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By: ~~Delegate Kullen~~ Delegates Kullen, Barve, Benson, Boteler, Bromwell, Costa, Donoghue, Elliott, Frank, Hammen, Hubbard, Kach, Kohl, Mandel, McDonough, Morhaim, Murray, Nathan-Pulliam, Oaks, Pendergrass, Rudolph, V. Turner, and Weldon

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Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Long-Term Care Planning Act of 2006**

3 FOR the purpose of requiring the Department of Health and Mental Hygiene and the  
 4 Insurance Commissioner to make a certain report to the General Assembly, on  
 5 or before a certain date, on the implementation of the Maryland Partnership for  
 6 Long-Term Care Program; requiring the Maryland Health Care Commission to  
 7 conduct a certain study of the long-term care delivery system in the State;  
 8 requiring the Commission to submit a certain reports report, on or before a  
 9 certain ~~dates~~ date, to the Governor and General Assembly; and generally  
 10 relating to the delivery of long-term care services.

11 BY repealing and reenacting, without amendments,  
 12 Article - Health - General  
 13 Section 15-401 through 15-406  
 14 Annotated Code of Maryland  
 15 (2005 Replacement Volume and 2005 Supplement)

16 BY repealing and reenacting, with amendments,  
 17 Article - Health - General  
 18 Section 15-407  
 19 Annotated Code of Maryland  
 20 (2005 Replacement Volume and 2005 Supplement)

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

3 **Article - Health - General**

4 15-401.

5 (a) In this subtitle the following words have the meanings indicated.

6 (b) "Commissioner" means the Insurance Commissioner.

7 (c) "Program" means the Maryland Partnership for Long-Term Care  
8 Program.

9 15-402.

10 (a) There is a Maryland Partnership for Long-Term Care Program.

11 (b) The purposes of the Program are to:

12 (1) Provide incentives for individuals to insure against the costs of  
13 providing for their long-term care needs;

14 (2) Provide mechanisms for individuals to qualify for coverage of the  
15 costs of their long-term care needs under the medical assistance program without  
16 first being required to substantially exhaust all their resources;

17 (3) Assist in developing methods for increasing access to and the  
18 affordability of a long-term care policy; and

19 (4) Alleviate the financial burden on the State's medical assistance  
20 program by encouraging pursuit of private initiatives.

21 (c) The Program shall:

22 (1) Be administered by:

23 (i) The Department; and

24 (ii) The Commissioner; and

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

26 (i) Private insurance; and

27 (ii) State medical assistance.

28 15-403.

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

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

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

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

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

9 15-404.

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

11 (1) Satisfy the requirements of Title 18 of the Insurance Article;

12 (2) Alert the purchaser to the availability of consumer information and  
13 public education provided by the Commissioner under § 15-406 of this subtitle;

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

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

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

21 15-405.

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

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

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

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

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

1 15-406.

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

- 4 (1) The need for long-term care;
- 5 (2) Mechanisms for financing long-term care;
- 6 (3) The availability of long-term care insurance; and
- 7 (4) The asset protection provided under this subtitle.

8 15-407.

9 The Department and the Commissioner shall jointly:

10 (1) Adopt regulations necessary to carry out the provisions of this  
11 subtitle; [and]

12 (2) ~~ON OR BEFORE OCTOBER 1, 2006~~ JANUARY 1, 2007, REPORT TO THE  
13 GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT  
14 ARTICLE, ON THE IMPLEMENTATION OF THE PROGRAM, INCLUDING:

15 (I) THE NUMBER OF LONG-TERM CARE POLICIES APPROVED BY  
16 THE DEPARTMENT FOR INCLUSION IN THE PROGRAM;

17 (II) THE MEASURES UNDERTAKEN TO EDUCATE THE PUBLIC AS  
18 REQUIRED UNDER § 15-406 OF THIS SUBTITLE; AND

19 (III) ANY OTHER INFORMATION RELATED TO THE  
20 IMPLEMENTATION OF THE PROGRAM THAT THE DEPARTMENT DETERMINES  
21 NECESSARY; AND

22 [(2)] (3) [On or before] ~~OCTOBER 1, 2007~~ JANUARY 1, 2008,  
23 AND ON OR BEFORE ~~OCTOBER 1~~ JANUARY 1 of each year THEREAFTER, report to the  
24 General Assembly, in accordance with § 2-1246 of the State Government Article on:

- 25 (i) The effectiveness of the Program;
- 26 (ii) The impact of the Program on State expenditures for medical  
27 assistance;
- 28 (iii) The number of enrollees in the Program; and
- 29 (iv) The number of long-term care policies offered in the State.

30 SECTION 2. AND BE IT FURTHER ENACTED, That:

31 (a) The Maryland Health Care Commission shall study the long-term care  
32 delivery system in the State to:

1 (1) Determine the types of services and programs that the age 65 and  
2 older population and individuals with disabilities will need in 2010, 2020, and 2030;  
3 and

4 (2) Identify how the State should begin planning for needed services and  
5 programs.

6 (b) In conducting the study, the Commission shall review:

7 (1) Population projections for the age 65 and older population and for  
8 individuals with disabilities;

9 (2) The services and programs operated by State agencies for the age 65  
10 and older population and for individuals with disabilities, including services and  
11 programs related to housing, transportation, medical needs, and food subsidies, to  
12 identify:

13 ~~(i)~~ Duplicative services or programs;

14 ~~(ii)~~ (i) Problems with the delivery of existing services or  
15 programs; and

16 ~~(iii)~~ (ii) The need for additional services or programs;

17 (3) The adequacy of current services and programs for the age 65 and  
18 older population and for individuals with disabilities provided by each county and  
19 region in the State and any gaps in services;

20 (4) The effect that the growth of the age 65 and older population will  
21 have on current services and programs and the areas of the State that will be most  
22 affected;

23 (5) The type of services and programs that will be most needed to  
24 support individuals with disabilities and to care for the age 65 and older population in  
25 2010, 2020, and 2030; and

26 (6) The affordability of the types of services and programs for the age 65  
27 and older population and for individuals with disabilities who may not qualify for  
28 federal, State, or local assistance; and

29 ~~(6)~~ (7) The cost to the State to provide services and programs to the  
30 age 65 and older population and individuals with disabilities.

31 (c) The Commission may contract with a private entity to conduct the study  
32 required under subsection (a) of this section.

33 (d) The Commission shall submit ~~an interim report on or before January 1,~~  
34 ~~2007, and~~ a final report on or before July December 1, 2007, on its findings and  
35 recommendations to the Governor and, in accordance with § 2-1246 of the State  
36 Government Article, the General Assembly.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 2006.