

STATE OF ALASKA THE LEGISLATURE

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Legislative
Resolve No.
36



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

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

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

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

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

WHEREAS the costs of nursing home care 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 some federal tax rules for tax-qualified policies in the Health Insurance Portability and Accountability Act of 1996;

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

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

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

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

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

COPIES of this resolution shall be sent to the Honorable George W. Bush, President of the United States; the Honorable Richard B. Cheney, Vice-President of the United States and President of the U.S. Senate; the Honorable Tommy Thompson, United States Secretary of Health and Human Services; to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; the Honorable Tony Knowles, Governor of Alaska; Bob Lohr, Director of the Division of Insurance, Department of Community and Economic

Development; and to Jane P. Demmert, Executive Director of the Alaska Commission on Aging, Division of Senior Services, Department of Administration.