SENATE BILL No. 183

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-15-39.6-10.

Synopsis: Medicaid and asset disregard. Requires the office of Medicaid policy and planning to disregard all the assets an individual owns at the time the individual applies for Medicaid if the individual: (1) is the beneficiary of a qualified long term care insurance policy that provides maximum benefits at the time of purchase of at least $140,000; and (2) has exhausted the policy's benefits. Requires that the qualified long term care insurance policy must provide maximum benefits at the time of purchase equal to at least $140,000 plus 5% per year beginning January 1, 1999. Provides that an individual who owns
(Continued next page)

Effective: Upon passage; April 1, 1998; July 1, 1998.

Weatherwax, Kenley

January 6, 1998, read first time and referred to Committee on Planning and Public Services.

a qualified long term care policy on July 1, 1998, and who has not exhausted the policy's benefits is entitled to receive the revised asset disregard calculation once the policy's benefits are exhausted. Requires the office of Medicaid policy and planning to apply for approval from the federal Health Care Financing Administration to amend the state plan for medical assistance to implement the new asset disregard definition.

Introduced

Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

SENATE BILL No. 183

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 12-15-39.6-10, AS ADDED BY P.L.24-1997, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 1998]: Sec. 10. (a) As used in this section, "asset disregard" means **one (1) of the following:**

(1) A one dollar ($1) increase in the amount of assets an individual who:

(A) purchases a qualified long term care policy; and

(B) meets the requirements under section 8 of this chapter;

may retain under IC 12-15-3 for each one dollar ($1) of benefit paid out under the individual's long term care policy for long term care services.

(2) The total assets an individual owns and may retain under IC 12-15-3 and still qualify for benefits under IC 12-15 at the time the individual applies for benefits if the individual:

(A) is the beneficiary of a qualified long term care policy

that:

(i) provides maximum benefits at the time of purchase of at least one hundred forty thousand dollars ($140,000); and

(ii) includes a provision under which the daily benefit increases by at least five percent (5%) per year, compounded at least annually;

(B) meets the requirements under section 8 of this chapter; and

(C) has exhausted the benefits of the qualified long term care policy.

(b) When the office ~~of~~ ~~Medicaid~~ ~~policy~~ ~~and~~ ~~planning~~ determines whether an individual is eligible for Medicaid under IC 12-15-3, the office shall make an asset disregard adjustment for any individual who purchases a qualified long term care policy. The asset disregard must be available after benefits of the long term care policy have been applied to the cost of long term care as required under this chapter.

(c) The qualified long term care policy that an individual must purchase to be eligible for the asset disregard described in subsection (a)(2) must have maximum benefits at the time of purchase equal to at least one hundred forty thousand dollars ($140,000) plus five percent (5%) interest compounded annually beginning January 1, 1999.

SECTION 2. [EFFECTIVE JULY 1, 1998] **An individual who owns, as of July 1, 1998, a qualified long term care policy (as defined in IC 12-15-39.6-5) and has not exhausted the benefits of the qualified long term care policy is entitled to receive an asset disregard as provided in IC 12-15-39.6-10, as amended by this act:**

(1) after the benefits of the qualified long term care policy have been exhausted, as provided in IC 12-15-39.6-10, as amended by this act; and

(2) as long as the long term care program under IC 12-15-39.6 remains in effect.

SECTION 3. [EFFECTIVE UPON PASSAGE] **(a) Before July 1, 1998, the office of Medicaid policy and planning shall apply for approval from the Health Care Financing Administration to amend the state plan for medical assistance to implement this act.**

(b) Upon receiving approval for the amendment described in subsection (a), the office of Medicaid policy and planning shall amend the state plan for medical assistance to implement this act.

(c) This SECTION expires July 1, 2001.

SECTION 4. **An emergency is declared for this act.**