EditorialOpinion

Long Term Partners

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The National Association of Health Underwriters and MetLife co-hosted an important briefing recently on long-term care partnerships.

NAHU and MetLife are actively lobbying in the states and in Washington for these programs to be offered on a favorable basis in all states.

Currently, only four states -- California, Connecticut, New York and Indiana -- offer long-term care partnership programs because restrictive legislative language passed by Congress as part of the Budget Act of 1993 limits state authority under Medicaid to offer partnerships.

To remedy this situation Congressmen John Peterson (PA) and Earl Pomeroy (ND) recently introduced H.R. 1406 to remove the restrictive legislative language so additional states can enter into long-term care partnerships.

"Long-term care partnerships offer consumers an alternative to spending down, their entire life savings by forming a partnership between Medicaid and long-term care insurers," explained John Greene, NAHU director of federal affairs.

The purpose of these partnership programs is to provide access to affordable private long-term care insurance for individuals of moderate income who may not have been able to afford private coverage in the past.

Consumers who purchase such policies are insured for covered long-term care expenses for a predetermined level of benefits through a private insurer. If the benefits under the private plan are exhausted and the individual still requires services, Medicaid will be available, but without the requirement to spend down all assets, as is usually required to meet Medicaid eligibility criteria. The individual is permitted to retain assets equal to the amount of benefits purchased under the policy, and Medicaid becomes the payer only after the long-term care partnership benefits are exhausted.

NAHU's Greene notes that Medicaid is now the primary payer of long-term care services, and as a result, state and federal governments bear a tremendous burden for these services. The impact of aging baby boomers will only exacerbate this problem, which will be compounded by the fact that elderly individuals often believe, mistakenly, that Medicare pays for long-term care costs, NAHU is telling lawmakers.

"In fact, long-term care costs consumers about two-thirds of a state's budget and with states running deficits, Medicaid cannot continue to support these outlays. It is critical that we do something now to encourage people to plan privately for their long-term care needs, just as they do for their other retirement needs," Greene adds.

Long-term care partnership programs provide benefits to consumers, Medicaid, and private insurers. NAHU promises to continue to work with members of Congress and state legislators to promote long-term care partnership initiatives. ❒

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95-0. That's not the latest Patriots score; it's how the U.S. Senate recently voted on a measure barring insurers from using genetic information to deny or price medical insurance.

It appears this is one cause those in the industry who support the use of genetic information have lost, or obviously failed to successfully articulate the reasons for supporting its use.

If the ban goes on to pass in the House, insurers will be restricted in their pricing and underwriting. They may not like it but they will all have to follow the same rules.

The latest vote on genetic data is a reminder that even though the industry is regulated by states, it is not immune to federal policy.

While less charged an issue, the use of credit scoring poses similar obstacles. Advocates still face a formidable task convincing state policymakers that the use of credit is fair. If the matter ever reaches the U.S. Senate, we doubt they'd have any more success that the backers of genetic data use. ❒