

HOUSE CONCURRENT RESOLUTION NO. 1010

A CONCURRENT RESOLUTION, Urging Congress to inform the public of the costs of long-term care and to promote coverage of individuals under long-term care insurance.

WHEREAS, as the baby boom generation begins to retire, funding Social Security and Medicare will put a strain on the financial resources of younger Americans; and

WHEREAS, In many states Medicaid is being used for middle income elderly people to fund long-term care expenses; and

WHEREAS, in the coming decade, people over age sixty-five will represent up to twenty percent or more of the population, and the proportion of the population composed of individuals who are over age eighty-five, who are most likely to be in need of long-term care, may double or triple; and

WHEREAS, with nursing home care now costing thirty-six thousand five hundred dollars on average per year, long-term care expenses can have a catastrophic effect on families, wiping out a lifetime of savings before a spouse, parent, or grandparent becomes eligible for Medicaid; and

WHEREAS, many people are unaware that most long-term care costs are not covered by Medicare and that Medicaid covers long-term care only after the person's assets have been exhausted; and

WHEREAS, widespread use of private long-term care insurance has the potential to protect families from the catastrophic costs of long-term care services while, at the same time, easing the burden on Medicaid as the baby boom generation ages; and

WHEREAS, the federal government has endorsed the concept of private long-term care insurance by establishing federal tax rules for tax-qualified policies in the Health Insurance Portability and Accountability Act of 1996; and

WHEREAS, the federal government has ensured the availability of quality long-term care insurance products and sales practices by adopting strict consumer protections in the Health Insurance Portability and Accountability Act of 1996:

NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Seventy-fourth Legislature of the State of South Dakota, the Senate concurring therein, that the federal government be urged to take all appropriate steps to inform the public about the financial risks posed by rapidly increasing long-term care costs and about the need for families to plan for their long-term

care needs; and

BE IT FURTHER RESOLVED, that the federal government be urged to take all appropriate steps to inform the public that Medicare does not cover most long-term care costs and that Medicaid covers long-term care costs only when the beneficiary has exhausted his or her assets; and

BE IT FURTHER RESOLVED, that the federal government be urged to take all appropriate steps not only to encourage employers to offer private long-term care insurance coverage to employees, but also to encourage both working-aged people and older citizens to obtain long-term care insurance either through their employers or on their own; and

BE IT FURTHER RESOLVED, that the appropriate committees of Congress, together with the Department of Health and Human Services and other appropriate federal agencies, be urged to develop specific ideas for encouraging Americans to plan for their own long-term care needs; and

BE IT FURTHER RESOLVED, that the congressional tax-writing committees, together with the Department of the Treasury be urged to determine whether the tax rules for long-term care insurance need to be modified to ensure that the rules adequately facilitate the affordability of long-term care insurance.

Adopted by the House of Representatives,
Concurred in by the Senate,

February 23, 1999
March 1, 1999

Roger Hunt
Speaker of the House

Karen Gerdes
Chief Clerk of the House

Carole Hillard
President of the Senate

Patricia Adam
Secretary of the Senate