

SENATE JOINT RESOLUTION NO. 28

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATOR WILKEN

Introduced: 4/11/01

Referred: Health, Education and Social Services, Labor and Commerce

A RESOLUTION

1 **Urging dissemination of information about the costs of long-term care services and the**
2 **availability of long-term care insurance for individuals.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** members of the baby boom generation are beginning to retire, which will
5 put a strain on the financial resources of younger Americans if their taxes are increased to
6 cover the resulting rise in total Social Security and Medicare payments to retirees; and

7 **WHEREAS** Medicaid was designed as a program for the poor but, in many states,
8 Medicaid is being used to fund long-term care expenses for middle-income elderly people;
9 and

10 **WHEREAS**, in the coming decade, people over 65 years of age will represent 20
11 percent or more of the population, and the proportion of the population composed of
12 individuals who are over 85 years of age and are most likely to be in need of long-term care
13 may double or triple; and

14 **WHEREAS** the costs of nursing home care can have a catastrophic effect on families,
15 wiping out a lifetime of savings before a spouse, parent, or grandparent becomes eligible for
16 Medicaid; and

1 **WHEREAS** many people are unaware that most long-term care costs are not covered
2 by 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
5 protect families from the catastrophic costs of long-term care services while, at the same time,
6 easing the burden on Medicaid as the baby boom generation ages; and

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

10 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the
11 President, the Congress, and the Governor to direct the appropriate governmental agencies to
12 inform the public

13 (1) about the high cost of long-term care services and the need for families to
14 plan for their long-term care needs;

15 (2) that Medicare will not cover most long-term care costs and that Medicaid
16 will cover long-term care services only when the beneficiary has exhausted assets;

17 (3) that Americans should explore the availability of long-term care insurance
18 through their employers, service organizations, professional groups, other entities, and private
19 insurance companies; and be it

20 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the
21 Congress to determine to what extent tax rules may still discriminate against the buyers of
22 long-term care insurance policies and to look for ways to remove such barriers and implement
23 new incentives for the purchase of long-term care insurance by individual Americans.

24 **COPIES** of this resolution shall be sent to the Honorable George W. Bush, President
25 of the United States; the Honorable Richard B. Cheney, Vice-President of the United States
26 and President of the U.S. Senate; to the Honorable Ted Stevens and the Honorable Frank
27 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of
28 the Alaska delegation in Congress; the Honorable Tony Knowles, Governor of Alaska; and to
29 Bob Lohr, Director of the Division of Insurance, Department of Community and Economic
30 Development.