



ISSUE BACKGROUND

Inclusion of Long-Term Services and Supports in Health Care Reform

NAELA supports inclusion of the financing and delivery of long-term services and supports in health care reform proposals.

An estimated 10 million Americans currently need long-term services – personal care, assistive technology and other supportive services. This number is projected to increase to 26 million by 2050. **Faced with burgeoning need, our nation lacks a coordinated, national system for ensuring access to long-term services and supports.** Currently, nearly half of all funding for these services is provided through Medicaid, which is a growing burden on states and requires individuals to become and remain poor to receive the help they need.

Americans favor including long-term services and supports in health care reform. According to a survey of 800 likely voters by the Mellman Group and Public Opinion Strategies in August 2008, 78% stated that long-term care should be included in the health care reform proposals being debated (87% of Democrats). According to a survey of 1,000 voters by the Glover Park Group in September 2007, 94% stated that reforming the long-term care system is important (99% of Democrats), including three quarters (74%) who feel it is very important.

For chronically ill older Americans and persons with special needs– one of the most vulnerable populations in the nation – long-term services and supports are critical to promoting health and preventing illness. While approximately 45 million Americans do not have medical insurance, over 200 million adult Americans lack any insurance protection against the cost of long-term services and supports.

Health care reform must include health care needs for which Americans to pay the highest, catastrophic out-of-pocket costs. **Currently, families must impoverish themselves by spending down their life savings before qualifying for coverage of long-term care under Medicaid. Every family faces these potential costs.**

Health care reform should also strengthen and sustain the Medicaid safety net for Americans with limited means. Medicaid is currently the primary payer for long-term services and supports. Almost 10% of state budgets are now spent on Medicaid long-term services and supports. Since the fastest growing segment of our population is people over age 85 – those at highest risk of needing care – states will continue to struggle without necessary reforms. Including long-term services and supports in a health care reform package can achieve significant Medicaid savings. If long-term services and supports are not included, there is a great risk that spending on these services will squeeze out other state spending priorities, such as education and health coverage for children.

One proposal endorsed by NAELA and dozens of other organizations representing older adults and people with disabilities is the Community Living Assistance Services and Supports (CLASS) Act (S.697), sponsored by Senator Edward Kennedy (D-MA). The CLASS Act would create a new national insurance program financed through voluntary payroll deductions (with opt-out enrollment like Medicare Part B) which would provide a cash benefit to individuals who are unable to perform 2 or more functional activities of daily living. Premium payments collected through payroll withholding would be placed in a “National Independence Fund” managed by the Department of Health and Human Services. If the CLASS Act is implemented, individuals would not be forced to impoverish themselves to qualify. It is actuarially-sound and promotes independence and dignity across the broad continuum of services and supports by ensuring beneficiaries the right to control and choose what services they receive, how and where they are delivered, and who provides them.

NAELA also supports including provisions for care coordination for people with complex chronic conditions, disabilities or dementia in any health care reform proposal. Care coordination is a person-centered, assessment-based, interdisciplinary approach to integrating health care and social support services in which an individual’s needs and goals are assessed and a care plan is developed to address those needs and goals. Services are managed and monitored by a trained care coordinator or interdisciplinary team according to established standards of care. Care coordination can improve the quality of and access to health care for older adults and people with special needs and may reduce costs by helping to prevent unnecessary hospitalizations and nursing home placements.

NAELA believes that reform of our long-term services and supports financing system can be accomplished in a fiscally-sound way, with significant savings. **NAELA urges you to support inclusion of coverage for long-term services and supports in the health care reform package.**

For more information, contact Brian W. Lindberg, NAELA Public Policy Advisor, tel. 202-789-3606, email: bwlind@erols.com.