REVENUE: No revenue impact
FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	4 - 0 - 1
Yeas:	Kruse, Monnes Anderson, Verger, Morrisette
Nays:	0
Exc.:	George G.
Prepared By:	Ilana Weinbaum, Administrator
Meeting Dates:	2/21

WHAT THE MEASURE DOES: Limits use of preexisting health conditions to exclude initial coverage for long term care insurance. Prohibits a prior institutionalization requirement for certain policy benefits. Requires delivery of policy summary with individual life insurance policies that provide long term care benefits and specifies information to be included in policy summary. Specifies requirements for incontestability periods. Requires offer of nonforfeiture benefits and specifies benefits. Specifies initial and ongoing training requirements for insurance producers who sell individual long term care insurance. Adds definition of "qualified long term care insurance." Excludes long term care insurance benefits from Medicaid eligibility determination and estate recovery. Requires Department of Human Services to submit Medicaid state plan amendment to federal government. Declares emergency, effective on passage.

ISSUES DISCUSSED:
- Benefits of long term care insurance
- Cost to family members of caring for sick and elderly individuals in their homes
- Extension of long term care insurance coverage under SB 191 to home care and skilled nursing services
- Experiences in the Long Term Care Insurance Program pilot states
- Need for additional training requirement for agents selling long term care insurance
- Potential savings for Medicaid if more people buy long term care insurance

EFFECT OF COMMITTEE AMENDMENT: Alters the training requirements for those who sell long term care insurance to require an initial eight hours of training for all insurers and four hours of additional training every two years. Adds an emergency clause to the bill, effective on passage; makes insurance changes operative January 1, 2008; and authorizes Department of Consumer and Business Services director to prepare for implementation of insurance changes before January 1, 2008.

BACKGROUND: In 1989, the Oregon Legislature enacted the Long Term Care Insurance Act (ORS 743.650 to 743.656) to establish standards governing long term care (LTC) insurance and related benefits, including provisions related to marketing, coverage terms, definitions, rating, and disclosure.

The federal Long Term Care Insurance Partnership Program (LTCIPP) was initiated in the late 1980s in order to address the increasing cost of state Medicaid expenditures for LTC and encourage the purchase of LTC policies. It allows states with approved plan amendments to extend Medicaid coverage, including LTC benefits, to certain persons who have purchased private LTC insurance policies, without requiring them to meet the same means-testing requirements applicable to other groups of Medicaid eligibles.

States can do this by disregarding some or all of an applicant's assets, when they apply to Medicaid after exhausting their own benefits, and exempting these assets from estate recovery after the beneficiary dies. The program was originally available only to select states (California, Connecticut, Indiana, and New York), but the Deficit Reduction

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Act (DRA) of 2005 allowed for the nationwide expansion of the LTCIPP. The federal legislation sets minimum requirements for all policies considered under the program.

SB 191 would update current statute governing long term care insurance to incorporate the specific consumer protections and policy provisions required under the federal legislation. It would require the Department of Human Services to submit a request to the Centers for Medicare and Medicaid Services (CMS) to authorize a plan amendment for Oregon under the LTCIPP. Upon approval of a plan amendment, SB191 would allow Oregonians who purchase long term care insurance to participate in the LTCIPP.

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