

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1993**

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**SENATE JOINT RESOLUTION 1251\***

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Sponsors: Senators Marshall; Harris, Ballance, Johnson, Blackmon, Codington, Carpenter, and Daniel.

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Referred to: Rules and Operation of the House.

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June 24, 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

23       Whereas, federal law permits states to implement these estate recovery  
24 programs; and

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

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

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

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

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