

# State of South Dakota

SEVENTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 1999

283C0874

HOUSE COMMERCE COMMITTEE ENGROSSED NO.

**HCR1010 - 2/24/99**

Introduced by: Representatives Fischer-Clemens, Burg, Cerny, Chicoine, Clark, Davis, Diedrich (Elmer), Hanson, Kazmerzak, Koehn, Koetzle, Lockner, McIntyre, Patterson, Sutton (Daniel), Sutton (Duane), Waltman, Weber, Wetz, Wilson, and Windhorst and Senators Olson, Dennert, Duxbury, Flowers, Hutmacher, Kloucek, Lange, Madden, Moore, Munson (David), Reedy, Staggers, and Symens

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 **BILL HISTORY**

2 2/23/99 Scheduled for Committee hearing on this date.

3 2/23/99 Commerce Adopt Resolution as Amended, AYES 11, NAYS 1. H.J. 696