

LARRY O. SATHER, MEMBER

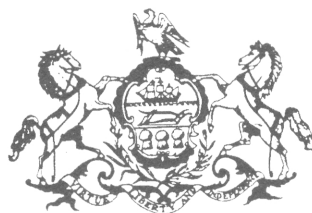
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House of Representatives

COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

January 10, 2006

MEMORANDUM

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TO: All House Members

FROM: Representative Larry O. Sather

SUBJECT: Resolution Co-Sponsorship

I am introducing a resolution that would memorialize Congress to enact the Budget Reconciliation Act of 2005 so as to authorize the Commonwealth of Pennsylvania to form Long-Term Care Partnerships. As you may know, over the past several sessions, I have sponsored legislation that would create a Long-Term Care Partnership Program in Pennsylvania. This session, House Bill 93, PN 87 was reported out of the Aging and Older Adult Services Committee and is on the House Tabled Calendar.

The concept of Long-Term Care Partnerships was adopted in four states—California, Connecticut, Indiana, and New York, prior to a 1993 Federal impediment preventing additional states from utilizing this approach. The language contained in the Budget Reconciliation Act of 2005 would remove the existing Federal impediment, thereby enabling Pennsylvania to move ahead with a state program.

The Long-Term Care Partnership Program is a public-private partnership between states and private insurance companies, designed to reduce Medicaid expenditures by delaying or eliminating the need for some people to rely on Medicaid to pay for long-term care services. Purchasers of private long-term care insurance policies that are designated by a state as partnership policies and eventually need long-term care services, first rely on benefits from their private long-term care insurance policy to cover long-term care costs before they access Medicaid.

Through the promise of Medicaid asset protection, the partnership program is designed to encourage people to purchase private long-term care insurance when they might not otherwise do so. It is intended to incur savings both to Medicaid, by delaying or preventing spend-down to Medicaid eligibility, and to individuals, by having them rely on insurance policies to cover long-term care expenditures that would otherwise be paid by personal income and savings. This could serve to free some of Medicaid's resources for use by persons with greater financial need who cannot otherwise afford long-term care insurance.

If you are interested in cosponsoring this resolution, please contact Jennifer in my office at 787-3335 or by e-mail jhaines@pahousegop.com.

LOS/jrh