

By: Representative Johnson

To: Public Health and
Welfare;
Appropriations

HOUSE BILL NO. 842

1 AN ACT TO PROVIDE THAT THE DIVISION OF MEDICAID SHALL CONDUCT
2 A PROGRAM TO INFORM AND EDUCATE THE PUBLIC ABOUT THE FINANCIAL
3 RISKS POSED BY INCREASING LONG-TERM CARE COSTS, THE LIMITS AND
4 RESTRICTIONS ON GOVERNMENTAL COVERAGE OF LONG-TERM CARE COSTS, THE
5 NEED FOR FAMILIES TO PLAN FOR THEIR LONG-TERM CARE NEEDS, AND THE
6 BENEFITS OF OBTAINING LONG-TERM CARE INSURANCE; TO PROVIDE THAT
7 THE DIVISION SHALL CONTRACT WITH ANOTHER ENTITY TO CARRY OUT THE
8 PROGRAM, TO THE EXTENT POSSIBLE; TO PROVIDE THAT THE PROGRAM SHALL
9 BE FUNDED WITH FUNDS APPROPRIATED TO THE DIVISION FOR FISCAL YEAR
10 1999 THAT ARE SURPLUS FUNDS; AND FOR RELATED PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 SECTION 1. (1) The Legislature finds that:

13 (a) The baby boom generation is beginning to retire,
14 and as the number of retirees continues to grow, the funding
15 needed for social security and Medicare will put an increasing
16 strain on the financial resources of younger Americans.

17 (b) In the coming decade, people over age sixty-five
18 (65) will represent twenty percent (20%) or more of the
19 population, and the proportion of the population composed of
20 persons over age eighty-five (85), who are most likely to be in
21 need of long-term care, may double or triple.

22 (c) With nursing home care now costing an average of
23 Thirty Thousand Dollars (\$30,000.00) to Forty Thousand Dollars
24 (\$40,000.00) per year, long-term care expenses can have a
25 catastrophic effect on families, wiping out a lifetime savings
26 before a spouse, parent or grandparent becomes eligible for
27 Medicaid.

28 (d) Many people are unaware that most long-term care
29 costs are not covered by Medicare and that Medicaid covers
30 long-term care only after the person's assets have been exhausted.

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32 (e) The use of private long-term care insurance has the
33 potential to protect families from the catastrophic costs of
34 long-term care services while, at the same time, easing the burden
35 on Medicaid as the baby boom generation ages.

36 (2) The Division of Medicaid shall conduct a program to
37 inform and educate the public:

38 (a) About the financial risks posed by rapidly
39 increasing long-term care costs;

40 (b) That Medicare does not cover most long-term care
41 costs;

42 (c) That Medicaid covers long-term care costs only when
43 the beneficiary has exhausted his or her assets;

44 (d) About the need for families to plan for their
45 long-term care needs; and

46 (e) That long-term care insurance can help protect
47 families from the catastrophic costs of long-term care services.

48 (3) The Division of Medicaid shall contract with another
49 public or private entity to carry out the program, to the extent
50 possible. The program shall be funded with funds appropriated to
51 the division for fiscal year 1999 that will not be needed by the
52 division to meet its expenses during the remainder of fiscal year
53 1999.

54 SECTION 2. This act shall take effect and be in force from
55 and after its passage.