

L O N G - T E R M

c a r e

What You Need
to Know

CONSENSUS PRINCIPLES & PUBLIC POLICY PRIORITIES FOR LONG TERM CARE

Approved March 18, 2003 by the Chamber Board of Directors

CONSENSUS PRINCIPLES

WHAT IS LONG TERM CARE?

Long term care is the provision of care and services, which is prompted by a chronic illness, significant injury, frailty or mental decline. It is a type of care, which includes support for activities of daily living such as eating, bathing, dressing, and toileting. It includes such services as home care, assisted living, adult foster care, home for the aged, nursing home and hospice.

WHO IS RESPONSIBLE FOR LONG TERM CARE?

Individuals are primarily responsible for planning and payment for their own long term care. Family members are often compelled to be involved in the complex decision making and providing care for those unable or unwilling to do so for themselves. If the individual's resources are inadequate when care is needed, state and federal programs are expected to provide a limited range of long term care services.

WHAT PRIORITIES APPLY TO LONG TERM CARE?

Because of our aging society and limited public resources, it is assumed that there will be a greater demand for services than can be uniformly available to the entire public. Further, with the ability of prolonging life through medical technology, costs have become even greater. Access to equal long term care is not an entitlement. Consequently, economic priorities need to be recognized in the allocation of available public and private resources. These priority factors include the following (not necessarily in order of importance):

- The age, financial status and medical condition of the individual are relevant factors in the allocation of scarce health resources.
- Cost considerations are a legitimate factor for decision makers to consider in determining what care to provide an individual.

- In-home care by family members and/or, if necessary, by professional home care providers is usually less expensive and is preferred over institutional placement by a majority of consumers. However, this can have substantial consequences to the workplace and the family of the caregiver.
- The payment for cost effective long term care services for an individual must be seen as a greater priority than the preservation of assets to be left to the next generation.
- Since long term care can consume extensive resources, long term care insurance can assist to help pay for, or reduce the burden of these costs. However, the very poor may not be able to afford such insurance and the very wealthy may not need long term care insurance.
- Hospice services (either in-home or residential) can be of great assistance and should be utilized in the care of individuals at the end of life.
- Advance Directives, such as a Living Will or a Medical Power of Attorney, are of great value to assist in determining the appropriate care for those who are no longer able to participate meaningfully in long term health care decisions for themselves.
- Government, providers, third party payers, businesses and community service organizations have a responsibility to help the public understand the complex issues and options related to long term care planning and utilization.

PUBLIC POLICY PRIORITIES

Medicaid Waiver Home Health Program

The Medicaid Waiver Program is a comprehensive in-home services program designed specifically for eligible persons who are medically appropriate for nursing home placement but elect to remain in their own home. Studies indicate that individuals prefer to stay in their homes. In-home care can be less expensive, less restrictive and add to the quality of life. Eligibility is based on income (\$1,635 or less per month per individual). Michigan began the waiver program in 1992 and was limited to the number of people it could serve based on dollars available. Last year, the waiver program cost the state \$39 per day for in-home care versus \$98 per day for nursing home care. However, with recent cutbacks, the state has suspended the program. The Chamber should advocate for the reopening of the Medicaid Waiver Program and would work with public officials to develop a comprehensive program.

State Tax Credit for Long Term Care Insurance

Long term care is one of the costliest expenses in a person's lifetime. Long term care insurance is intended to help individuals pay for care while protecting their assets from the high cost of long term care services. Medicare, and individual health plans, may cover long term care but in a very limited way. Medicaid is usually the option of last resort and requires the spend-down of assets to certain levels specified by the state. Individuals should evaluate and consider purchasing long term care insurance to cover these significant expenses. The state should consider a tax credit for those individuals who purchase long term care insurance.

Estate Recovery

Estate Recovery Programs allows the state to recover some of the costs of care paid by Medicaid. Under this program, claims are filed against the estates of deceased Medicaid recipients. A state will not seek estate recovery during the lifetime of a surviving spouse. In addition, a will or trust does not protect your assets from estate recovery. However, Michigan currently does not participate in estate recovery. The Chamber would advocate for an analysis to better understand the implications for the state of Michigan.

Oregon Medicaid Model

Due to the fact that long term care can consume substantial resources which may be limited in some fashion, and because the population average age is increasing, it is expected there will be a shortage of affordable resources to address the needs of the aging public. Based on this set of circumstances, a policy prioritizing and limiting access to procedures appears necessary. Consequently, we should develop a process to balance resources with needs. The initial step in that process is to investigate the Oregon Medicaid Model and others that have been adopted to assess their effectiveness and their adaptability to long term care practices.

Monitor Family Medical Leave Act (FMLA) Reform to Ensure Balanced Reform

A substantial amount of burden for parental care falls to working children and subsequently to employers when the employee exercises the options available under FMLA. With reform of the Act under consideration, and with the expectation that the demand for this support will increase, it is essential that undue burden should not be placed on the employer, while addressing the requirements of the caregiver and the patient.

Public/Private Partnership Program Expansion

Providing adequate long term care support is going to consume substantial assets, both public and private. It is essential that everyone who has a stake in the issue needs to be a part of the solution. The solution should also consider an integration of options and resources as well as funding mechanisms to meet long term care needs. It should also involve perspectives and concepts that originate in a variety of settings. Consequently, our policy is an “inclusionary” approach to problem resolution regarding long term care.