



January 28, 2000

## SENATE BILL No. 319

DIGEST OF SB 319 (Updated January 27, 2000 10:52 AM - DI 44)

**Citations Affected:** IC 5-10; IC 12-15.

**Synopsis:** Long term care insurance for state employees. Requires the state to establish a program of group long term care insurance for its employees through the purchase of one or more qualified long term care insurance policies that are written on a group basis. Provides that coverage under the program must be available to all state employees, that each state employee may elect whether to obtain the coverage, and that the state must pay 20% of the premium for the coverage of each employee who elects to obtain coverage. Provides that a state employee who obtains coverage under the program and ceases to be a state employee may continue coverage under the program if the former state employee pays 100% of the premium. Makes conforming changes in the law on the long term care program to reflect the availability of coverage under a qualified long term care policy that is written on a group basis.

**Effective:** July 1, 2000.

**Miller**

January 10, 2000, read first time and referred to Committee on Health and Provider Services.  
January 20, 2000, amended, reported favorably — Do Pass; reassigned to Committee on Finance.  
January 27, 2000, reported favorably — Do Pass.

SB 319—LS 6430/DI 97+



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January 28, 2000

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

## SENATE BILL No. 319

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 5-10-8-11 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2000]: **Sec. 11. (a) As used in this section, "long term care  
4 insurance" has the meaning set forth in IC 12-15-39.6-3.**

5 **(b) As used in this section, "qualified long term care policy" has  
6 the meaning set forth in IC 12-15-39.6-5.**

7 **(c) The state shall establish a program of long term care  
8 insurance for its employees through the purchase of one (1) or  
9 more qualified long term care insurance policies that are written  
10 on a group basis.**

11 **(d) Under the program established under this section:**

12 **(1) long term care insurance coverage shall be made available  
13 to all state employees;**

14 **(2) each state employee may decide whether to obtain  
15 coverage under the program;**

16 **(3) the premium for the coverage on each state employee who  
17 decides to obtain coverage under the program shall be paid as**

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- 1 follows:
- 2 (A) Eighty percent (80%) shall be paid by the state
- 3 employee.
- 4 (B) Twenty percent (20%) shall be paid by the state; and
- 5 (4) a state employee who:
- 6 (A) obtains coverage under the program; and
- 7 (B) ceases to be a state employee;
- 8 may continue receiving coverage under the program if the
- 9 former state employee pays one hundred percent (100%) of
- 10 the premium for the coverage.
- 11 SECTION 2. IC 12-15-39.6-10 IS AMENDED TO READ AS
- 12 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 10. (a) As used in this
- 13 section, "asset disregard" means one (1) of the following:
- 14 (1) A one dollar (\$1) increase in the amount of assets an
- 15 individual who:
- 16 (A) purchases **coverage under** a qualified long term care
- 17 policy; and
- 18 (B) meets the requirements under section 8 of this chapter;
- 19 may retain under IC 12-15-3 for each one dollar (\$1) of benefit
- 20 paid out under the individual's long term care policy for long term
- 21 care services.
- 22 (2) The total assets an individual owns and may retain under
- 23 IC 12-15-3 and still qualify for benefits under IC 12-15 at the time
- 24 the individual applies for benefits if the individual:
- 25 (A) is the beneficiary of a qualified long term care policy that
- 26 provides maximum benefits at time of purchase of at least one
- 27 hundred forty thousand dollars (\$140,000) and includes a
- 28 provision under which the daily benefit increases by at least
- 29 five percent (5%) per year, compounded at least annually;
- 30 (B) meets the requirements under section 8 of this chapter; and
- 31 (C) has exhausted the benefits of the qualified long term care
- 32 policy.
- 33 (b) When the office determines whether an individual is eligible for
- 34 Medicaid under IC 12-15-3, the office shall make an asset disregard
- 35 adjustment for any individual who purchases **coverage under** a
- 36 qualified long term care policy. The asset disregard must be available
- 37 after benefits of the long term care policy have been applied to the cost
- 38 of long term care as required under this chapter.
- 39 (c) The qualified long term care policy **through which** an individual
- 40 must **purchase obtain coverage** to be eligible for the asset disregard
- 41 under subsection (a)(2) must have maximum benefits at time of
- 42 purchase equal to at least one hundred forty thousand dollars

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1 (\$140,000) plus five percent (5%) interest compounded annually  
2 beginning January 1, 1999.

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SENATE MOTION

Mr. President: I move that Senate Bill 319 be reassigned to the Committee on Finance, pursuant to Senate Rule 65(b).

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 319, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 15, delete "and".

Page 2, line 4, delete "." and insert "; and

**(4) a state employee who:**

**(A) obtains coverage under the program; and**

**(B) ceases to be a state employee;**

**may continue receiving coverage under the program if the former state employee pays one hundred percent (100%) of the premium for the coverage."**

and when so amended that said bill do pass.

(Reference is to SB 319 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 6, Nays 0.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 319, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 319 as printed January 21, 2000.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 1.

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