

304.14-642 Kentucky Long-Term Care Partnership Insurance Program -- Policy component requirements -- Administrative regulations.

- (1) The Kentucky Long-Term Care Partnership Insurance Program is established as a partnership between the Department for Medicaid Services and the Department of Insurance to:
 - (a) Provide incentives for an individual to insure against the cost of providing for his or her long-term care needs;
 - (b) Increase utilization of long-term care insurance policies;
 - (c) Assist in alleviating the financial burden of Kentucky's Medicaid program by encouraging the use of private insurance; and
 - (d) Provide a mechanism for individuals to qualify for Medicaid services for costs of long-term care without exhausting all of their assets and resources.
- (2) A long-term care partnership insurance policy shall:
 - (a) Provide coverage for expenses for at least twelve (12) months for each covered person on an expense-incurred, indemnity, or prepaid basis for one (1) or more long-term care services provided in a setting other than an acute care unit of a hospital;
 - (b) Be qualified under Section 7702B(b) of the Internal Revenue Code of 1986;
 - (c) Provide coverage for long-term care services for a policyholder who is a resident of a state with a qualified long-term care partnership program when coverage first became effective; and
 - (d) Not be issued prior to the effective date of an approved amendment to the State Medicaid Plan.
- (3) The Department of Insurance shall have responsibility to approve, pursuant to KRS 304.14-120, any long-term care partnership insurance policy available in Kentucky that meets and continues to meet all applicable federal and state laws and regulations. The state shall not impose any requirement affecting the terms or benefits of such a policy unless the state imposes such requirement on long-term care insurance policies without regard to whether the policy is covered under the partnership or is offered in connection with the partnership.
- (4) The Department of Insurance shall ensure that any agent who sells a long-term care partnership insurance policy can demonstrate an understanding of long-term care partnership insurance and how it relates to other public and private coverage of long-term care expenses. The Department for Medicaid Services shall provide consultation, materials, and other information to the Department of Insurance to enable the Department of Insurance to facilitate the development and issuance of uniform training materials for agents who sell long-term care insurance policies. The Department of Insurance may contract with another entity to conduct agent training and testing. Training and certification may be conducted at the expense of the insurance agent.
- (5) Within sixty (60) days of notice of approval of the amendment to the State Medicaid Plan required under KRS 205.619, the Department of Insurance shall

promulgate an administrative regulation pursuant to KRS Chapter 13A to implement the Kentucky Long-Term Care Partnership Insurance Program.

- (6) The Department of Insurance and the Department for Medicaid Services shall report no later than September 30 each year to the Interim Joint Committee on Banking and Insurance and the Interim Joint Committee on Health and Welfare on the number of partnership insurance policies sold in Kentucky, utilization of the partnership insurance policies, and expenditures and cost savings associated with implementation, utilization, and maintenance of the partnership program. If national data reporting standards become available, the report submitted to the federal agency shall meet the requirements of this subsection.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1170, effective July 15, 2010. -- Created 2008 Ky. Acts ch. 16, sec. 2, effective July 15, 2008.