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SENATE JOINT RESOLUTION NO. 365

Senate Amendments in [] — January 30, 1997

Memorializing Congress to repeal § 13612 (a) (C) of the Omnibus Budget Reconciliation Act of 1993.

Patrons—Woods, Barry, Lambert, Martin, Marye, Saslaw, Schrock and Trumbo; Delegates: Cantor, Darner and Hall

Referred to the Committee on Rules

WHEREAS, the states of Connecticut, New York, Indiana, and California have established public/private long term care partnerships; and

WHEREAS, these partnerships encourage the purchase of approved long term care insurance policies by offering purchasers enhanced asset protection under the Medicaid program; and

WHEREAS, under such a partnership program, if a policyholder requires long term care and eventually exhausts his or her private insurance benefits, the policyholder is permitted to keep more of his or her assets while still qualifying for Medicaid coverage; and

WHEREAS, the 1993 Session of the General Assembly requested a study of the advantages of public/private partnerships to encourage the purchase of long term care insurance in an attempt to formulate an innovative program to slow the growth of Medicaid funding for long term care; and

WHEREAS, the Omnibus Budget Reconciliation Act of 1993 includes a provision, § 13612 (a) (C), that discourages additional states from implementing such partnerships by requiring states to make recovery from the estates of persons who had enjoyed enhanced Medicaid asset protection, making the asset protection provided by such partnerships only temporary; and

WHEREAS, the removal of § 13612 (a) (C) would allow additional states to establish asset protection programs for individuals who purchase qualified long term care insurance policies without requiring states to recover such assets upon a beneficiary's death; and

WHEREAS, the removal of § 13612 (a) (C) would make such partnerships much more attractive to potential participants, especially if they are motivated by a desire to pass some of their assets on to their children; and

WHEREAS, having long term care insurance reduces the possibility that persons will spend down to Medicaid eligibility levels; and

WHEREAS, long term care insurance, by reducing the Medicaid expenditures for policy holders, helps states control Medicaid costs; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That Congress be urged to repeal § 13612 (a) (C) of the Omnibus Budget Reconciliation Act of 1993; and, be it

FURTHER RESOLVED, That the Clerk of the Senate [~~prepare a copy of this resolution for presentation~~ transmit a copy of this resolution] to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Virginia Congressional Delegation to apprise them of the sense of the Virginia General Assembly [in this matter] .

ENGROSSED

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