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MEDICAID LONG-TERM CARE PARTNERSHIP

House Bill 4328
Sponsor: Rep. Walter J. DeLange
Committee: Human Services

Complete to 3-14-95

A SUMMARY OF HOUSE BILL 4328 AS INTRODUCED 2-14-95

The bill would add new sections to the Social Welfare Act (Public Act 280 of 1939) to require the Department of Social Services (DSS) to obtain a federal waiver to create the "Michigan Partnership for Long-Term Care Program" that would provide for the financing of long-term care through a combination of private long-term care ("partnership") insurance policies and Medicaid. More specifically, Michigan residents who had had four years of nursing home (or certain other specified kinds of long-term) care paid for under a private insurance "partnership policy" would then have their Medicaid eligibility determined without regard to their financial resources.

Partnership policy. A partnership policy would have to cover certain kinds of long-term care for a minimum of four years, with minimum daily benefit amounts that would be adjusted annually by the DSS. A partnership policy would have to cover the following eight kinds of service: nursing home care, home health care, adult day care, personal care, skilled nursing care, respite care, care management, and days spent in a hospital while the policy holder was waiting for long-term care placement. The coverage would have to cover a minimum of four years of one or more of the specified kinds of care, with minimum daily benefits of $100 for nursing home care and $50 for the other kinds of care.

A third party would have to be designated to receive notice if a partnership policy was about to lapse for nonpayment of premium, and if that person were notified of such an event there would be an additional 30-day grace period to pay the premium. Claims would have to be paid even if premiums hadn't been paid, if the nonpayment was the result of the insured person's cognitive impairment.

Partnership policies would have to offer all of the following options for the payment of additional premiums:

* An elimination period of less than 100 days;

* five percent inflation protection;

* level premiums; and

* return of premium and nonforfeiture benefits for applicants between the ages of 18 and 75.

Eligibility. A Michigan resident would be eligible to participate in the partnership program if the person bought a policy and maintained it in effect throughout his or her participation in the partnership program, and exhausted the minimum benefits under the policy (that is, had used a minimum of four years of the long-term care services covered under the policy). The policy would have to have been delivered, issued for delivery, or renewed on or after the bill took effect.

Medicaid component. The Department of Social Services would be required to seek appropriate amendments to the Medicaid state plan as well as a waiver of Medicaid requirements by the federal Health Care Financing Administration (HCFA) in order to implement the partnership program. The department couldn't implement the program without such a federal waiver.

Upon application of someone who was eligible to participate in the partnership program, the DSS would determine his or her eligibility for Medicaid without regard to his or her financial resources.

Rules promulgation. The Department of Social Services could promulgate rules to implement the partnership program.

MCL 400.112a et al.