
A BILL FOR AN ACT

RELATING TO LONG-TERM CARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 LONG-TERM CARE PARTNERSHIP PROGRAM

6 § -1 **Purpose.** The purpose of the long-term care
7 partnership program is to reduce medicaid costs for long-term
8 care by encouraging individuals to purchase private long-term
9 care insurance plans. This program allows individuals to
10 benefit from a dollar for dollar asset disregard, for the
11 purposes of medicaid spend down requirements, for benefits paid
12 under their qualified long-term care insurance plans. By
13 providing incentives for individuals to insure against the
14 potentially high costs of long-term care, this program will
15 delay or eliminate dependence on medicaid.



1 **§ -2 Definitions.** For the purposes of this chapter:

2 "Assets" means real and personal property, income, and any
3 other economic resources owned, earned, or attributable to an
4 individual.

5 "Certified long-term care insurance partnership policy"
6 means a policy provided by a producer in accordance with chapter
7 431 and approved by the department that:

8 (1) Meets all of the requirements of a qualified long-term
9 care insurance contract as defined in section 7702B(b)
10 of the Internal Revenue Code; and

11 (2) Was issued not earlier than the effective date of the
12 state plan amendment.

13 "Department" means the department of human services.

14 "Medicaid" means the program for medical assistance
15 established under 42 United States Code chapter 7, subchapter
16 XIX, or any successor program.

17 "Partnership" means a cooperative agreement between the
18 state medicaid agency and the federal government.

19 "State medicaid agency" means the division of the
20 department of human services that is the federally designated
21 single state agency charged with administration and supervision
22 of the state medicaid program.



1 "State plan amendment" means the state medicaid plan
2 amendment made to the federal Department of Health and Human
3 Services that provides for the disregard of any assets in an
4 amount equal to the insurance benefit payments that are made to
5 or on the behalf of an individual who is a beneficiary under a
6 certified long-term care insurance policy.

7 **§ -3 Long-term care partnership established.** (a) The
8 department shall establish a long-term care partnership program
9 that enables an individual who has assets that would otherwise
10 disqualify the individual from receiving medicaid benefits to
11 continue receiving medicaid benefits; provided that the
12 individual purchases and maintains long-term care insurance that
13 is in compliance with this chapter.

14 (b) All long-term care insurance plans authorized under
15 this chapter shall include a provision that specifies that the
16 long-term care insurance plan shall be the primary payer of
17 long-term care costs and that medicaid shall be the secondary
18 payer.

19 **§ -4 Eligibility for long-term care benefits under**
20 **medicaid; assets not considered.** Notwithstanding any other law
21 to the contrary, an individual who purchases a certified long-
22 term care insurance partnership policy and has assets above the



1 eligibility levels for receipt of medicaid benefits shall be
2 eligible to receive medicaid benefits and any other long-term
3 care services specified by the department without regard to the
4 individual's assets.

5 **§ -5 Amendments to medicaid rules and state plan.** (a)

6 The department shall prepare a state plan amendment to seek
7 appropriate amendments to its medicaid rules and state plan to
8 allow protection of assets pursuant to section -4. The
9 protection shall be provided to the extent approved by the
10 federal Centers for Medicare and Medicaid Services for any
11 purchaser of a certified long-term care insurance partnership
12 policy and shall last for the life of the purchaser. The
13 protection shall be provided under the medicaid program. Any
14 purchaser of a certified long-term care insurance partnership
15 policy shall be guaranteed coverage under the medicaid program
16 if the individual meets all other applicable eligibility
17 requirements for the receipt of medicaid benefits that are not
18 related to the individual's assets.

19 (b) The department shall seek any federal waivers and
20 approvals necessary to accomplish the purposes of this chapter.

21 **§ -6 Certification of policies or plans.** The department
22 of commerce and consumer affairs shall certify a policy as a



1 certified long-term care insurance partnership policy only if it
2 meets the requirements of chapter 431, 42 United States Code
3 1396p, and section 7702B(b) of the Internal Revenue Code.

4 **§ -7 Rules.** The department shall adopt rules pursuant
5 to chapter 91 to implement this chapter.

6 **§ -8 Long-term care partnership program outreach.** The
7 department shall establish an outreach program to educate
8 consumers about the need for long-term care, the mechanisms for
9 financing long-term care, the availability of long-term care
10 insurance, and asset protection provided under this chapter.
11 The department shall coordinate with the executive office on
12 aging to establish the program."

13 SECTION 2. This Act shall take effect on July 1, 2050.



Report Title:

Long-Term Care Partnership Program

Description:

Implements the long-term care partnership program, allowing individuals to qualify for medicaid coverage for continued long-term care prior to exhausting their assets. Effective July 1, 2050. (HB1689 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

