



## Fiscal Estimate Narratives

DHS 3/23/2010

|  |                  |                     |                |               |                 |
|--|------------------|---------------------|----------------|---------------|-----------------|
| LRB Number   | <b>09-0172/2</b> | Introduction Number | <b>AB-0701</b> | Estimate Type | <b>Original</b> |
| <b>Description</b><br>The Interstate Insurance Receivership Compact, investment guidelines for charitable gift annuity segregated accounts, Health Insurance Risk-Sharing Plan assessment participation, reciprocity for long-term care insurance policies, voting by fraternal members, the insurance security fund, modifications to motor vehicle insurance policy and umbrella and excess liability policy requirements, providing an exemption from emergency rule procedures, and granting rule-making authority |                  |                     |                |               |                 |

### Assumptions Used in Arriving at Fiscal Estimate

The Wisconsin Long Term Care Partnership Program began on January 1, 2009. Individuals who purchase qualified Long-Term Care Insurance Partnership policies receive initial long-term care coverage from their private insurance carrier. If individuals subsequently seek Medicaid coverage for their long-term care needs, the amount of benefits received under the policy is disregarded as an asset when determining eligibility for Medicaid. Current law allows this disregard solely for qualified policies purchased in Wisconsin. Senate Bill 516 would extend this disregard to qualified long-term care policies purchased in another state.

Long-term care policies are generally purchased well in advance of the need for long-term care. For this reason, this bill is not expected to have a fiscal impact on the Wisconsin Medicaid program in the next few years.

### Long-Range Fiscal Implications

The long-term fiscal impact cannot be estimated at this time due to the relative newness of this type of exemption; data are not yet available to produce an estimate of the potential number of Medicaid enrollees who would own a qualified long-term care insurance partnership policy. The number of such policies purchased is dependent on the affordability of those policies for people who might later apply for Medicaid.