

Pending Legislation Could Make Long-Term Care Insurance More Affordable

The issue of long-term care affordability has not been addressed in any of the health care overhaul proposals currently being debated on Capital Hill.

However, some in Congress hope to address it as a separate issue with the introduction of two bills that aim to increase access to Long-Term Care insurance (LTCi) and help consumers pay for LTCi premiums.

The Long-Term Care Affordability and Security Act of 2009 (H.R. 2096) – Sponsored by two Republicans and two Democrats, including Earl Pomeroy (D-ND), this bill would allow people to pay for LTCi premiums using pre-tax dollars by offering them under cafeteria plans and flexible spending arrangements (FSA).

Companion legislation (S. 702) has also been introduced in the Senate.

The Empowered at Home Act of 2009 (S. 434) – Originally proposed by Sens. John Kerry (D-Mass) and Charles Grassley (R-Iowa) in 2004, the new version of this bill aims to amend Title XIX (Medicaid) of the Social Security Act (SSA) to revise the income eligibility level for home and community-based services (HCBS) for elderly and disabled individuals.

There were also two LTC legislative proposals introduced last year that could be re-introduced in the current session.

The Comprehensive Long Term Care Support Act of 2008 (H.R. 7095) – Sponsored by Stephanie Sandlin (D-SD) and introduced in Sept. 2008, this bill would amend the Internal Revenue Code to allow a deduction from gross income for the cost of LTCi premiums (50 percent of the cost of premiums in 2009, 75 percent in 2010, and 100 percent in 2011 or thereafter) for the taxpayer and certain family members.

The Tax Relief for Long Term Care Act of 2008 (H.R. 6237) – Sponsored by Joe Courtney (D-Conn) and introduced in June 2008, this bill would amend the IRC of 1986 to provide for a credit for LTCi premiums and for taxpayers with LTC needs. Also provides a caregiver tax credit of \$1,000 in 2009, gradually increasing to \$3,000 for 2013.

With four separate bills pending, it appears Congress is serious about getting long-term care and Long-Term Care insurance costs under control. Obviously, it is difficult to predict if any of these bills will be signed into law. But the passage of any one of these bills would make LTCi more attractive to consumers and possibly to agents who may have seen it as a tough sell in the past.

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