

Why We Need a Coherent National Long Term Care Policy



Presentation to:
Franciscan Skemp Healthcare
Hon. David F. Durenberger
Chairman
March 4, 2002

The Need is Obvious: Demand is up while Capacity is Down

- 77 million aging Baby Boomers
- Increase in disability due to age, disease, accident, and developmental disability
- Averages \$51,000 per year for facility care
- Public assistance (welfare) financing
- 94% of population uninsured
- Decreasing availability of caregivers
- Decline in choice, quality, and satisfaction

Where Are Long Term Care Issues?

Waiting on Washington to be recognized

The Urgent

Reimbursement
Workforce
Quality
Medicaid cost increases
State revenue deficits

The Important

Financing reform
Systemic change
Consumer directed care
Housing
Financial Security

The “entitlement” reform in the budget debate

The “waiver” response

The Problem with “Waiting On Washington”

Presidency/President

The partisan political problem/issues not problems

Urgent vs. Important/Congressional competition for expenditures

Demosclerosis

No Vision = No Leadership = Incrementalism

Failures of commissions and task forces except in crises

The looming challenge from “health care costs”

The Problem With State LTC Policy

- “States know best” problem
- CMS waivers and demos
- Surplus/Deficit: The MN “Swing”
- Where you live determines the quality of choices, access, services and care
- Tax capacity or tax competition
- Government not market or community choices
- Welfare not insurance

Why the Delay in LTC Reform?

- Denial
- Medicare “covers it”
- “Long term” care
- Not a check in the mail
- Aging and disability
- “Third rail” of politics
- LTC issues not strong enough wedge by themselves at the national level

LTC is looking for a wedge?

Wedge: The issue or issues that drive public awareness of LTC into the public and political “national security” dialogue



National Security Debate

Financial Security is the Wedge

- Components of Financial Security:
 - Medicare
 - Social Security
 - Insurance
 - Employment
 - Tax policy
 - Health care
- Long Term Care is all of these

Social Security as a Wedge

- Income replacement
- Disability insurance
- Social insurance

Medicare as a Wedge

- Drugs
- Sub-acute
- Chronic Illness
- Catastrophic stop loss

The Uninsured as a Wedge:

38.7 million of 270 million Americans uninsured (16%)

94% of all Americans are without long term care insurance

Neither Medicare (39 million Americans) nor Medicaid (36 million Americans) are complete insurance programs

The experience is the same

Who Drives the Wedge

- Consensus from major LTC forces:
 - AARP, Alzheimer’s Association, AAHSA, AHCA, The Arc of the US, National Association for Home Care, National Committee to Preserve Social Security and Medicare, SEIU
- Initial consensus on principles:
 - independence, choice, role of families, access, eligibility, financing, accountability, standards, coordination, efficiency
- “Preparing the pupil”
- 63 associations = 70 million Americans

An American Approach to Pooling Risk

“The need for long term care is an insurable risk. This means that the risks are relatively low but the financial consequences are not...The American approach to pooling insurable risks has been a combination of social insurance and tax-encouraged private insurance, both of which are tied to earnings.”



Defining Common Ground

CLTC, March 2001

Defining Common Ground

- LTC financing integral part of national retirement/economic security system
- Establishes a public/private insurance system
- Restructured social insurance program with redefinition of disability
- Private insurance encouraged by publicly financed subsidies
- National uniform system of assessment and assistance
- Reform of Medicare and Medicaid to address chronic needs
- Intergovernmental financing transition
- End welfare as we know it



Why Consensus Was Reached

- The issue is too big to ignore any longer
- Each entity is big enough to stop the issue by itself but not big enough to start the issue by itself
- Our similarities are larger than our differences
- If not us, who?
- Do not lose the important in the urgent
- Leaders need support in order to begin national dialogue

Need A National Dialogue that Equates Financial Security to Long Term Care

Led by: President George W. Bush
 U.S. Congress
 Governors, Lieutenant Governors, and
 Legislators
 Think tanks
 Business, Association CEOs,
 Professional and Workforce Leaders



Starts With You In Long Term Care



“Americans always do what is right, but only
after trying everything else.”

Winston Churchill

Thank You



www.citizensforltc.org