

CHAPTER 28

(Senate Bill 335)

AN ACT concerning

Qualified State Long-Term Care Insurance Partnership – Revisions

FOR the purpose of altering certain provisions of law to conform with the requirements of a certain section of the federal Social Security Act; altering certain reporting dates for reports requiring the Department of Health and Mental Hygiene and the Insurance Commissioner to report to the General Assembly on the implementation of the Qualified State Long-Term Care Insurance Partnership; and generally relating to long-term care and the Qualified State Long-Term Care Insurance Partnership.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 15-401 through 15-405 and 15-407 to be under the amended subtitle
“Subtitle 4. Qualified State Long-Term Care Insurance Partnership”

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

(As enacted by Chapter 513 of the Acts of the General Assembly of 1993)

BY repealing and reenacting, without amendments,

Article – Health – General

Section 15-406

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

(As enacted by Chapter 513 of the Acts of the General Assembly of 1993)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 18-106 and 18-107

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

(As enacted by Chapter 513 of the Acts of the General Assembly of 1993)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Health – General**Subtitle 4. [Maryland Partnership for] QUALIFIED STATE Long–Term Care
[Program] INSURANCE PARTNERSHIP.**

15–401.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Commissioner” means the Insurance Commissioner.
- (c) “Program” means the [Maryland Partnership for Long–Term Care Program] **QUALIFIED STATE LONG–TERM CARE INSURANCE PARTNERSHIP.**

15–402.

- (a) There is a [Maryland Partnership for Long–Term Care Program] **QUALIFIED STATE LONG–TERM CARE INSURANCE PARTNERSHIP.**
- (b) The purposes of the Program are to:
 - (1) Provide incentives for individuals to insure against the costs of providing for their long–term care needs;
 - (2) Provide mechanisms for individuals to qualify for coverage of the costs of their long–term care needs under the medical assistance program without first being required to substantially exhaust all their resources;
 - (3) Assist in developing methods for increasing access to and the affordability of a long–term care policy; and
 - (4) Alleviate the financial burden on the State’s medical assistance program by encouraging pursuit of private initiatives.
- (c) The Program shall:
 - (1) Be administered by:
 - (i) The Department; and
 - (ii) The Commissioner; [and]

(2) Provide for the financing of long-term care services by:

- (i) Private insurance; and
- (ii) State medical assistance; **AND**

(3) COMPLY WITH THE REQUIREMENTS OF § 1917(B) OF THE SOCIAL SECURITY ACT AND ANY APPLICABLE FEDERAL GUIDELINES.

15-403.

(a) To be eligible for the Program, an individual must:

(1) [(i)] Be covered by a long-term care policy that is approved for the Program by the Commissioner under § 15-404 of this subtitle; and

[(ii)] Have exhausted all benefits available under the policy that are available for services to treat or manage the insured's condition; and]

(2) Satisfy any other requirement for eligibility established by the Department.

(b) Program eligibility may not be denied under this section for policy benefits that are not available or appropriate for treating the insured's condition.

15-404.

[(a)] To qualify under the Program, a long-term care policy shall:

(1) **SATISFY THE REQUIREMENTS OF § 1917(B) OF THE SOCIAL SECURITY ACT AND ANY APPLICABLE FEDERAL GUIDELINES;**

(2) Satisfy the requirements of Title 18 of the Insurance Article; AND

[(2)] **(3) Alert the purchaser to the availability of consumer information and public education provided by the Commissioner under § 15-406 of this subtitle IN ACCORDANCE WITH ANY APPLICABLE FEDERAL GUIDELINES[;**

(3) Provide for the keeping of records and an explanation of benefit reports on insurance payments which count toward Medicaid resource exclusion; and

(4) Provide the management information and reports necessary to document the extent of resource protection offered and to evaluate the Program.

(b) The Department may not approve a long-term care policy if the policy requires prior hospitalization or a prior stay in a nursing home as a condition of providing benefits].

15-405.

[(a) When the benefits payable under the long-term care policy approved under § 15-404 of this subtitle are exhausted, determination of eligibility for medical assistance shall be made in accordance with subsection (b) of this section.

(b)] In determining eligibility for medical assistance, an amount of resources equal to the amount of benefits paid under the long-term care policy shall be excluded from the Department's calculation of the individual's resources[, to the extent the payments:

(1) Are for services that medical assistance approves or covers for recipients;

(2) Are for the lower of the actual charge and the amount paid by the insurance company; and

(3) Are for nursing home care or approved home care and community-based services].

15-406.

The Commissioner, through the Consumer Education and Advocacy Program, shall undertake measures to educate the public as to:

(1) The need for long-term care;

(2) Mechanisms for financing long-term care;

(3) The availability of long-term care insurance; and

(4) The asset protection provided under this subtitle.

15-407.

The Department and the Commissioner shall jointly:

(1) Adopt regulations necessary to carry out the provisions of this subtitle **CONSISTENT WITH § 1917(B) OF THE SOCIAL SECURITY ACT AND ANY APPLICABLE FEDERAL GUIDELINES**;

(2) On or before [January 1, 2007] **JANUARY 1, 2008**, report to the General Assembly, in accordance with § 2–1246 of the State Government Article, on the implementation of the Program, including:

(i) The number of long-term care policies approved by the Department for inclusion in the Program;

(ii) The measures undertaken to educate the public as required under § 15–406 of this subtitle; and

(iii) Any other information related to the implementation of the Program that the Department determines necessary; and

(3) Beginning [January 1, 2008] **JANUARY 1, 2009**, and on or before January 1 of each year thereafter, report to the General Assembly, in accordance with § 2–1246 of the State Government Article on:

(i) The effectiveness of the Program;

(ii) The impact of the Program on State expenditures for medical assistance;

(iii) The number of enrollees in the Program; and

(iv) The number of long-term care policies offered in the State.

Article – Insurance

18–106.

(a) (1) A carrier shall provide to each applicant an outline of coverage and buyer's guide.

(2) The carrier shall deliver the outline of coverage and buyer's guide:

(i) in the case of solicitation by the carrier or insurance producer of the carrier, before the presentation of an application or enrollment form; and

(ii) in the case of direct response solicitation, with the application or enrollment form.

(b) The outline of coverage shall include:

(1) a description of the principal benefits and coverage provided in the policy or contract;

(2) a statement of the principal exclusions, reductions, and limitations in the policy or contract;

(3) a statement of the renewal provisions, including any reservation in the policy or contract of a right to change the schedule of premiums;

(4) a statement as to whether the policy or contract is approved under the [Maryland Partnership for Long-Term Care Program] **QUALIFIED LONG-TERM CARE INSURANCE PARTNERSHIP** under Title 15, Subtitle 4 of the Health – General Article;

(5) a statement that the outline of coverage is a summary of the policy or contract issued or applied for and the policy or contract should be consulted to determine the governing contractual provisions; and

(6) any expected premium increases or additional premiums to pay for automatic or optional benefit increases, including a reasonable hypothetical or graphic demonstration of the potential premiums that the applicant will need to pay at age 75 for benefit increases.

(c) The buyer's guide shall include information about buying a policy of long-term care insurance, including a reference to the right of the buyer to cancel a policy during the first 30 days after the policy is delivered.

(d) A carrier shall provide an applicant with a graphic comparison, over a period of at least 20 years, of the benefit levels of a policy that increases benefits over the policy or certificate period compared to the benefit levels of a policy that does not increase benefits.

18-107.

A certificate that is issued under group long-term care insurance shall include:

- (1) a description of the principal benefits and coverage provided in the policy or contract;
- (2) a statement of the principal exclusions, reductions, and limitations of coverage in the policy or contract;
- (3) a statement that the group master policy or contract determines the governing contractual provisions; and
- (4) a statement as to whether the policy or contract is approved under the [Maryland Partnership for Long-Term Care Program] **QUALIFIED STATE LONG-TERM CARE INSURANCE PARTNERSHIP** under Title 15, Subtitle 4 of the Health – General Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2007.

Approved by the Governor, April 10, 2007.