

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 44

(Senator Middleton)

Finance

Health and Government Operations

Qualified State Long-Term Care Insurance Partnership Program - Reporting

This bill clarifies a reporting requirement regarding the Qualified State Long-Term Care Insurance Partnership Program. Specifically, the annual report submitted by the Department of Health and Mental Hygiene (DHMH) and the Insurance Commissioner to the General Assembly should include the number of long-term care policies offered in the State *under the program*.

Fiscal Summary

State Effect: None. The bill clarifies current law.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Qualified State Long-Term Care Insurance Partnership Program is intended 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 long-term care coverage under Medicaid 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 Medicaid by encouraging pursuit of private initiatives.

To be eligible for the partnership program, an individual must be covered by an approved partnership policy and satisfy any other eligibility requirement established by DHMH.

To determine eligibility for Medicaid, benefits paid under approved partnership policies are to be excluded from the Medicaid program's calculation of the individual's resources to the extent the payments went to services and nursing care covered by Medicaid.

DHMH and the Insurance Commissioner are required to submit an annual report by January 1 to the General Assembly on the effectiveness of the partnership program, the impact of the program on State Medicaid expenditures, the number of enrollees in the program, and the number of long-term care policies offered in the State.

Background: Though in statute for many years, the partnership program became operational in 2010. As of July 1, 2010, there were 65 program enrollees and 57 program policies had been issued. As of December 15, 2010, 10 insurers were certified to sell partnership policies in Maryland.

Under current law, all 33 insurers approved to sell long-term care policies in Maryland are required to report the number of long-term care policies they have sold for purposes of partnership program reporting requirements, even though only 10 of those 33 insurers participate in the partnership program. The bill clarifies this reporting requirement to apply only to policies sold under the program.

Additional Information

Prior Introductions: None.

Cross File: HB 226 (Delegate Cullison, *et al*) – Health and Government Operations.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2011
mm/mwc Revised - Senate Third Reader - March 18, 2011

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