

# Reach Of LTC Insurance Extended

## Minnesota Law Clears Semantic Hurdle For Assisted Living

In an effort to help Minnesota's assisted living residents get their claims paid by long term care insurance providers, Gov. Tim Pawlenty (R) has signed a technical bill that equates the "licensed assisted living facility" language in many policies with the state's licensure term, "housing with services establishment."

According to John Lips, director of legal affairs for Care Providers of Minnesota (CPM), long term care insurance policies typically cover services provided in a state-licensed assisted living facility. However, there is no such license in Minnesota. The state requires a facility that provides one or more health services to register as a "housing with services establishment." This regulatory structure created obstacles to residents receiving payment under a long term care insurance policy that covered "licensed assisted living" services, Lips says.

CPM members raised concerns that residents' claims for coverage of their services were being denied. "Our members told us that many residents were going through unnecessary gymnastics to get a claim paid," Lips says.

The issue has been raised in other states, including New York, where claims have been denied because services were not provided in a licensed facility specifically named "assisted living." Currently, 32 states and the District of Columbia have a licensure category that includes the term "assisted living." Other terms used include board and care, residential care facility for the elderly, and personal care homes.

In the face of denials of payment to residents, the Long Term Care Imperative, a coalition that includes CPM and the Minnesota Health and Housing Alliance, has proposed legisla-

tion that clarifies for insurance providers that licensed housing with services establishments in Minnesota are the same as licensed assisted living facilities. Unanimously, the bill passed both legislative houses and was signed by the governor.

"This bill was prompted by our concern for the residents," says Rick Carter, CPM executive director. "The more we can empower the consumer to have a payment mechanism other than a personal pocketbook or Medicaid, the better off we all are. This is a small but important piece of the equation that will make long term care insurance more attractive to Minnesota's assisted living residents," he says.

—Amy Waye