

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

Partnership Policies in 2007

Policies	36,616
Policies receiving payments for nursing homes	132
State Medicaid Dollars Saved	\$2,310,000
Tax Returns Partners Deductions	10,565
\$ Amount Receiving Deduction	\$26,000,000
Cost to State (.034)	\$884,000
Savings to Hoosier Tax Payers	\$1,426,000

Partnership Policies paying Services

Year	Percent	# of Policies	Total # of Policies
2003	0.69%	174	25,103
2004	0.85%	242	28,434
2005	1.05%	326	30,884
2006	1.25%	419	32,616
2007 (through 3Q)	1.48%	507	34,197

- **36,616** Policies¹
- **189** Policies receiving benefits²
- **132 (70%)** of Policies receiving benefits for nursing homes³
- **\$884,000** Estimated Cost to State⁴
- **\$2.31M (38%)** State Share of Medicaid costs⁵
- **\$1,426,000** Savings to Hoosier Tax Payers⁶

¹ Source: Department of Insurance, 2007.

² Source: Department of Insurance, 2007.

³ Source: Department of Insurance (DOI), 2007. DOI estimates that 70% of benefits paid under partnership policies are for nursing homes, which means approximately 132 individuals are receiving policy benefits for nursing home care.

⁴ Source: Department of Revenue, 2007.

⁵ Source: Family & Social Services Administration, 2007

⁶ Source: Indiana Health Care Association, 2007.