

HOUSE BILL No. 2568

By Special Committee on Medicaid Reform

1-5

9 AN ACT establishing the Kansas long-term care partnership act.

10

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. The director of the Kansas health policy authority shall,
13 in conjunction with the commissioner of insurance, coordinate a long-
14 term care insurance program whereby private insurance and medicaid
15 funds shall be used to finance long-term care. Under such program, an
16 individual may purchase a precertified long-term care insurance policy
17 governed by K.S.A. 40-2225 through 40-2228e, and amendments thereto,
18 and which meets the criteria prescribed by this act, in an amount com-
19 mensurate with such individual's assets. Notwithstanding any provision of
20 statutes, the resources of such an individual, to the extent such resources
21 are equal to the amount of long-term care insurance benefit payments as
22 provided in section 2, and amendments thereto, shall not be considered
23 by the department of social and rehabilitation services in a determination
24 of: (a) Eligibility for medicaid; (b) the amount of any medicaid payment;
25 or (c) in any subsequent recovery by the state of a payment for medical
26 services.

27 Sec. 2. The Kansas health policy authority shall count insurance ben-
28 efit payments toward resource exclusion to the extent such payments: (a)
29 Are for services medicaid approves or covers for its recipients; (b) are for
30 the lesser of the actual charge and the amount paid by the insurance
31 company; (c) are for nursing facility care, or formal services delivered to
32 insureds in the community as part of a care plan approved by a coordi-
33 nation, assessment and monitoring policy adopted by rules and regula-
34 tions of the director of the Kansas health policy authority; and (d) are for
35 services received prior to and following the first month of medicaid eli-
36 gibility for long-term care as established by the director of the Kansas
37 health policy authority. The director of the Kansas health policy authority
38 shall adopt rules and regulations to implement the provisions of this act
39 relating to determining eligibility of applicants for medicaid and the cov-
40 erage requirements for long-term care benefits.

41 Sec. 3. (a) The commissioner of insurance shall only precertify long-
42 term care insurance policies which:

43 (1) Are guaranteed renewable;

- 1 (2) offer the option of home and community-based services in lieu of
2 nursing facility care;
- 3 (3) offer automatic inflation protection or optional periodic per diem
4 upgrades until the insured begins to receive long-term care benefits;
- 5 (4) do not require prior hospitalization or confinement in a nursing
6 facility as a prerequisite to receiving long-term care benefits;
- 7 (5) provide for minimum coverage which shall be for a dollar amount
8 equivalent to 36 months of nursing facility care at the minimum daily
9 benefit rate. The policy shall provide for home care benefits to be sub-
10 stituted for nursing facility care benefits on the basis of two home care
11 days for one nursing facility day. The minimum daily benefits shall be
12 \$100 for nursing facility care or \$50 for home care. These minimum daily
13 benefit amounts shall be adjusted by the commissioner of insurance on
14 October 1 of each year, based on the health care index used under med-
15 icaid for nursing facility rate setting. Adjusted minimum daily benefit
16 amounts shall be rounded to the nearest whole dollar;
- 17 (6) provide for a designated third party to receive notice if the policy
18 is about to lapse for nonpayment of premium and an additional 30-day
19 grace period for payment of premium following notification to such
20 person;
- 21 (7) provide for the keeping of records and an explanation of benefit
22 reports on insurance payments which count toward medicaid resource
23 exclusion; and
- 24 (8) provide the management information and reports necessary to
25 document the extent of medicaid resource protection offered and to eval-
26 uate the Kansas long-term care partnership act.
- 27 (b) The commissioner of insurance may adopt rules and regulations
28 to carry out the precertification provisions of this section.
- 29 Sec. 4. The commissioner of insurance, in conjunction with the di-
30 rector of the Kansas health policy authority, shall submit a report on the
31 progress of the long-term care insurance program to the legislature at the
32 commencement of the regular session of the legislature held during 2007
33 and annually thereafter. Such report shall include: (a) The success in
34 implementing the public and private partnership; (b) the number of pol-
35 icies precertified; (c) the number, age and financial circumstances of in-
36 dividuals purchasing precertified policies; (d) the number of individuals
37 seeking consumer information services; (e) the extent and type of benefits
38 paid under precertified policies that could count toward medicaid re-
39 source protection; (f) estimates of impact on present and future medicaid
40 expenditures; (g) the cost effectiveness of the program; and (h) a deter-
41 mination regarding the appropriateness of continuing the program.
- 42 Sec. 5. As used in sections 1 through 6, and amendments thereto,
43 “nursing facility care” means care provided in a nursing facility as defined

1 in K.S.A. 39-923, and amendments thereto, and shall include an assisted
2 living facility, residential health care facility, skilled nursing home, inter-
3 mediate home and home plus, as such terms are defined in K.S.A. 39-
4 923, and amendments thereto.

5 Sec. 6. This act may be cited as the Kansas long-term care partner-
6 ship act.

7 Sec. 7. This act shall take effect and be in force from and after its
8 publication in the statute book.