

HOUSE BILL No. 2822

By Representative Swenson

2-11

9 AN ACT concerning long-term care insurance; requiring standardization
10 of policies.

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12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) (1) On and after July 1, 2006, as a condition of trans-
14 acting business in this state, every insurer offering, marketing, or selling
15 long-term care insurance coverage to Kansas residents, shall actively offer
16 to such persons the choice of a basic long-term care plan or a standard
17 long-term care plan in addition to any other long-term care plan offered
18 by such insurer.

19 (2) This subsection shall not apply to any group and individual annuity
20 or life insurance policy or rider that provide directly or that supplement
21 long-term care insurance by means of the acceleration of benefits.

22 (b) (1) No later than August 1, 2004, the commissioner shall appoint
23 a long-term care benefit plan advisory committee to recommend the form
24 and level of coverages of the basic and standard long-term care plans.
25 The long-term care benefit plan advisory committee shall be composed
26 of representatives of long-term care insurance insurers, purchasers of
27 long-term care insurance policies, agents and health care providers.

28 (2) The long-term care benefit plan advisory committee shall rec-
29 ommend benefit levels, cost-sharing factors, exclusions, limitations, and
30 cost containment features for the basic long-term care plan and the stan-
31 dard long-term care plan. The long-term care benefit plan advisory com-
32 mittee may design a basic long-term care plan and a standard long-term
33 care plan that contain benefit and cost-sharing levels that are consistent
34 with the basic method and operation of health maintenance organizations.
35 In addition, the committee may make recommendations that include dif-
36 ferent provisions for both the basic long-term care plan and the standard
37 long-term care plan, which differences may be based on the age group
38 of persons seeking long-term care insurance coverage.

39 (c) On or before March 1, 2005, the long-term care benefit plan ad-
40 visory committee shall submit its recommendations for a basic long-term
41 care plan and a standard long-term care plan to the commissioner. The
42 commissioner shall review and approve the plan no later than July 1, 2005.
43 On or before July 1, 2006, and each July 1 thereafter, the long-term care

1 benefit plan advisory committee shall submit its recommendations for
2 changes in the basic long-term care plan or a standard long-term care
3 plan, if any, to the commissioner. Within 60 days after the receipt of the
4 long-term care benefit plan advisory committee's recommendations, the
5 commissioner shall approve or deny the recommendations.

6 (d) The commissioner may accept funds, grants or donations from
7 any private entity for the purpose of hiring a full-time person to assist:

8 (1) The long-term care benefit plan advisory committee in developing
9 its recommendations for a basic long-term care plan and a standard long-
10 term care plan;

11 (2) the commissioner in adopting rules in accordance with subsection
12 (e); and

13 (3) in educating insurers and agents about the statutory requirements
14 concerning long-term care policies.

15 (e) On or before July 1, 2006, the commissioner shall adopt rules and
16 regulations:

17 (1) Necessary to implement a basic long-term care plan and a stan-
18 dard long-term care plan to be offered by each long-term care insurance
19 insurer as a condition of transacting business in this state; and

20 (2) establishing minimum standards for marketing practices, pro-
21 ducer training, and reporting practices for long-term care insurance.

22 In addition, the commissioner may issue regulations to establish min-
23 imum standards concerning suitability.

24 (f) This section shall be part of and supplemental to the long-term
25 care insurance act.

26 Sec. 2. This act shall take effect and be in force from and after its
27 publication in the statute book.