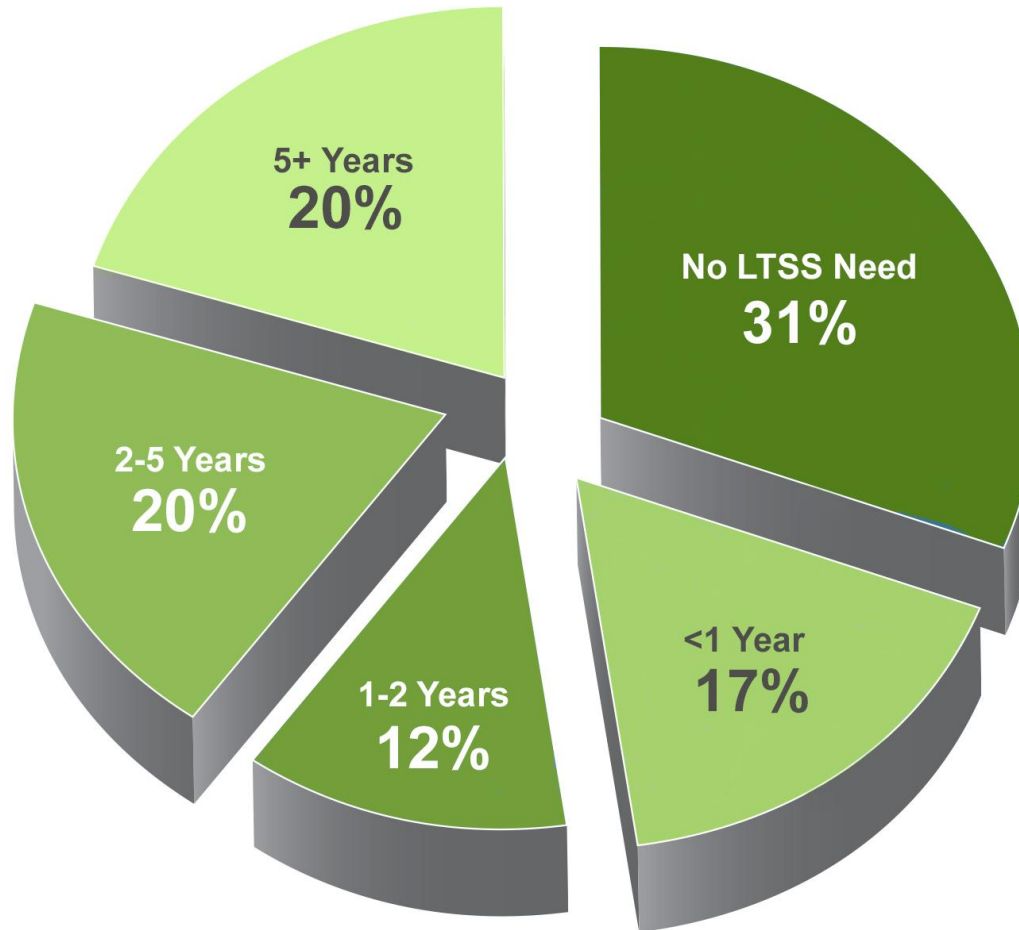


Long Term Services and Supports (LTSS) Landscape:

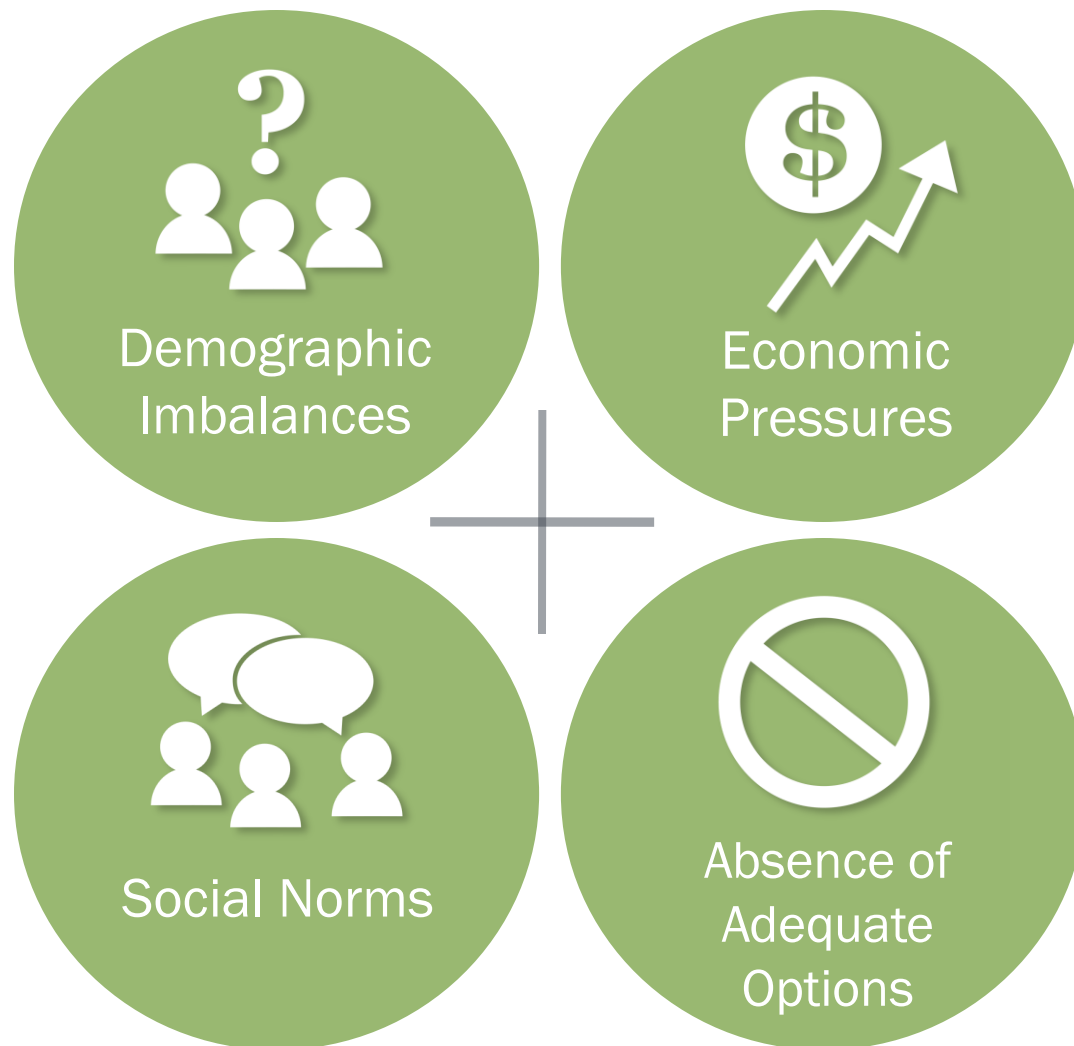
Are we heading into the Perfect Storm?

What are expected future needs for LTSS?

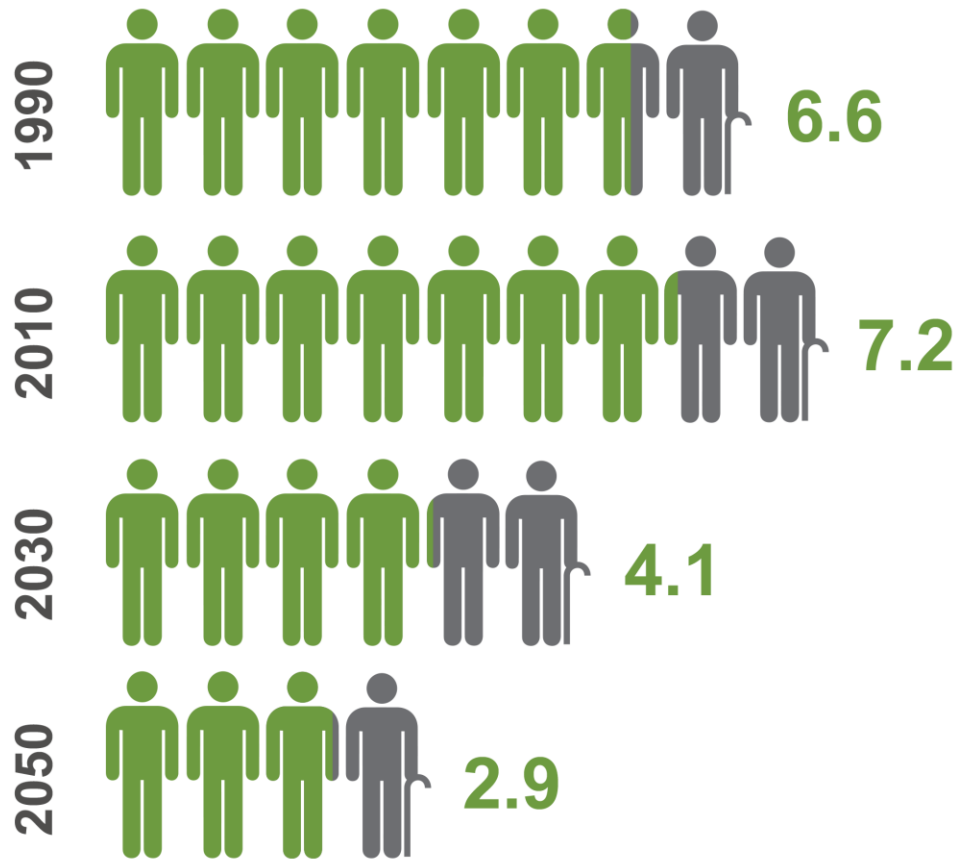


70% of People 65+ will need some LTSS

What are the perfect storm conditions?



The caregiver dilemma



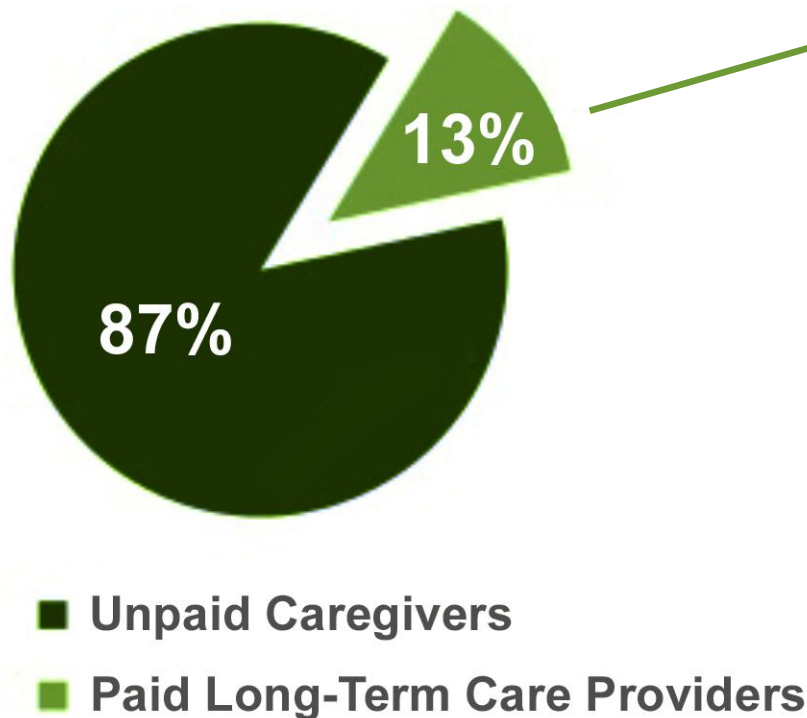
1/2
as many
caregivers
will be
available in
2050

Ratio of Potential Caregivers to Those Needing Care¹

1. Ratio of # people in most common caregiving age (45-64) to those at most risk for needing care (80+)

AARP PPI "The aging of the baby boom and the growing care gap: A look at future declines in the availability of family caregivers"

Unpaid caregivers provide most LTSS today

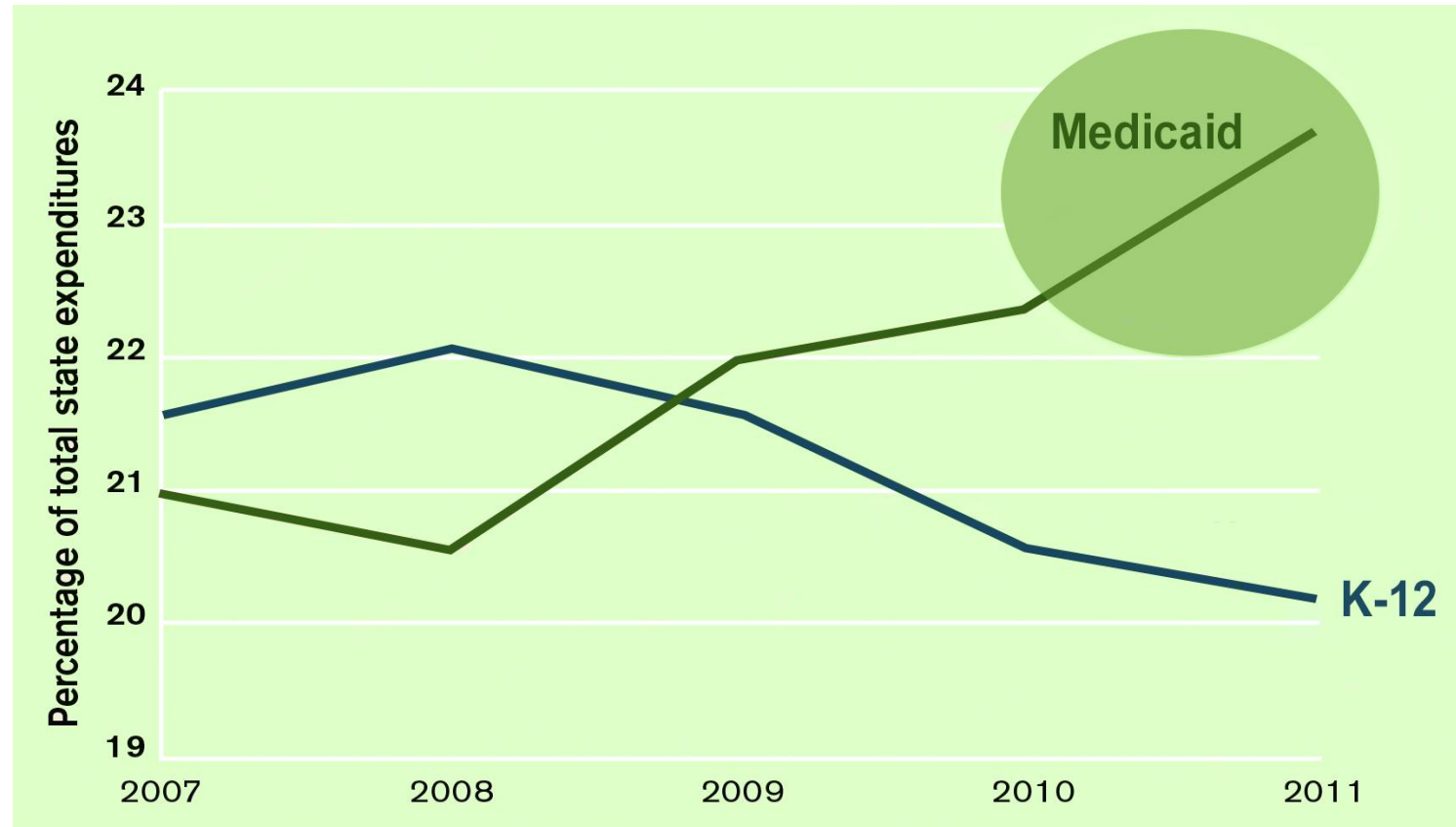


Types of Paid Long-Term Care Providers:

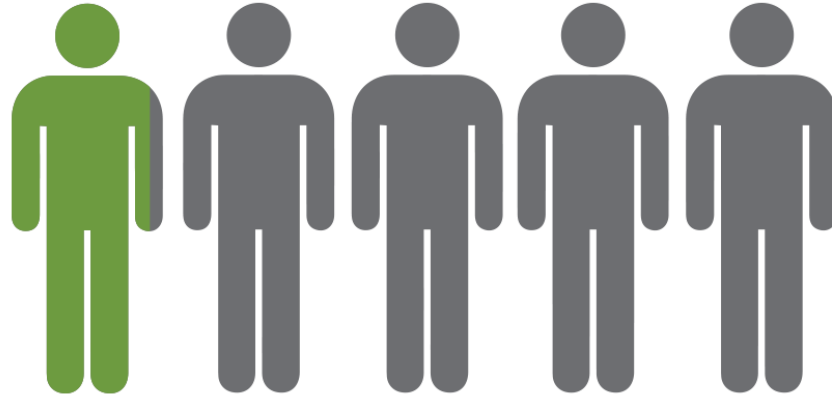
- ▶ 20-30% Physicians, nurses, and therapists
- ▶ 70-80% Home health aides, certified nursing assistants, and personal care aides

Unpaid Caregiving valued at \$450 billion annually

Medicaid is beginning to crowd out other expenditures in state budgets



Note: Figures are for total state expenditures, including both general fund spending and federal funds
Source: National Association of State Budget Officers (NASBO), State Expenditure Report, 2010



Less than 1 in 5 Boomers have taken any action to prepare for LTSS care.

More Boomers prepare for death than life



17%

Have prepared
for care during life



81%

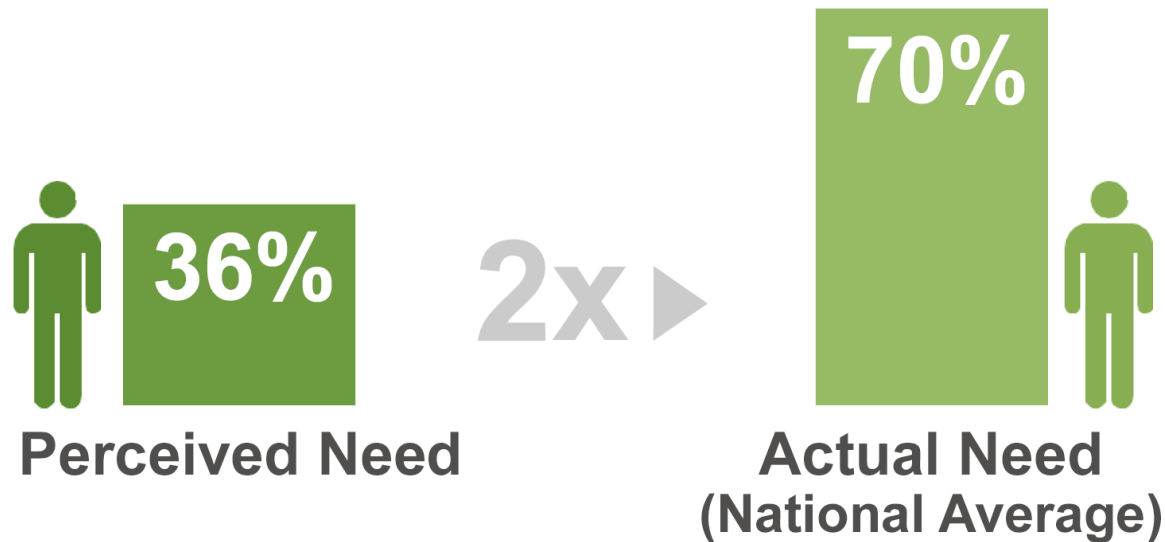
Have prepared
for death

Approximately
5x more
Boomers have
taken action to
prepare
for death
vs. life

Action Taken to Prepare for Life vs. Death

Source: Retirement Care Planning: The Middle-Income Boomer Perspective, Bankers Life and Casualty Company Center for a Secure Retirement, August 2013

Boomers are poorly informed regarding LTSS need



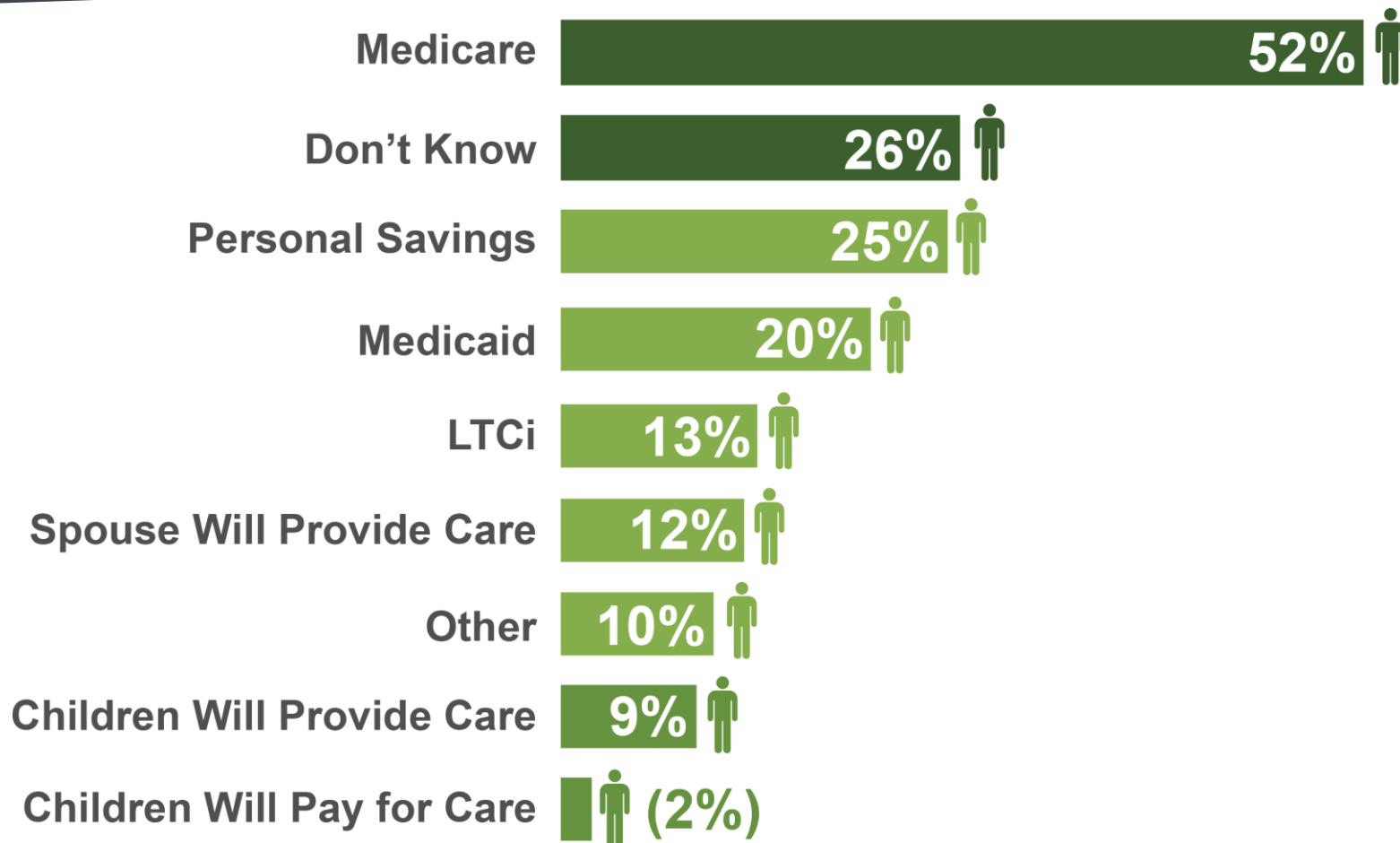
Boomer Long-Term Care Expectations and Reality

Source: Retirement Care Planning: The Middle-Income Boomer Perspective, Bankers Life and Casualty Company Center for a Secure Retirement, August 2013

Cost of paid care

		Median Annual Rate	Five-Year Annual Growth
HOME	Homemaker Services Hourly Rates	\$ 43,472	1%
	Home Health Aide Services Hourly Rates	\$ 45,188	1%
COMMUNITY	Adult Day Health Care Daily Rates	\$16,900	3%
FACILITY	Assisted Living Facility (One Bedroom, Single Occupancy) Monthly Rates	\$42,000	4%
	Nursing Home (Semi-Private Room) Daily Rates	\$77,380	4%
	Nursing Home (Private Room) Daily Rates	\$87,600	4%

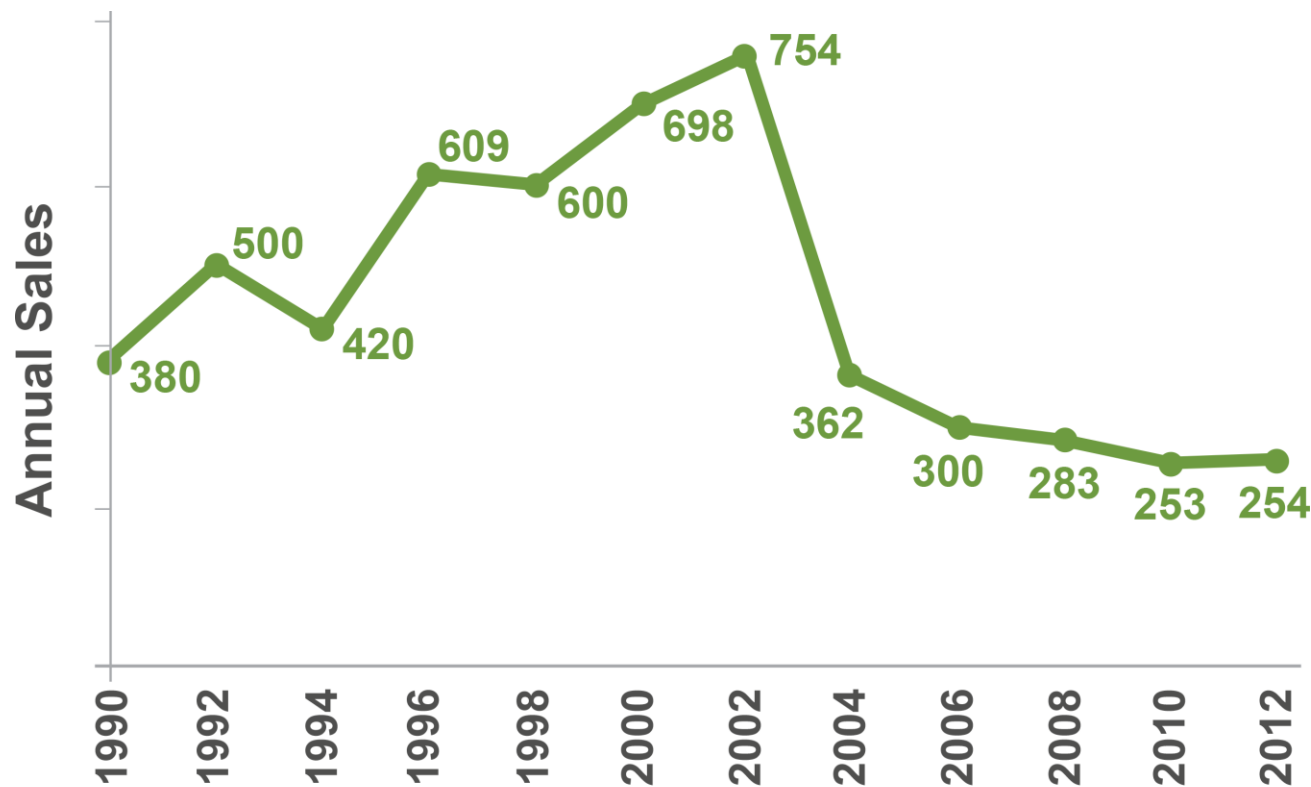
Boomers are poorly informed regarding LTSS payment



Perceived Methods for Funding Ongoing Long-Term Care

Source: Retirement Care Planning: The Middle-Income Boomer Perspective, Bankers Life and Casualty Company Center for a Secure Retirement, August 2013. LTCi = Long Term Care Insurance

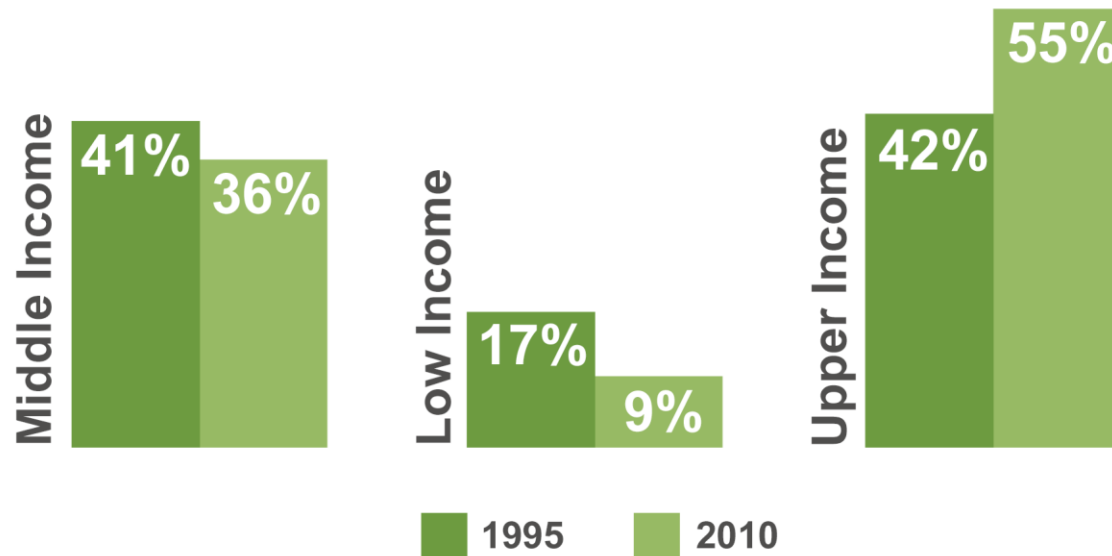
Sales of LTC insurance are declining



Annual Sales of Individual LTC Insurance Decline Since 2002

Source: LifePlans. LifePlans analysis based on AHIP, LIMRA and LifePlans sales surveys, 2013. Beginning in 2009, LTC Partners data for annuitants included in counts.

The current LTCi situation =
void for middle income consumers



The Share of LTC Sales to the Middle Market
Age 40-69 is Declining

Why does this matter and to whom?

- ▶ Current and future older Americans
- ▶ Caregivers
- ▶ Families
- ▶ Employers and employees
- ▶ States
- ▶ Federal government
- ▶ Taxpayers

How Might We Weather the Storm?

Define the problem



Our country and its people cannot meet their long-term service and support needs.

Address the problem

Pathways to LTSS Reform

LeadingAge initiated Pathways to foster federal and state reform.

Pathways: overall initiative summary

WHAT?

Foster state and federal LTSS reform that helps our country and its people prepare and pay for LTSS.

HOW?

1. Messaging/Mobilization
2. Federal Proposal Development
3. State Conversations and Action
4. Political Alignment

DESIRED OUTCOMES



Pathways: desired outcomes

2017

A federal LTSS reform package is signed into law.

2016

At least 5 states adopt LTSS reforms that foster preparing for and financing LTSS.

Pathways: Federal Reform to Weather the Storm

Foster Adoption of Federal LTSS Package

Federal Reform Pathways



- PATHWAY 1** Status Quo
- PATHWAY 2** Personal Responsibility
- PATHWAY 3** Private Market
- PATHWAY 4** Private Catastrophic
- PATHWAY 5** Public Catastrophic
- PATHWAY 6** Public Front End
- PATHWAY 7** Public Comprehensive

From federal to state

In addition to weighing in on LTSS Federal Reform Pathways:

1

Build capacity in states to engage in LTSS reform discussion

2

If feasible, foster state level LTSS reform with emphasis on middle class solutions

Pathways: State Reform to Weather the Storm

Support State-Level Conversations
Regarding LTSS Reform

Conversation approach

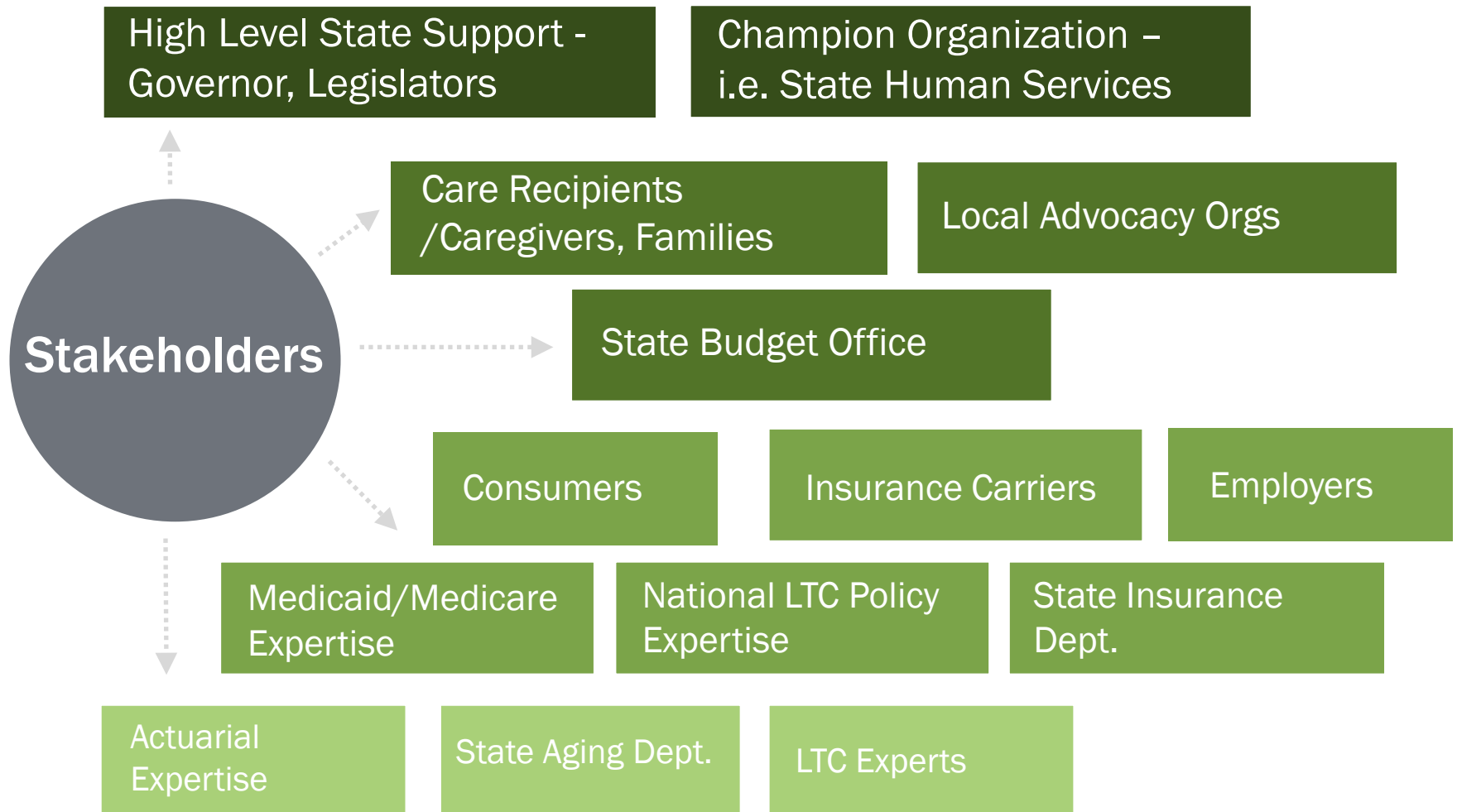
1

Develop and offer a starter conversation for a state

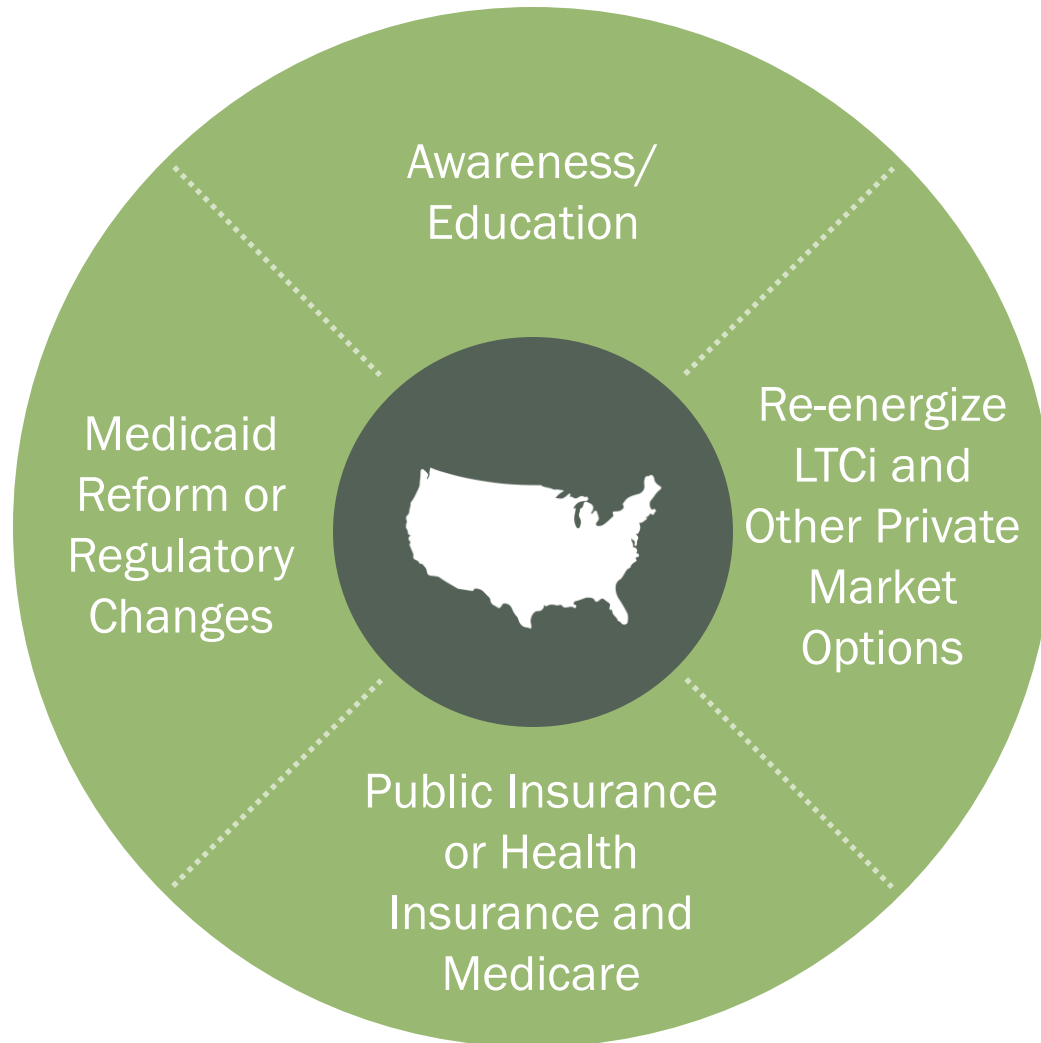
2

If there is momentum, follow up with 2 additional conversations and technical assistance that may aid a state in getting traction for state level reform

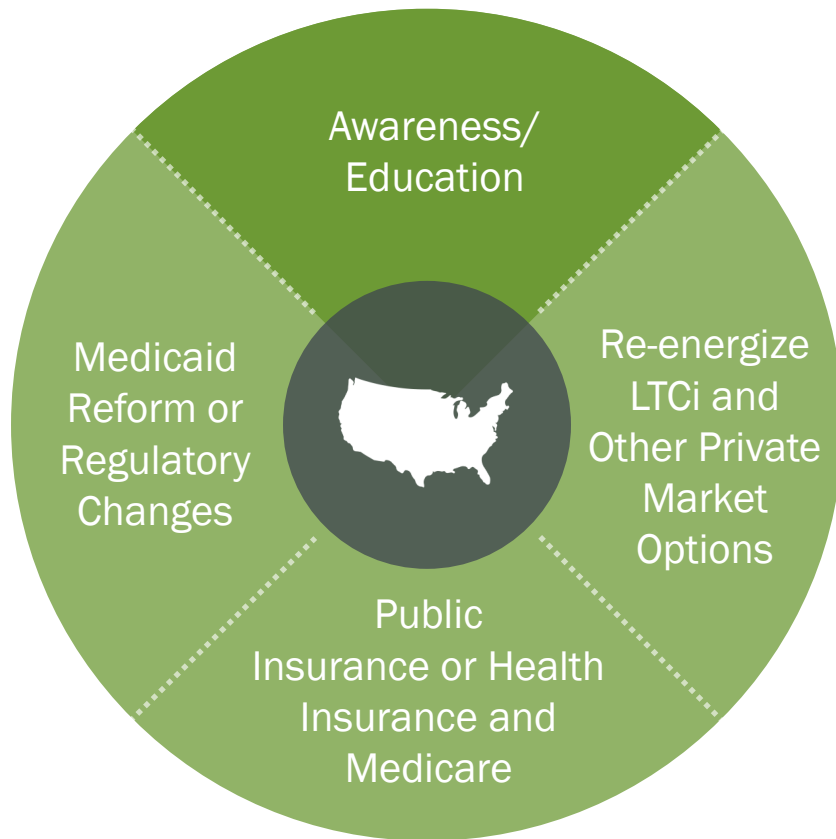
Potential stakeholder involvement



Potential state actions



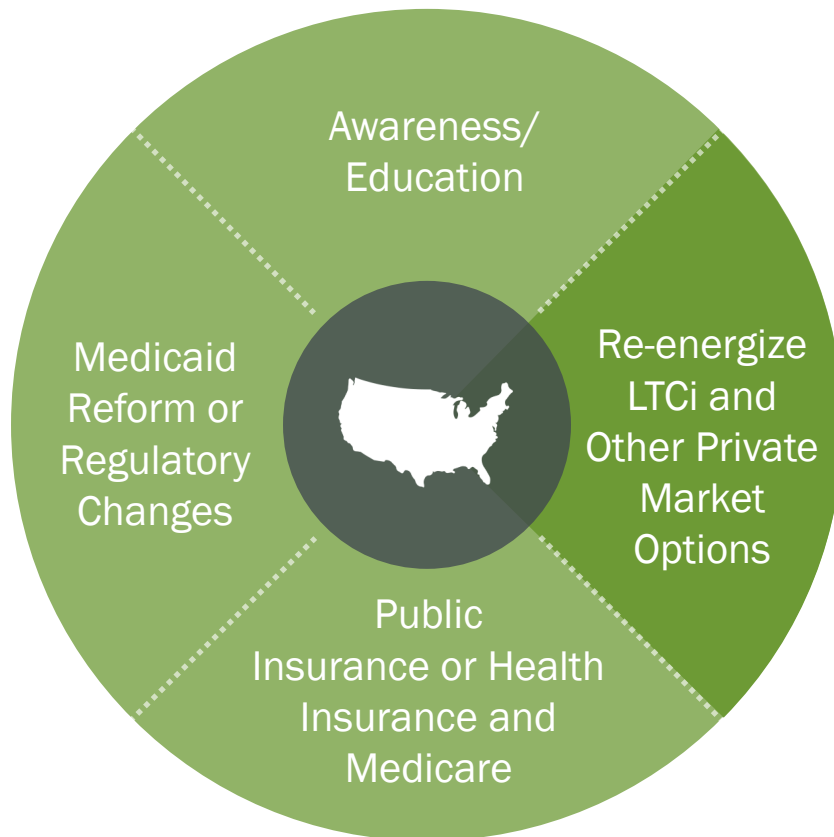
Potential state actions



Awareness/Education

- ▶ Own Your Future Campaigns
- ▶ State-Employer joint education
- ▶ LTCi counseling through Health Exchanges

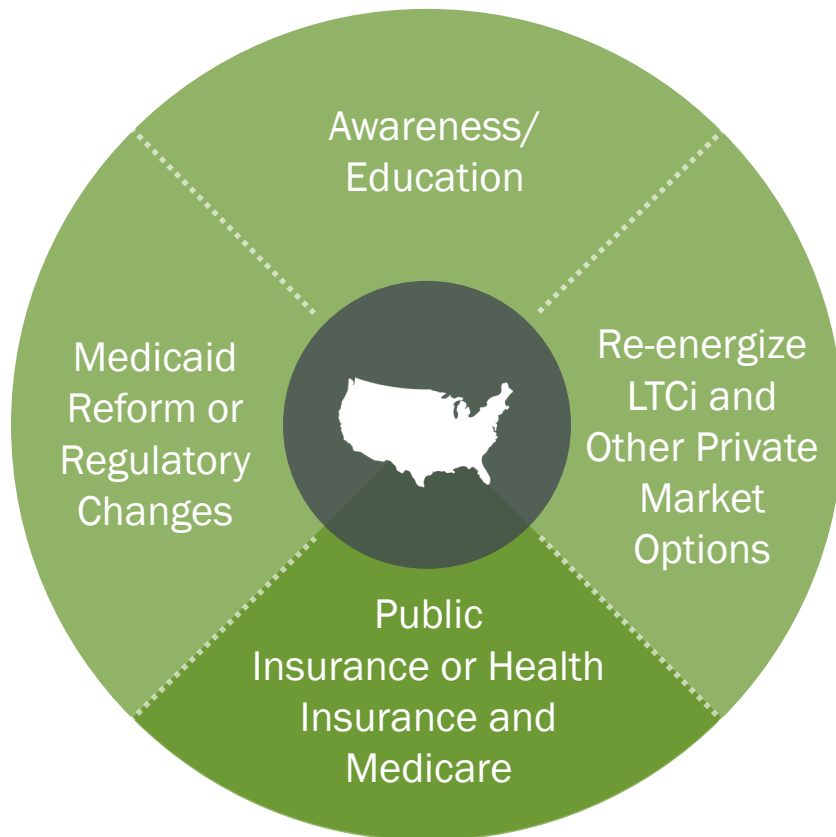
Potential state actions



Re-energize LTCi and Other Private Market Options

- ▶ New private insurance options/or regulatory reforms
- ▶ Incent LTC purchase or savings via tax policy
- ▶ Reinsurance pools
- ▶ Other insurance, savings, tax approaches
- ▶ Improve utilization of others consumer assets

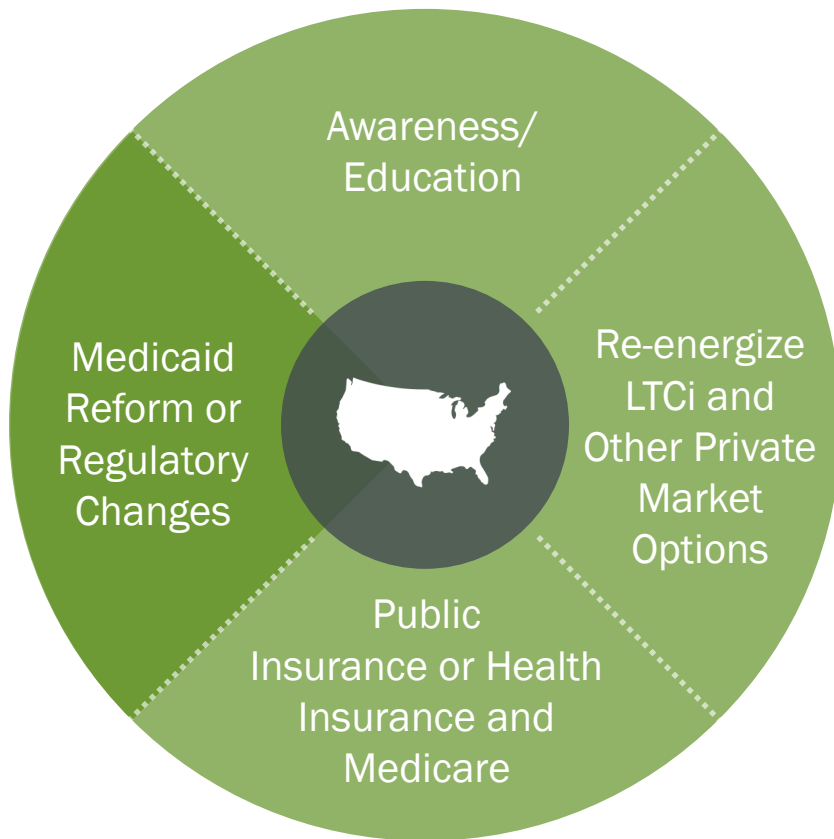
Potential state actions



Public Insurance or Health Insurance and Medicare

- ▶ Public catastrophic or front end coverage
- ▶ Improve LTSS integration with health insurance, Medicaid and Medicare

Potential state actions



Medicaid Reform or Regulatory Changes

- ▶ Re-evaluate spend down requirements
- ▶ Evaluate impact of tighter/looser eligibility
- ▶ Evaluate impact of HCBS rebalancing
- ▶ Develop earlier intervention model to minimize NH stays