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House of Representatives

COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

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MEMORANDUM

SUBJECT: Proposed Legislation - Long-Term Care Partnership Program Act

TO: All House Members

FROM: Representative Larry O. Sather

I am reintroducing legislation that was proposed last session as HB 721, the Long-Term Care Partnership Program Act. The bill passed the House unanimously, however, the Senate Banking and Insurance Committee did not consider the bill and it died when the session ended. I believe this proposal is essential because it addresses the key issues that need to be resolved with regard to long-term care insurance—it creates a program that would provide incentives for individuals to insure against the costs of providing for their long-term care needs; provides a mechanism for individuals to qualify for coverage of the cost of their long-term care needs under Medical Assistance without first being required to substantially exhaust their resources; provides counseling services to individuals planning for their long-term care needs; and, alleviates the financial burden on the State's Medical Assistance Program by encouraging the pursuit of private initiatives.

It is important to note that, although the proposed changes in the bill with regard to the State Medical Assistance Program and asset disregard cannot be implemented until the 1993 federal restrictions to asset protection are repealed, efforts are underway by PA Congressman John Peterson and others to allow Pennsylvanians to benefit from asset disregard. It is essential, therefore, that this legislation be positioned for quick implementation in the event of Congressional repeal of the "Waxman Amendment". The states of Connecticut, Indiana, California and New York were able to establish long-term care partnerships before enactment of "Waxman" and, as a result, have enabled residents of these states to qualify for Medical Assistance for their long-term care needs without depleting their savings.

If you would like to join me in cosponsoring this proposal, please contact Jennifer in my office at 7-3335 or by e-mail jhaines@pahousegop.com.

LOS/jrh