



**Ninety-Ninth Legislature - Second Session - 2006**  
**Revised Committee Statement**  
**LB 854**

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**Hearing Date:** February 8, 2006  
**Committee On:** Health and Human Services

**Introducer(s):** (Cunningham, Erdman, Jensen, Johnson, Stuthman)  
**Title:** Adopt the Long-Term Care Partnership Program Act

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**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

7	Yes	Senator Jensen, Byars, Cunningham, Erdman, Johnson, Stuthman and Howard
	No	
	Present, not voting	
	Absent	

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**Proponents:**

Kim Davis  
Dick Nelson  
Eric Dunning  
Brendon Polt  
Terry Headley  
Jan McKenzie

**Representing:**

Senator Cunningham  
Nebraska Health and Human Services System  
Nebraska Department of Insurance  
Nebraska Healthcare Association  
National Association of Health Underwriters  
Nebraska Insurance Federation

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:** LB 854 establishes a long-term care partnership (LTCP) program in Nebraska.

Section 1 adopts the Long-Term Care Partnership Program Act (act). Section 2 defines terms.

Section 3 establishes the LTCP program. The program is administered by the Department of Health and Human Services Finance and Support (department). The program must (1) meet federal requirements, (2) provide a mechanism for persons to qualify for Medicaid long-term care (LTC) coverage without being required to substantially exhaust their resources, (3) provide

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counseling services and public education to persons in planning for their LTC needs, and (4) alleviate the financial burden on the Medicaid program by encouraging private initiatives for the funding of LTC needs.

The department is required to implement the LTCP program by allowing for an asset disregard. Any person who is a beneficiary of a LTCP program policy is eligible for Medicaid with an asset disregard. The amount of asset disregard is determined by the amount of insurance benefits paid for covered services under a LTCP program policy. When a person's LTC policy benefits are exhausted, every dollar paid in insurance benefits under the policy are disregarded (i.e. cannot be considered) when determining his or her Medicaid eligibility, the amount of any Medicaid payment, and any subsequent recovery of any state payment for medical services.

Section 4 preserves the asset disregard for persons who purchase a LTCP program policy if the program is subsequently discontinued. The bill permits the department to enter into reciprocal agreements with other states to extend the asset disregard to Nebraska residents who purchased LTC insurance policies in another state with an asset disregard substantially similar to that established under the LTCP program in Nebraska.

Section 5 permits the department to adopt and promulgate rules and regulations to carry out the act.

Section 6 requires that any LTC insurance policy issued after the effective date of the bill must include a notice in plain language, developed by the department, that summarizes the law pertaining to asset disregard and asset tests.

Section 7 outright repeals the Long-Term Care Partnership Program Development Act (sections 68-1095 through 68-1099; LB 709, 2005).

**Explanation of amendments, if any:** The committee amendment (AM 2154) becomes the bill. The amendment establishes the Long-Term Care Partnership Program, to be administered by the Department of Health and Human Services Finance and Support pursuant to federal requirements. The amendment directs the department to file a state Medicaid plan amendment to implement the program. The amendment outright repeals the Long-Term Care Partnership Program Development Act (sections 68-1095 through 68-1099; LB 709, 2005).

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**Senator Jim Jensen, Chairperson**