

PROJECT HISTORY - 2016

LONG-TERM CARE INSURANCE MODEL ACT (#640)

1. Description of the Project, Issues Addressed, etc.

The revisions to the *Long-Term Care Insurance Model Act* (#640) were made pursuant to the charge of the Long-Term Care Consumer Disclosure (B) Subgroup to: 1) review the existing requirements for consumer disclosures contained in Model #640, the *Long-Term Care Insurance Model Regulation* (#641) and the *Guidance Manual for Rating Aspects of the Long-Term Care Insurance Model Regulation* (Guidance Manual), and make recommendations for needed improvements to the Task Force; and 2) continue to consider all consumer disclosure requirements for long-term care insurance (LTCI), including those provided at the time of issue as well as those provided at the time of rate increase.

2. Name of Group Responsible for Drafting the Model and States Participating.

Long-Term Care Consumer Disclosure (B) Subgroup of the Senior Issues (B) Task Force.

California, Chair	Louisiana	South Carolina
Florida, Vice Chair	Maine	Texas
Indiana	North Carolina	Utah
Iowa	Oregon	Washington
Kentucky	Rhode Island	

3. Project Authorized by What Charge and Date First Given to the Group.

The Senior Issues (B) Task Force appointed the Long-Term Care Consumer Disclosure (B) Subgroup at the 2014 Summer National Meeting to update LTCI consumer disclosures, as they had not been reviewed in some time and may have needed important changes.

4. A General Description of the Drafting Process (e.g., drafted by a subgroup, interested parties, the full group, etc). Include any parties outside the members that participated.

The Long-Term Care Consumer Disclosure (B) Subgroup began with Section 6 of Model #640 and made changes to various parts of said section. Interested parties, including industry and consumer groups, were able to comment on each draft. The Subgroup considered and accepted several comments made to the draft, including comments from industry and consumer groups. Interested parties that commented on the drafts included: America’s Health Insurance Plans (AHIP), American Council of Life Insurers (ACLI), Brenda J. Cude of the University of Georgia, and California Health Advocates (CHA).

5. A General Description of the Due Process (e.g., exposure periods, public hearings or any other means by which widespread input from industry, consumers and legislators was solicited).

The Long-Term Care Consumer Disclosure (B) Subgroup met 16 times via open conference call (April 26, 2016; March 24, 2016; Feb. 25, 2016; Jan. 21, 2016, Dec. 3, 2015; Oct. 29, 2015; Sept. 10, 2015; Aug. 4, 2015; July 16, 2015; June 29, 2015; May 11, 2015; April 9, 2015; March 5, 2015; Jan. 29, 2015, Dec. 18, 2014; and Oct. 28, 2014). The Subgroup adopted its changes on April 26, 2016. The Senior Issues (B) Task Force exposed the model revisions for public comment from May 16, 2016, to May 31, 2016. A draft was circulated to interested parties, including industry and consumer groups, and was posted to the NAIC website. The Task Force considered each comment that was received. The Senior Issues (B) Task Force adopted the model revisions on June 9, 2016. The Health Insurance and Managed Care (B) Committee adopted the model revisions on Oct. 25, 2016.

6. A Discussion of the Significant Issues (items of some controversy raised during the due process and the group’s response).

None

7. Any Other Important Information (e.g., amending an accreditation standard).

None

PROJECT HISTORY - 2006

LONG TERM CARE INSURANCE MODEL ACT (#640)

1. Description of the Project, Issues Addressed, etc.

A new Section 9 establishing producer training requirements was added to the model act. These amendments require an initial 8 hours of training and 4 hours on ongoing training for producers who sell, solicit or negotiate long-term care insurance. The model act enumerates the topics that the training must cover and places the responsibility on insurers to ensure that producers are properly trained.

The revisions to Section 9 also address the requirement placed on state insurance departments under the federal Deficit Reduction Act (DRA) of 2005 and guidance provided by Centers for Medicare & Medicaid Services (CMS) with respect to producer training about the long-term care Partnership program. The DRA and CMS guidance requires that “[t]he state insurance department must provide assurance to the State Medicaid agency that anyone who sells a policy under the Partnership receives training and demonstrates an understanding of Partnership policies and their relationship to public and private coverage of long-term care.”

The revisions to the model act require that the insurers obtain verification that a producer has obtained the required training before permitting the producer to sell solicit or negotiate long-term care insurance products. The insurer must also maintain records available to commissioners upon request sufficient for the state insurance department to provide assurance to the state Medicaid agency that appropriate training has been received.

The amendments to the model act also address what is meant by the term “field issued” and the circumstances under which it is allowed.

2. Name of Group Responsible for Drafting the Model and States Participating

Long Term Care (B) Working Group (previously Senior Issues (B) Task Force)

Kansas - Chair, Florida – Vice Chair, Wisconsin – Vice Chair, Alabama, Arkansas, California, Colorado, Delaware, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Montana, Nebraska, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia

3. Project Authorized by What Charge and Date First Given to the Group

The Health Insurance and Managed Care (B) Committee has a standing charge to “Continue to study and evaluate evolving long-term care insurance product design, rating, suitability and other related factors, and review the existing Long-Term Care Model Act and Regulation to determine their flexibility to remain compatible with the evolving delivery of long-term care services and remain compatible with the evolving long-term care insurance marketplace.” This charge was delegated to the Senior Issues Task Force until Spring 2006, when the charge was delegated to the newly formed Long-Term Care (B) Working Group.

4. A General Description of the Drafting Process (e.g., drafted by a subgroup, interested parties, the full group, etc). Include any parties outside the members that participated

The task force has been working since 2003 to identify issues and draft language to revise the model regulation.

5. A General Description of the Due Process (e.g., exposure periods, public hearings, or any other means by which widespread input from industry, consumers and legislators was solicited)

The Long-Term Care Insurance Model Act was last updated in August 2000. At that time, rating practices and enhanced consumer disclosures were added to the model. After adopting the revisions to the model act, the task force decided to give states a few years to revise their laws before undertaking to revise the model act again. Because of the rapidly evolving nature of long-term care, the task force recognized the need to begin review of the model regulation. In 2003, the task force solicited input from the states about areas where states had “gone further” than the model act to protect consumers. The results were compiled into a list of issues for the task force to consider. Some issues were referred to the Life and Health Actuarial Task Force, while other issues remained with the Senior Issues Task Force to debate and consider. These revisions represent areas where consensus has been reached.

6. A Discussion of the Significant Issues (items of some controversy raised during the due process and the group’s response)

These revisions represent those areas where the regulators, industry groups and consumer groups were able to reach consensus. More controversial issues are still the subject of debate and discussion by the Long Term Care Working Group.

7. Any Other Important Information (e.g., amending an accreditation standard).