



DECEMBER 21, 2023

## Year End LTC Legislative Update

To address the nationwide Medicaid budgetary burden of Long-Term Care (LTC), many states are considering implementing various new programs. As an example, the Minnesota report referenced below estimates the already problematic Medicaid LTC burden to increase by 70% over the next twelve years.



### States are exploring and adopting different strategies to address this issue:

- Conducting research on the feasibility, workforce, and funding, of a statutory program similar to Washington, with three states currently engaged in funded studies
- Introducing tax deductions and/or credits to incentivize private LTC
- Providing state tax credits for family caregivers
- Regulating rate actions on previously sold policies



### California Legislative Update

The California Long-Term Care Insurance Task Force concluded its meetings on December 18, 2023. Despite available funding until July 1, 2024, Task Force members deemed further meetings unnecessary. The [final actuarial report](#) encompasses various plans and options for the state to consider:

- Five plan designs with LTC benefits ranging from \$36,000 to \$144,000
- Employee and employer contributions
- Baseline tax rates ranging from \$0.60 to \$3.00 per \$100 of taxable income
- A waiver for incomes below \$30,000
- Contribution cap for incomes exceeding \$400,000 in four out of five plan designs
- Opt-out provision for employees with a private policy, extending to the employer for that employee's portion
- Consideration of various investment options, including US T-bills only or a combination of US T-bills and equities; a tax increase may be necessary if only T-bills are permitted.



### What comes next?

The fate of legislation to establish a public Long-Term Care program in California remains uncertain until the Actuarial Report is received by the state legislature. The legislature can choose to adopt all, some, or none of the Task Force's recommendations. The legislative process involves multiple steps, including:

- Legislators (Assembly or Senate) are responsible for drafting and introducing bills.
- A dedicated policy committee is assigned to the bill, where it undergoes debates, allows testimony, and permits amendments. The bill proceeds to a vote if it passes in committee.
- Upon approval in the house of origin, the bill advances to the other house.
- If amendments occur in the second house, the bill returns to the house of origin for agreement. Unresolved bills are referred to a joint committee for resolution. After a compromise, the bill returns to both houses for approval.
- After approval by both legislative bodies, the Governor has 12 days to sign, allow it to become law without a signature, or veto the bill.
- A two-thirds majority in both houses can override a governor's veto.
- Typically, bills take effect on January 1st of the following year.
- The Legislature has not reached a decision regarding a public long-term care program.



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### Massachusetts Update

In Massachusetts, a bill is progressing through the Joint Committee on Elder Affairs, with available budget funding for an actuarial study if it advances in early 2024. [House Bill 652](#), introduced by the House and approved by the Senate, establishes a special commission to create a statewide LTC insurance program. The Executive Office of Health & Human Services is mandated to produce an actuarial report with recommendations within two years. A joint hearing held on 5/15/23 carries over to 2024 for a decision, and Governor Maura Healey signed a \$56.2 billion FY2024 budget bill, which includes funding for the actuarial study.



### Minnesota Update

Minnesota funded a study exploring the option of implementing an obligatory statewide insurance program covering LTC services for five years after a two-year elimination period. [The study](#), conducted by FTI Consulting, considered three approaches: Care Navigation & Support Services, a Medicare Companion Product, and a Catastrophic-Lite State Based Program.



### States to Watch

New York, Pennsylvania, and Connecticut have previously introduced bills similar to Washington state but have not progressed. These states may reintroduce bills in the future.

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