

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	7 - 0 - 2
<b>Yeas:</b>	Bonamici, Bruun, Cannon, Flores, Gelser, Maurer, Greenlick
<b>Nays:</b>	0
<b>Exc.:</b>	Kotek, Richardson
<b>Prepared By:</b>	Sandy Thiele-Cirka, Administrator
<b>Meeting Dates:</b>	5/14

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**WHAT THE MEASURE DOES:** Amends the definition of “preexisting condition” for the purpose of long-term care insurance. Removes the prohibition on prior institutionalization conditions in long-term care insurance according to specified criteria. Requires delivery of policy summary with individual life insurance policies that provide long-term care benefits. Specifies information to be included in the policy summary. Specifies requirements for incontestability periods. Requires offer of nonforfeiture benefits and specifies conditions. Requires specified training for insurance providers that sell individual long-term care insurance. Adds definition of “qualified long-term care insurance.” Excludes long-term care insurance benefits from Medicaid eligibility determination and estate recovery. Requires Department of Human Services to submit Medicaid state plan amendment to federal government. Directs the Department of Consumer and Business Services (DCBS) to develop, by rule, the one-time training requirements and qualifications. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Benefits of long-term care insurance
- Background of the federal Long Term Care Insurance Partnership Act (LTCIPA)
- Components of the measure
- Expansion of the LTCIPA under the federal Deficit Reduction Act (DRA)
- Changes to the Medicaid eligibility standards as a part of DRA
- Proposed amendment

**EFFECT OF COMMITTEE AMENDMENT:** Directs the DCBS to develop, by rule, the one-time training requirements and qualifications.

**BACKGROUND:** In 1989, the Legislative Assembly enacted the Long Term Care Insurance Act (ORS 743.650 to 743.656) to establish standards governing long-term care (LTC) insurance and related benefits. The Act includes provisions relating to marketing, coverage terms, definitions, rating, and disclosure. The federal Long Term Care Insurance Partnership Program (LTCIPP) was initiated in the late 1980s to address the rising cost of state Medicaid expenditures for LTC and to encourage the purchase of LTC policies. The LTCIPP allows states, with approved plan amendments, to extend Medicaid coverage, including LTC benefits, to certain persons who have purchased private LTC insurance policies, without requiring them to meet the same means-testing requirements applicable to other groups of Medicaid eligible’s. States can do this by disregarding some or all of an applicant’s assets when applying to Medicaid after exhausting benefits and by exempting these assets from estate recovery after the beneficiary dies. Originally, the program was available only to California, Connecticut, Indiana, and New York, but the Deficit Reduction Act of 2005 allowed for the nationwide expansion of the LTCIPP. The federal legislation sets minimum requirements for all policies considered under the program.

SB 191-B updates current statute governing long-term care insurance to incorporate the specific consumer protections and policy provisions required under the federal legislation. It requires the Department of Human Services to submit a request to the Centers for Medicare and Medicaid Services to authorize a plan amendment for Oregon under the LTCIPP. The measure will allow Oregonians who purchase long-term care insurance to participate in the LTCIPP.

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*This summary has not been adopted or officially endorsed by action of the committee.*