LCAO Long-Term Care Financing Principles

Our nation has too long ignored the urgent need to address in a fiscally responsible manner the emerging long-term care crisis facing older adults, baby boomers, and younger persons with disabilities. Long-term care should offer consumers access to a broad array of support options, including a continuum of home and community-based supportive services, as well as residential options, as needed. Our current system forces people into institutions inappropriately, requires many to spend-down into poverty before receiving the help they need, fails to provide realistic opportunities for personal planning, and fails to support family caregivers adequately. America can and must do better. The following long-term care financing principles are intended to provide a framework for focusing attention, generating discussion and crafting a solution to the problem in the near future. In the interim, LCAO will continue to encourage shared responsibility, with clear roles for the federal and state governments including a strong Medicaid program, substantial additional resources for home and community-based services, and opportunities for individual planning.

1. **National Problem, National Solution** – Recognize that although states, communities, families, and individuals have important roles to play, long-term care financing is a national problem that requires a national solution.

2. **Universality with Limited Opt-Out** – Create a public program that allows all people, including individuals with disabilities and those near retirement, the opportunity to contribute to and prepare for the costs of long-term care. Make participation as convenient as possible, such as through an automatic payroll deduction, but give people the limited choice to opt out.

3. **Public/Private Partnership** – Provide a strong foundation of protection while providing opportunities for personal planning that include a role for private sector options. Government, individuals, and the private sector have a shared responsibility.

4. **Affordability and Risk Pooling** – Provide for broad pooling of risk and appropriate low-income subsidies to make premiums affordable enough so that all people, regardless of income and health status, can participate.

5. **Fiscal Responsibility** – Provide actuarially sound funding, such as through voluntary premiums that build reserves over time sufficient to pay for future needs in a way that is affordable to individuals and to society as a whole.

6. **Relieve Pressure on Medicaid** – Provide additional long-term care funding mechanisms that will help to moderate future Medicaid expenditures, while preserving the guaranteed safety net.

7. **Consumer Choice and Control** – Promote independence and dignity across the broad continuum of care by ensuring beneficiaries the right to control and choose what services they receive, how and where they are delivered and who provides them.

8. **Support Family Caregivers** – Recognize and support the central role families and other informal caregivers play in planning for and providing long-term care, including developing strategies to support working caregivers to maintain their financial security.

9. **Invest in Quality Care and Quality of Life** – Target funding to: ensure sufficient workforce training and compensation to reduce turnover and expand the workforce; strengthen oversight and enforcement to improve quality of life and quality of care in all settings; and bolster advocacy for those receiving long-term care services.

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