

Testimony on Long Term Care Insurance Policy Terms and Claim Payments

**House Industry, Business and Labor Committee
Monday, March 17, 2025
Senate Bill 2172**

Chairman Warrey and Members of the House Industry, Business and Labor Committee. My name is Deanna Berg, and I am the Administrator for Cassia's Baptist Health and Rehab here in Bismarck, ND. I'm here today on behalf of the North Dakota Long Term Care Association. Thank you for the opportunity to provide testimony in support of SB 2172, which ensures fairness and transparency in long term care insurance policies, particularly by allowing benefits to be used in basic care settings.

Long term care insurance should provide individuals with the flexibility to access care in the appropriate setting of their choice. However, residents of basic care facilities have historically faced challenges with delayed or denied payments.

To address this, former Insurance Commissioner Pomeroy issued a bulletin in 1991 prohibiting long term care insurance carriers from denying coverage based solely on the type of facility licensure. Despite this directive, the issue has persisted over the years. In response, current Insurance Commissioner Godfread issued a reminder bulletin in 2023. Unfortunately, the issue continues to resurface.

Basic care is unique to North Dakota and may not be familiar to long term care insurance carriers. Basic care is a cost-effective care option for individuals who are impaired in activities of daily living (ADLs) such as dressing, bathing, preparing meals, doing housework, taking medications, or doing laundry. It provides a balance between independent living and higher levels of care, offering a safe and supportive environment while fostering as much independence as possible.

The basic care setting is an affordable alternative to skilled nursing, making it an essential part of the care continuum for North Dakota's elderly and disabled populations. Basic care is particularly valuable for individuals who don't require the intensive medical oversight of a nursing home but still need help to maintain daily functioning and safety. Being denied coverage in this setting creates unnecessary financial burdens for families and pushes individuals into higher-cost settings they may not need.

Benefits for Families and Providers:

- Families purchase long term care insurance for financial security, but many face gaps in coverage when seeking basic care services.
- Ensuring benefits for basic care aligns with the purpose of these policies, relieving financial stress and supporting access to appropriate care.
- Currently, only 8% of basic care residents use long term care insurance to help pay for their care, compared to 28% of assisted living residents. This legislation would ensure more basic care residents can access their insurance benefits.
- Timely payments help basic care facilities remain sustainable, ensuring communities have access to this vital care option.

This bill also improves clarity by standardizing definitions like “activities of daily living” and ensures timely payments to basic care facilities, reducing delays and administrative barriers.

Conclusion:

Senate Bill No. 2172 ensures long term care insurance fulfills its promise to consumers by making benefits accessible for basic care services, addressing fairness, and supporting the care continuum. I urge the committee to support this critical legislation.

Thank you for your time and consideration. I’d be happy to try and answer any questions you may have.

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