

SENATE AMENDMENT NO. _____

Offered by _____ Of _____

Amend SCS/House Bill No. 604, Page 1, Section A, Line 6,

2 by inserting after all of said line the following:

3 "135.096. 1. In order to promote personal financial
4 responsibility for long-term health care in this state, [for
5 all taxable years beginning after December 31, 1999, a
6 resident individual may deduct from such individual's
7 Missouri taxable income an amount equal to fifty percent of
8 all nonreimbursed amounts paid by such individual for
9 qualified long-term care insurance premiums to the extent
10 such amounts are not included the individual's itemized
11 deductions.] for all taxable years beginning after December
12 31, [2006] 2020, a resident individual may deduct from each
13 individual's Missouri taxable income an amount equal to one
14 hundred percent of all nonreimbursed amounts paid by such
15 individuals for qualified long-term care insurance premiums
16 to the extent such amounts are not included in the
17 individual's itemized deductions. A married individual
18 filing a Missouri income tax return separately from his or
19 her spouse shall be allowed to make a deduction pursuant to
20 this section in an amount equal to the proportion of such
21 individual's payment of all qualified long-term care
22 insurance premiums. The director of the department of
23 revenue shall place a line on all Missouri individual income
24 tax returns for the deduction created by this section.

25 2. For purposes of this section, "qualified long-term
26 care insurance" means any insurance policy which meets or

exceeds the provisions of sections 376.1100 to 376.1118 and the rules and regulations promulgated pursuant to such sections for long-term care insurance, or any insurance policy considered an asset or resource for purposes of eligibility for long-term care benefits under MO HealthNet.

3. Notwithstanding any other provision of law to the contrary, two or more insurers issuing a qualified long-term care insurance policy shall not act in concert with each other and with others with respect to any matters pertaining to the making of rates or rating systems."; and

Further amend said bill, page 39, section 375.246, line 915, by inserting after all of said line the following:

"376.1109. 1. The director may adopt regulations that include standards for full and fair disclosure setting forth the manner, content and required disclosures for the sale of long-term care insurance policies, terms of renewability, initial and subsequent conditions of eligibility, nonduplication of coverage provisions, coverage of dependents, preexisting conditions, termination of insurance, continuation or conversion, probationary periods, limitations, exceptions, reductions, elimination periods, requirements for replacement, recurrent conditions and definitions of terms. Regulations adopted pursuant to sections 376.1100 to 376.1130 shall be in accordance with the provisions of chapter 536.

2. No long-term care insurance policy may:

(1) Be cancelled, nonrenewed or otherwise terminated on the grounds of the age or the deterioration of the mental or physical health of the insured individual or certificate holder; or

(2) Contain a provision establishing a new waiting period in the event existing coverage is converted to or replaced by a new or other form within the same company,

except with respect to an increase in benefits voluntarily selected by the insured individual or group policyholder; or

(3) Provide coverage for skilled nursing care only or provide significantly more coverage for skilled care in a facility than for lower levels of care.

3. No long-term care insurance policy or certificate other than a policy or certificate thereunder issued to a group as defined in paragraph (a) of subdivision (4) of subsection 2 of section 376.1100:

(1) Shall use a definition of preexisting condition which is more restrictive than the following: "Preexisting condition" means a condition for which medical advice or treatment was recommended by, or received from, a provider of health care services, within six months preceding the effective date of coverage of an insured person;

(2) May exclude coverage for a loss or confinement which is the result of a preexisting condition unless such loss or confinement begins within six months following the effective date of coverage of an insured person.

4. The director may extend the limitation periods set forth in subdivisions (1) and (2) of subsection 3 of this section as to specific age group categories in specific policy forms upon findings that the extension is in the best interest of the public.

5. The definition of preexisting condition provided in subsection 3 of this section does not prohibit an insurer from using an application form designed to elicit the complete health history of an applicant, and, on the basis of the answers on that application, from underwriting in accordance with that insurer's established underwriting standards. Unless otherwise provided in the policy or certificate, a preexisting condition, regardless of whether it is disclosed on the application, need not be covered

93 until the waiting period described in subdivision (2) of
94 subsection 3 of this section expires. No long-term care
95 insurance policy or certificate may exclude or use waivers
96 or riders of any kind to exclude, limit or reduce coverage
97 or benefits for specifically named or described preexisting
98 diseases or physical conditions beyond the waiting period
99 described in subdivision (2) of subsection 3 of this section.

100 6. No long-term care insurance policy may be delivered
101 or issued for delivery in this state if such policy:

102 (1) Conditions eligibility for any benefits on a prior
103 hospitalization requirement; or

104 (2) Conditions eligibility for benefits provided in an
105 institutional care setting on the receipt of a higher level
106 of institutional care; or

107 (3) Conditions eligibility for any benefits other than
108 waiver of premium, post-confinement, post-acute care or
109 recuperative benefits on a prior institutionalization
110 requirement.

111 7. A long-term care insurance policy containing post-
112 confinement, post-acute care or recuperative benefits shall
113 clearly label in a separate paragraph of the policy or
114 certificate entitled "Limitations or Conditions on
115 Eligibility for Benefits" such limitations or conditions,
116 including any required number of days of confinement.

117 8. A long-term care insurance policy or rider which
118 conditions eligibility of noninstitutional benefits on the
119 prior receipt of institutional care shall not require a
120 prior institutional stay of more than thirty days.

121 9. No long-term care insurance policy or rider which
122 provides benefits only following institutionalization shall
123 condition such benefits upon admission to a facility for the
124 same or related conditions within a period of less than
125 thirty days after discharge from the institution.

126 10. The director may adopt regulations establishing
127 loss ratio standards for long-term care insurance policies
128 provided that a specific reference to long-term care
129 insurance policies is contained in the regulation.

130 11. Long-term care insurance applicants shall have the
131 right to return the policy or certificate within thirty days
132 of its delivery and to have the premium refunded if, after
133 examination of the policy or certificate, the applicant is
134 not satisfied for any reason. Long-term care insurance
135 policies and certificates shall have a notice prominently
136 printed on the first page or attached thereto stating in
137 substance that the applicant shall have the right to return
138 the policy or certificate within thirty days of its delivery
139 and to have the premium refunded if, after examination of
140 the policy or certificate, other than a certificate issued
141 pursuant to a policy issued to a group defined in paragraph
142 (a) of subdivision (4) of subsection 2 of section 376.1100,
143 the applicant is not satisfied for any reason. This
144 subsection shall also apply to denials of applications and
145 any refund must be made within thirty days of the return or
146 denial.

147 12. (1) If a long-term care insurance policy issued,
148 delivered, or renewed in this state on or after January 1,
149 2011, is cancelled for any reason, the insurer shall refund
150 the unearned portion of any premium paid beyond the month in
151 which the cancellation is effective. Any refund shall be
152 returned to the policyholder within twenty days from the
153 date the insurer receives notice of the cancellation. Long-
154 term care insurance policies and certificates shall have a
155 notice prominently printed on the first page or attached
156 thereto stating in substance that the applicant shall be
157 entitled to a refund of the unearned premium if the policy
158 is cancelled for any reason.

159 (2) The policyholder may notify the insurer of
160 cancellation of such long-term care insurance policy at any
161 time by sending written or electronic notification.

162 13. No long-term care insurance policy shall increase
163 premium rates, measured annually, in excess of the amount
164 that is actuarially justified based on credible experience,
165 and on the rate basis in effect in this state without
166 recognition of rates that may be in effect in other
167 states."; and

168 Further amend the title and enacting clause accordingly.