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## GOVERNOR PATERSON ANNOUNCES LEGISLATION TO ENCOURAGE LONG TERM CARE PLANNING AND HELP PEOPLE REMAIN AT HOME

*Bill Provides Added Incentives for New Yorkers to Purchase Long Term Care Insurance under the "Partnership Program"*

*Bill Requires Long Term Care Insurers to Provide Consumers with Expanded Appeal Rights*

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Governor David A. Paterson today announced that he has proposed legislation to encourage New Yorkers to plan for their long term health care needs by increasing education and outreach efforts while also strengthening consumer protections for long term care insurance policyholders. The Governor's Program Bill will also help ensure the continued vitality of two Medicaid waiver programs that allow eligible individuals to receive certain long term care services at home and avoid institutionalization.

There are 3.2 million New Yorkers – 17 percent of the state's population –over the age of 60. This number will grow to 3.7 million by 2015 and to 4.4 million by 2025. Most New Yorkers do not have any long-term care financial plans.

"As baby boomers become senior citizens, the need for long term care is expected to grow rapidly. That trend will place a financial burden on the personal resources of individuals and their families, not to mention on the State's Medicaid program," said Governor Paterson. "The bill I have sent to the Legislature will encourage New Yorkers to prepare for their future long term care needs, helping them live out their senior years as comfortably and independently as possible. This will also reduce their potential Medicaid dependence, which will benefit the State as a whole."

Governor Paterson has announced three health care Program Bills in a week. Taken together, the bills hold the potential to comprehensively improve the quality of care in the state. The initiatives set forth in the long term care bill, which will be administered by the Department of Health, the State Office for the Aging, and the State Insurance Department, are as follows:

- **Protect Income under the Partnership Program**-The New York State Partnership for Long Term Care Program (Partnership Program) was designed to encourage more people to purchase long-term care insurance policies. Currently, an individual who exhausts the coverage under a Partnership Program policy becomes eligible for Medicaid, but a certain amount of his or her assets will be protected. This bill will allow a certain amount of income to be protected as well, thereby providing a further incentive for individuals to purchase insurance under the Partnership Program.
- **Require an External Appeals Process**-The existing External Appeals Law applies to health insurance policies and provides consumers with the right to appeal an adverse determination upheld by a health plan to an independent external appeal agent if the plan denies coverage. The bill would extend a similar right to the holders of long term care insurance policies by requiring insurers to make an external review process available to the insured.
- **Require Prompt Payment of Claims**-This proposal would expand the existing Prompt Pay Law to apply to long term care insurance claims, so that those claims will be paid in the same time frame as acute medical care claims and other health insurance claims.
- **Expand the Long Term Care Insurance Education and Outreach Program (LTCIEOP)**-LTCIEOP educates New Yorkers about and assists them in choosing long term care insurance policies. This bill would expand the focus of the LTCIEOP so that consumers would be provided with information about the full range of options necessary to plan for long term care services.
- **Revise the Care at Home I/II Waiver Program**-The Care At Home I/II Medicaid waiver program serves children under 18 years of age who have physical disabilities and require a level of care that would otherwise be provided in a nursing facility or hospital. The program avoids unnecessary institutionalization by providing waiver services (case management, home and vehicle adaptations, and respite) to participating children. This bill will change the financial eligibility standard from an individual to an aggregate measure, similar to the standard used in other Medicaid waiver programs, to include children who currently do not qualify for services solely because home care would be more expensive than institutional care.
- **Modernize the Long Term Home Health Care Program**-The Long Term Home Health Care Program (LTHHCP), also known as the "Lombardi" program, offers a coordinated plan of medical, nursing, and rehabilitative care provided at home to persons who have a disability and who are otherwise medically eligible for placement in a nursing home. The AIDS Home Care Program, a subset of LTHHCP, offers the same services for persons diagnosed with AIDS. This bill modernizes, simplifies and enhances the programs, changes which are believed necessary to secure and maintain federal approval and funding.

New York State Health Commissioner Richard Daines, M.D., said: "The continued vitality of our Medicaid waiver program that provide long term care services is an important component of the Governor's plan to help New Yorkers remain in the community and avoid institutionalization for as long as possible. This bill will allow more children to participate in the Care at Home program and will help ensure that federal funding remains available for the Long Term Home Health Care Program and the AIDS Home Care Program. The Governor's legislation will also allow purchasers of long term care insurance policies to protect certain income the way they can already shield certain resources, providing further incentives for New Yorkers to purchase such policies."

Superintendent of Insurance Eric Dinallo said: "The Governor's bill replicates two very successful health insurance consumer protection measures. The External Appeals and Prompt Pay laws have been a tremendous help to health care consumers and will do the same for those purchasing long term care insurance policies. This bill provides added protection and reassurance that long term care insurance products offered by reputable carriers are sound, trust-worthy investment vehicles."

Michael J. Burgess, Director of the Office for the Aging, said: "The State Office for the Aging is pleased to work with the Governor in our continuing efforts to help educate New Yorkers about long term care planning. This bill will help us work with individuals and their families to plan ahead so that they can age with dignity and independence."

Melinda Dutton, Counsel and Project Director for Coalition for Medically Fragile Children, said: "The Coalition for Medically Fragile Children applauds Governor Paterson's efforts to improve the Care at Home program through the establishment of cost targets on an aggregate basis, rather than on an individual child by child basis. With this and other recent reforms to the Care at Home program, the New York State Department of Health is making it easier for parents of medically fragile children to get the support they need to care for children at home, surrounded by their families, rather than in a costly institution. This reform will help ease administrative burdens in the Care at Home program that otherwise can stand in the way of doing what is right for these children and their families, while still maintaining cost effectiveness for the State's Medicaid program."

Lois Aronstein, AARP NY State Director, said: "As the boomer population ages, long-term care services will be even more in demand and the Governor's proposals go along way in facilitating what older New Yorkers want most – to remain in their homes as long as possible and to live independently in their communities. AARP is committed to working with the Governor on these proposals and to see that older New Yorkers and their families have access to quality and affordable long-term care options."

Information about the Partnership Program is available at <http://www.nyspltc.org>.

Additional information about long term care insurance is available at <http://hiicap.state.ny.us/ltc/nys.htm>.