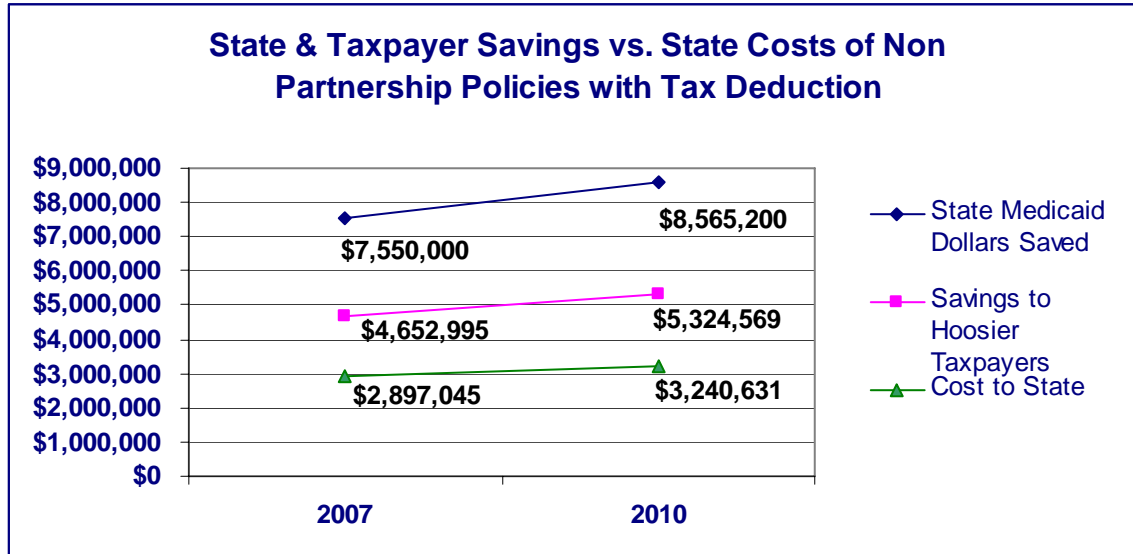


ISSUE BRIEF

Senate Bill 330

Action for the General Assembly: Provide a deduction from adjusted gross income for premiums paid for a policy of long term care insurance. Current law limits the deduction to premiums paid for a qualified long term care policy



Non Partnership Policies in 2007 & 2010

	2007	2010
Policies	120,000	136,000
Policies receiving payments	432	490
State Medicaid Dollars Saved	\$7,550,000	\$8,565,200
Cost to State (.034)	\$2,897,045	\$3,240,631
Savings to Hoosier Tax Payers	\$4,652,955	\$5,324,569

- **2007 Figures based on:**
 - 120,000 Non Partnership Policies^[1]
 - 432 Non Partnership Policies receiving payments^[2]

- **2010 Figures based on:**
 - 136,000 Non Partnership Policies^[3]
 - 490 Non Partnership Policies receiving payments^[4]

- **Fiscal Impact:** Only 50% of individuals eligible for the current deduction on partnership policies take it. Thus, it can be assumed that the Cost to the State would be only 50% of the fiscal impact shown by the fiscal note, or \$2.8M in FY 2007 and \$3.2M in FY 2010.

^[1] Source: Legislative Services Agency, 2007.

^[2] Source: Department of Insurance (DOI), 2007. DOI estimates that 70% of benefits paid under partnership policies are for nursing homes.

^[3] Source: Legislative Services Agency, 2007.

^[4] Source: Department of Insurance (DOI), 2007. DOI estimates that 70% of benefits paid under partnership policies are for nursing homes.