under section 2(c)(1) of the State Long-

1 Term Care Partnership Act of 2005, and
2 such additional information or data as the
3 State may require.

4 For purposes of applying this paragraph, if a long-
5 term care insurance policy is exchanged for another
6 such policy, the date coverage became effective
7 under the first policy shall determine when coverage
8 first becomes effective.”.

9 (c) REGULATORY AUTHORITY.—Not later than 6
10 months after the date of enactment of this Act, the Sec-
11 retary of Health and Human Services (in this subsection
12 and subsection (d) referred to as the “Secretary”), in con-
13 sultation with the National Association of Insurance Com-
14 missioners, issuers of long-term care insurance policies,
15 States with experience with long-term care insurance part-
16 nership plans, and other States, shall develop the following
17 requirements and standards:

18 (1) MINIMUM, CONSISTENT REPORTING RE-
19 QUIREMENTS.—

20 (A) IN GENERAL.—Minimum reporting re-
21 quirements for issuers of long-term care insur-
22 ance policies under Qualified State Long-Term
23 Care Insurance Partnerships that shall specify
24 the data and information that each such issuer
25 shall report to the State with which it has such

1 a partnership. The requirements developed in
2 accordance with this paragraph shall specify the
3 type and format of the data and information to
4 be reported and the frequency with which such
5 reports are to be made.

6 (B) STATE REQUIRED DATA.—Nothing in
7 subparagraph (A) shall be construed as prohib-
8 iting a State from requiring an issuer of a long-
9 term care insurance policy sold in the State (re-
10 gardless of whether the policy is issued under a
11 Qualified State Long-Term Care Insurance
12 Partnership) to require the issuer to report
13 State information or data to the State that is
14 in addition to the information or data required
15 under the minimum reporting requirements de-
16 veloped under that subparagraph.

17 (2) RECIPROCITY STANDARDS.—Standards for
18 ensuring that long-term care insurance policies
19 issued under a Qualified State Long-Term Care In-
20 surance Partnership are portable to other States
21 with such a partnership.

22 (d) CONSUMER EDUCATION.—The Secretary shall es-
23 tablish procedures for educating consumers regarding
24 Qualified State Long-Term Care Insurance Partnerships

1 and long-term care insurance policies issued in connection
2 with such partnerships.

3 (e) ANNUAL REPORTS TO CONGRESS.—The Sec-
4 retary shall annually report to Congress on the Qualified
5 State Long-Term Care Insurance Partnerships established
6 in accordance with subsections (b)(1)(C)(ii) and (e)(6) of
7 section 1917 of the Social Security Act (42 U.S.C. 1396p).

8 (f) EFFECTIVE DATE.—The amendments made by
9 subsections (a) and (b) take effect on October 1, 2005.

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