

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

H

1

HOUSE JOINT RESOLUTION 1412

Sponsors: Representatives Alexander; Hill, D. Brown, Church, Lutz, and Ives.

Referred to: Rules, Calendar, and Operations of the House.

May 17, 1993

1 A JOINT RESOLUTION AUTHORIZING THE LEGISLATIVE RESEARCH
2 COMMISSION TO STUDY LONG-TERM CARE MEDICAID ELIGIBILITY,
3 MEDICAID ESTATE RECOVERY, AND WAYS TO ENCOURAGE THE
4 DEVELOPMENT AND USE OF PRIVATE-SECTOR RESOURCES IN THE
5 PROVISION AND FINANCING OF LONG-TERM CARE.

6 Whereas, Medicaid was established in part to provide health insurance for the
7 poor, including the elderly poor who need nursing home care; and

8 Whereas, a large and growing number of middle- and upper-income residents
9 are qualifying for Medicaid through the divestment or sheltering of assets that might
10 otherwise be used to provide appropriate care for those individuals; and

11 Whereas, in the 1991-92 fiscal year, North Carolina spent more than four
12 hundred seventy-five million six hundred thousand dollars (\$475,600,000) on nursing
13 home care for 39,011 elderly people; and

14 Whereas, the providing of Medicaid assistance to persons who have divested
15 or sheltered assets that could be used to support their care can be expected to impose an
16 ever-increasing drain on limited Medicaid resources; and

17 Whereas, the fiscal effect of the above-mentioned practices could be reduced
18 by clarifying provisions of existing eligibility requirements and closing loopholes in
19 existing State laws governing Medicaid eligibility; and

20 Whereas, the fiscal effect of these practices could be further reduced by
21 implementing a program for the recovery of nursing facility payments from the estates
22 of Medicaid recipients; and

1 Whereas, federal law permits states to implement these estate recovery
2 programs; and

3 Whereas, other states have implemented programs to encourage residents
4 with assets sufficient to prepare for their own long-term care to invest in long-term care
5 insurance rather than dispose of or shelter such assets; and

6 Whereas, these programs encourage the development of private-sector
7 mechanisms for the provision and financing of long-term care;

8 Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

9 Section 1. The Legislative Research Commission may study Medicaid
10 eligibility requirements for long-term care assistance, means of closing loopholes in
11 eligibility requirements that allow divestiture or sheltering of assets, Medicaid estate
12 recovery, ways of encouraging the development and use of private-sector resources for
13 the provision and financing of long-term care, and related long-term care eligibility and
14 financing issues. The Commission may prepare an interim report of its study for the
15 1993 General Assembly, Regular Session 1994, and may make final recommendations
16 to the 1995 General Assembly.

17 Sec. 2. This resolution is effective upon ratification.