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**SENATE JOINT RESOLUTION NO. 104****AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on Rules  
on February 13, 1998)

(Patron Prior to Substitute—Senator Martin)

*Directing the Joint Commission on Health Care to study the tax incentives for the purchase of long-term care insurance.*

WHEREAS, the number of Virginians aged 85 and older is expected to nearly double between 1990 and 2010; and

WHEREAS, approximately 70 percent of nursing home services in Virginia are reimbursed through Medicaid funding; and

WHEREAS, in 1995, long-term care insurance policies in Virginia paid approximately \$44 million in claims compared with approximately \$470 million in Virginia Medicaid expenditures for long-term care services in 1995; and

WHEREAS, long-term care insurance is a policy that pays for the cost of receiving future long-term care; and

WHEREAS, long-term care insurance offers a means of promoting individual responsibility in meeting long-term care costs; and

WHEREAS, long-term care insurance offers a means of protecting an individual's assets from being depleted by long-term care costs and of enhancing consumer choice in selecting long-term care options; and

WHEREAS, the federal government, through the Health Insurance Portability and Accountability Act of 1996, created a provision whereby individuals may be able to deduct all or part of the premiums of a "qualified" long-term care policy if an individual's medical expenses exceed 7.5 percent of the individual's adjusted gross income; and

WHEREAS, according to the National Association of Insurance commissioners, 42,792 lives were covered by long-term care insurance policies in Virginia in 1995; and

WHEREAS, the challenge is how to encourage younger and/or healthier persons to purchase long-term care insurance for themselves or their family members; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Commission Health Care be directed to study the tax incentives for the purchase of long-term care insurance. The study shall include (i) any appropriate tax incentives for an individual or the individual's family who would purchase a long-term care insurance policy on behalf of the individual; (ii) any additional alternative incentive plans, including Medicaid spend-down credits; and (iii) recommendations for a benefit package which provides insurance benefits to adequately and appropriately protect the interests of the insured and the Commonwealth.

The Joint Commission on Health Care shall complete its work in time to submit its findings and recommendations to the Governor and the 1999 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.