

A JOINT MEMORIAL
REQUESTING A STUDY OF POSSIBLE TAX INCENTIVES FOR THE
PURCHASE OF LONG-TERM CARE INSURANCE.

WHEREAS, there are more than one hundred fifty thousand New Mexicans supporting and providing care for disabled adults, frail elders and children who have chronic health care needs; and

WHEREAS, a significant percentage of the persons with chronic care needs receive care through both private resources and public assistance; and

WHEREAS, this chronic care population, due to unexpected catastrophic illness or the increasing cost of private insurance, has not planned ahead to finance and acquire private long-term care insurance; and

WHEREAS, failure to maintain long-term care insurance is primarily due to the high cost of such insurance, a preexisting condition making one ineligible or the lack of coverage of a specific condition; and

WHEREAS, if there were incentives for purchasing long-term care insurance, the chronically ill population would acquire such coverage, saving taxpayers millions of dollars and reducing dependence on publicly funded assistance; and

WHEREAS, the chronically ill population would much prefer the independence provided by private insurance than limited public assistance programs; and

WHEREAS, long-term care insurance can be designed to include meaningful home and community-based noninstitutional care as well as residential care; and

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WHEREAS, the general population as well as the chronically ill must have opportunities and incentives such as appropriate tax relief to facilitate acquisition of private long-term care insurance, thereby eliminating higher tax revenue needs to support public assistance programs;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO that the state agency on aging and the interagency committee on long-term care study the advisability of establishing tax incentives for the purchase of long-term care insurance; and

BE IT FURTHER RESOLVED that the insurance division of the public regulation commission, the taxation and revenue department, the human services department and the department of health provide assistance and information as needed in the study; and

BE IT FURTHER RESOLVED that the state agency on aging and the interagency committee on long-term care report findings and recommendations to the interim legislative health and human services committee, the revenue stabilization and tax policy committee and the legislative finance committee at their October 2001 meetings; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to each of the public bodies mentioned. _____

