



## Talking Points

# Long Term Services and Supports & Health Care Reform

**Health care reform must address the financing of long term services and supports. It won't be real reform unless it includes this fundamental need.**

- The debate over health care reform is underway and proposals are taking shape. Most of the discussion to date has focused on the plight of the uninsured and, to a lesser extent, costs for the insured. These two issues are important and must be addressed. All Americans should have access to comprehensive and affordable health care.
- But health care reform must also address the most vulnerable. That includes the long term care crisis, which has an enormous impact on families, state budgets, and – most importantly – millions of seniors and persons with disabilities who need help.
- Too often long term services and supports are overlooked. We can't let that continue. This is the best opportunity to adopt comprehensive health care reform. But it won't truly be reform if it neglects the long term care.

**The long term care crisis is real, large, and growing.**

- Long term services and supports are provided in the home and community, adult day centers, assisted-living facilities, and nursing homes. Patients often need care in more than one of these settings, and often over a long period of time.
- Today about 10 million Americans need long term care services. That number that will grow to 15 million by 2020. Aging Baby Boomers and longer life spans will increase the demand for long term care dramatically for decades to come.
- Many people with significant disabilities require long term services and supports throughout their lifetimes.
- Of individuals turning 65 today, 69 percent will need some type of long term care in their lifetimes. About 40 percent will need care for more than five years.

**The financing of long term care is now fragmented and insufficient. Private insurance coverage is virtually non-existent.**

- Long term care is now paid for through a fragmented combination of sources, including family budgets, Medicaid, some Medicare, and private insurance.
- Inadequate financing means higher public costs and absenteeism from work for family caregivers. It forces individuals and families into poverty and denies needed care and services.
- Only one in five individuals can afford private long term care insurance, and many are excluded because of pre-existing conditions. In 2005, private insurance policies only covered about 7.2 percent of national long term care spending.
- In many instances, individuals have limited opportunities for remaining in their communities by choosing home and community based services.
- Average costs of long term care services are high and unaffordable for most people with disabilities and seniors. For example, adult day center services average \$64 a day, assisted living \$36,372 a year, and nursing home care \$70,000-77,000 a year.
- Medicaid requires individuals and families to become impoverished before qualifying for assistance.

**Financing long term services and supports through Medicaid is a major and growing burden on state budgets. Unless addressed, it will continue to consume larger shares of state resources and be the state budget buster.**

- Medicaid, the primary payer of services, covers close to half of the cost. While fewer than 10 percent of Medicaid beneficiaries use long term care, it accounts for more than one third of total Medicaid spending.
- The cost of long term care alone now accounts for 10 percent of state budgets. Medicaid long term care costs are expected to double by 2025 and triple by 2045 (growing from \$39 billion in 2000 to \$87 billion in 2025 and \$188 billion in 2045).
- Exploding Medicaid expenditures for long term care are placing a tremendous strain on already stretched state budgets. In the future, it will consume even larger shares of Medicaid budgets that would otherwise be devoted to other health care priorities, as well as other state responsibilities, such as education.
- Facing budget shortfalls, many states are now cutting Medicaid benefits.

- Reforming long term care financing – and ensuring that it is addressed in any eventual health care reform measure – will reduce the pressure on state budgets.

### **There is a consensus around a solution to address long term care needs.**

- There is a solution to the long term care crisis. Most major organizations representing seniors, people with disabilities and chronic illnesses, and health, housing, and support-services providers have embraced the importance of including long term services and supports in health care reform.
- The solution is twofold – 1) to create an employer-based, national long-term care insurance program, and 2) help take pressure of the Medicaid program, which currently has over 500,000 persons on waiting lists to receive home and community-based services.
- These concepts are embodied in the *Community Living Assistance Services and Supports Act* (CLASS Act), introduced by Senator Edward Kennedy and Rep. Frank Pallone.
- This solution would provide significant Medicaid savings for states. It would provide better coverage and options for beneficiaries, and help them avoid becoming impoverished before they got help.

### **The public supports including long term care in health care form.**

- Nearly 8 in 10 Americans (78 percent) say long term care should be part of health care reform, according to a 2007 survey. More than nine in ten voters (94 percent) think reforming long term care is important, with three quarters saying it's very important.
- Six of ten voters have personal experience with a relative needing long term care.
- More than 150 national organizations have embraced the type of long term care solution envisioned by the CLASS Act.

### **We need your help and leadership to ensure that long term care is included in health care reform.**

- Crafting and enacting health care reform legislation will be a complex and contentious process, and there will be pressure to leave out certain issues.

- Because states have a huge stake in the long term care crisis, all of us must weigh in to make sure that health care reform legislation does not ignore long term care.
- As a Member of Congress, you can play a unique role in explaining the impact of the crisis – on our state’s budget, other state responsibilities, and on individuals and families.
- We cannot afford to lose the opportunity that health care reform provides to make truly comprehensive reform a reality.