

# MediPlan Long-Term Care Act, 1991

(H.R. 651)

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## Overview

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**Type of Reform:** Expanding Medicare Coverage

**Program Description:** Creates the Lifecare Long-term Care Protection Program that would:

- Creates a “MediPlan” universal social insurance program within Medicare to provide coverage of LTSS for all U.S. citizens.
- Removes Medicare’s existing post-hospitalization requirement and extends nursing home coverage beyond the existing 100-day limit.

## Sponsoring/Cosponsors:

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- Introduced by Rep. Pete Stark (D-CA).
- Three Democratic co-sponsors.

## Impact and Action:

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- Introduced in the House.
- House Committee Referrals: Energy and Commerce, Ways and Means, Subcommittee on Health, Subcommittee on Health and the Environment.
- Subcommittee Hearings Held March 1991.

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### Program Details

#### Participation Criteria:

All U.S. citizens.

#### Conditions for Receiving Benefits Scope of Services:

Chronically ill individuals who meet the below criteria, which varies by service:

- Nursing Facility Care
  - Ages 65+ years and unable to perform three or more ADLs (or having a similar level of disability due to cognitive impairment).
- HCBS
  - Unable to perform two or more ADLs (or having a similar level of disability due to cognitive impairment).

#### Scope of Services

Nursing facility services and HCBS

#### Amount of Services

- HCBS: Up to three years.
- Nursing Facility Care: Up to six months, with an extension for individuals who have not been an inpatient for at least six consecutive months, have a different diagnosis, or where there has been a substantial worsening of their condition since the last discharge.

#### Participant Financial Responsibility

20% copay for nursing facility costs, after two-month deductible; 20% copay for home care. Deductibles and copayments are waived for persons with incomes below 200% of FPL. Balance billing is prohibited.

**Elimination Period:** Not applicable

**Provider Requirements:** Contract with fiscal intermediaries based on rules established by the Department of Health and Human Services.

#### Provider Payment Levels:

- Payment amounts based on a prospective payment methodology.
- Coordination of benefits with Medicare so that the LTC MediPlan Trust Fund is the secondary payer.

**Inflation Adjustments:** Provider payments inflated based on an index of increased costs specific to LTSS.

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### Financing & Implementation

#### Revenue Source(s)

- Income tax. Annual premium paid of 2% of the excess (if any) of the modified gross income of the taxpayer over \$16,000 (\$32,000 in the case of a joint return).
- Also funded by Medicaid savings.

#### Total Program Costs

Brookings/ICF LTC Financing Model estimated \$47 billion in additional public spending, with a reduction in out-of-pocket spending of \$12.6 billion (in 1992 dollars).

#### Program Administration

The Department of Health and Human Services will be responsible for program administration and monitoring. No additional details specified.

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