Secure Choice Act, 1991

(H.R. 1668)

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Overview

Type of Reform: Creating a New Program (New Program and Private Market Incentives)

Description:
Creates a new program that provides LTC services for older adults. Creates a statebased, public-private partnership LTSS program for older adults with three components:

- Expanding HCBS to older adults below the poverty level (through state-based
- programs serving elders with incomes up to 240% of FPL).
- Establishes the Secure Choice Insurance Option Program, that lets states (and federal match) subsidize LTC insurance benefit costs for persons ages 55+ years with incomes between 240% and 400% of FPL.
- Clarifying tax treatment of LTC benefits & employer-paid insurance as employee benefit (details not discussed).

Sponsoring Organization and Key Author(s):

- Introduced by Sen. Packwood (R-OR) on August 2, 1991.
- Six high ranking Republican co-sponsors.

Impact and Action:

- Legislation developed by the principal Republicans Leadership on the Senate Finance Committee.
- Senate Committee Referrals: Committee on Finance.

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Program Details

Participation Criteria:
Adults 55+ with incomes up to 400% of FPL.

Conditions for Receiving Benefits
Scope of Services:
Demonstrates LTSS need by meeting one of the following criteria:

- Being unable to perform two of the following five ADLs: Bathing/ dressing; mobility; toileting; transferring; eating; or having a diagnosis of Alzheimer's/similar dementia.
- Needing supervision with three or more of these five ADLs; or poses harm to self/ others.

Scope of Services
Nursing facility, home care, homemaker, personal care, adult day, therapies, respite, care management, etc.

Amount of Services
Not specified.

Participant Financial Responsibility
States are prohibited from imposing cost-sharing that exceeds a "nominal" amount.

Elimination Period
Not specified.

Provider Requirements
Must meet criteria and conditions as outlined by the state plan (e.g., no balance billing).

Provider Payment Levels
Not specified.

Inflation Adjustments
Not specified.

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Financing & Implementation

Revenue Source(s)
Not specified.

Total Program Costs
No cost estimate available.

Program Administration
- HHS establishes the program structure and allocates quarterly payments to states (based on a formula with a federal share of program costs ranging from 50% to 90%, based on the category of the expense to which the funds will be used). Funds obligated may not exceed the higher of $125,000 or 0.25% of the sums expended by the federal, state, and local governments during the previous quarter.
- States administer the program in line with federal parameters and funds the nonfederal share of costs.
- If the state participates in the Secure Choice Insurance Option, a new program created by this legislation, the state would pay a benefit subsidy to the insurer (along with the federal share) for insured individuals ages 55+ with low-incomes who have purchased insurance and need benefits.

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