

# SENATE BILL No. 261

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-15.

**Synopsis:** Long term care insurance partnership program. Requires the office of the secretary of family and social services to apply before December 31, 2021, for a Medicaid state plan amendment to effectuate the federal long term care insurance partnership program (program). Provides the state's current long term care insurance program applies to policies entered into, issued, or renewed before July 1, 2022. Defines "qualified long term care insurance policy". Provides administrative, reporting, and continuing education requirements for the program.

**Effective:** July 1, 2021.

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January 11, 2021, read first time and referred to Committee on Insurance and Financial Institutions.

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First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

## SENATE BILL No. 261

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A BILL FOR AN ACT to amend the Indiana Code concerning human services.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 12-15-1.3-22 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2021]: **Sec. 22. (a) Before December 31, 2021,**  
4 **the office must apply to the United States Department of Health**  
5 **and Human Services for a state plan amendment that establishes**  
6 **the long term care partnership program as described in**  
7 **IC 12-15-39.8.**

8 (b) **If the office receives approval for the state plan amendment**  
9 **applied for under this section, the office shall comply with**  
10 **IC 12-15-39.8.**

11 SECTION 2. IC 12-15-39.6-0.5 IS ADDED TO THE INDIANA  
12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2021]: **Sec. 0.5. (a) This chapter applies to**  
14 **qualified long term care policies entered into, issued, or renewed**  
15 **before July 1, 2022.**

16 (b) **Notwithstanding IC 12-15-39.8, the asset disregard under**  
17 **section 10 of this chapter applies to any qualified long term care**



1 **policy to which this chapter applies.**

2 SECTION 3. IC 12-15-39.8 IS ADDED TO THE INDIANA CODE  
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2021]:

5 **Chapter 39.8. Long Term Care Insurance Partnership Program**

6 **Sec. 1. This chapter applies to qualified long term care**  
7 **insurance policies that are entered into, issued, or renewed after**  
8 **June 30, 2022.**

9 **Sec. 2. As used in this chapter, "program" means the Indiana**  
10 **long term care insurance partnership program established by**  
11 **section 4(a) of this chapter.**

12 **Sec. 3. As used in this chapter, "qualified long term care**  
13 **insurance policy" means an insurance policy that meets the**  
14 **following requirements:**

15 (1) **The policy covers an individual who was a resident of the**  
16 **state when the coverage first became effective under the**  
17 **policy.**

18 (2) **The policy was not issued before the effective date of the**  
19 **state plan amendment applied for under IC 12-15-1.3-22.**

20 (3) **The policy meets the definition of a qualified long term**  
21 **care insurance contract under 26 U.S.C. 7702B.**

22 (4) **The policy meets the model regulations and requirements**  
23 **of the model act of the National Association of Insurance**  
24 **Commissioners provided in 42 U.S.C. 1396p(b)(5).**

25 (5) **The policy includes inflation protection options that meet**  
26 **the minimum standards provided in 42 U.S.C.**  
27 **1396p(b)(1)(C)(iii)(IV).**

28 (6) **The department of insurance certifies that the policy meets**  
29 **the requirements of subdivisions (3), (4), and (5).**

30 **Sec. 4. (a) The Indiana long term care insurance partnership**  
31 **program is established.**

32 (b) **The office of Medicaid policy and planning and the**  
33 **department of insurance shall administer the program in**  
34 **accordance with Section 6021 of the federal Deficit Reduction Act**  
35 **of 2005.**

36 **Sec. 5. Under the program, the office of Medicaid policy and**  
37 **planning must exclude and disregard an amount equal to the**  
38 **amount of benefits an individual receives under a qualified long**  
39 **term care insurance policy when determining the following:**

40 (1) **The individual's resources for purposes of determining**  
41 **eligibility for Medicaid under IC 12-15-3.**

42 (2) **The amount to be recovered from the individual's estate**



1 under IC 12-15-9 if the individual is eligible for Medicaid.

2 **Sec. 6. (a) The department of insurance shall develop a training**  
 3 **program for insurance producers who sell qualified long term care**  
 4 **insurance policies that includes a certified prelicensing course and**  
 5 **continuing education courses. The courses must cover, at a**  
 6 **minimum, the following topics:**

7 (1) State and federal regulations and requirements and the  
 8 relationship between qualified long term care insurance  
 9 policies and other public and private coverage of long term  
 10 care services, including Medicaid.

11 (2) Available long term care services and providers.

12 (3) Changes or improvements in long term care services or  
 13 providers.

14 (4) Alternatives to the purchase of private long term care  
 15 insurance.

16 (5) The effect of inflation on benefits and the importance of  
 17 inflation protection.

18 (6) Consumer suitability standards and guidelines.

19 (b) An insurance producer must:

20 (1) complete the certified prelicensing course established  
 21 under subsection (a) before the insurance producer may sell,  
 22 solicit, or negotiate a qualified long term care insurance  
 23 policy; and

24 (2) attend a continuing education course established under  
 25 subsection (a) at least once every license renewal period to  
 26 continue to sell, solicit, or negotiate a qualified long term care  
 27 insurance policy.

28 **Sec. 7. An insurer that issues a qualified long term care**  
 29 **insurance policy shall provide regular reports to:**

30 (1) the Secretary of the United States Department of Health  
 31 and Human Services, as required by federal regulations; and

32 (2) the office of Medicaid policy and planning and the  
 33 department of insurance, as required by those entities.

34 **Sec. 8. The secretary of family and social services and the**  
 35 **department of insurance may adopt rules under IC 4-22-2**  
 36 **necessary to implement this chapter.**

