

Aging in America

Transforming the Delivery and Funding of Long Term Care

Thursday, September 22, 2016
Senate Hart Office Building, 902



Aging in America: Transforming Long Term Care Post-Event Report

Each year, Genworth Financial hosts a symposium in Washington, DC to convene conversation surrounding a long term care issue. This year's event took place on Capitol Hill in the Senate Hart Building in Washington, D.C. on September 22, 2016, with the theme of *Aging in America: Transforming Long Term Care*. The half-day event featured panels of experts in the long term care (LTC) financing and technology fields. Each panel focused on a different element of LTC financing and delivery, including new LTC financing proposals released this year, and how innovative technologies can help with the delivery and ease of care.



Genworth President and CEO **Tom McInerney** welcomed the audience and kicked off the event with opening remarks. He spoke about the high stakes surrounding long term care – 10,000 people turn 65 every day, and the majority of these people will need some type of long term care service during their lifetime. However, he said, only approximately eight percent of the population owns long term care insurance, posing a serious problem to those who

experience a long term care event with no way to fund it. In order to combat this, McInerney explained, the focus must shift to innovative ways to help improve the financing and delivery of long term care, including new technologies.

McInerney also discussed solutions to the long term care crisis in an [op-ed](#) published in *The Hill* prior to the event, outlining the need for reform and encouraging collaboration between all stakeholders.

Program moderator **Anne Tumlinson**, Founder of Daughterhood, began by providing insights based on her expertise in the long term care industry and her personal experience with caregiving. Tumlinson also emphasized the need for a discussion about the relationship between financing and innovation, explaining that the panels convened would provide new and unique perspectives into the financing and delivery of long term care. She noted that innovation and technology have the



potential to make insurance more affordable by lowering the cost of care, and that an LTC financing system has the potential to attract investment and capital to develop technology that will support the lives of aging Americans.

Gordon Saunders, Senior Brand Marketing Manager at Genworth, then gave an overview of Genworth's [2016 Cost of Care Survey](#), highlighting the financial burdens that many Americans and their families experience when faced with a long term care event. He outlined the potential reasons for increases in cost of care, and explained the trends that Genworth has observed through its survey of more than 15,000 people in 440 regions across the country. He ended his presentation with a question to the audience – what financing proposals and solutions can be developed to improve private and public coverage, as well as reduce or slow the rising cost of long term care?



Senator Bob Casey (D-PA) shared his experiences fighting to make LTC issues a priority at the state level as a senator in Pennsylvania, noting that the LTC crisis is both a challenge as well as an opportunity. Pennsylvania is one of the top five states with the largest population of Americans over 50 years old, and as such, the state has a unique obligation to improve and protect long term care for this group.

LTC Financing: Proposals to Improve Public and Private Coverage

Katherine Hayes, Director of Health Policy at the Bipartisan Policy Center, kicked off the first panel by sharing a personal story of her experience with caregiving and by encouraging the room to remember that long term care touches everyone's life in some way. Hayes explained that federal leaders are currently reluctant to overturn state insurance laws, but that policymakers and key players should continue focusing on making long term care insurance more affordable, despite the many challenges that come with that goal.

Gretchen Alkema, Vice President of Policy and Communications at The SCAN Foundation, continued the conversation by noting that as taxpayers, as caregivers or through our own future needs – everyone is already “all in” and has a stake in the long term care crisis.

Alkema noted that long term care expenditures are currently organized in the “most inefficient” way possible, and that families and individuals are unfortunately shouldering the burden most when it comes to long term care. In order to solve this crisis, we must make real, tangible recommendations to our leaders, she said.

Howard Gleckman, Senior Fellow at the Urban Institute, spoke on behalf of the LTC Financing Collaborative. He began by giving the audience a background on the Collaborative, explaining that the organization’s goals include improving autonomy of choice and delivery and increasing support for both paid caregivers and those in the home. Gleckman said that after much deliberation, members of the Collaborative realized that they needed to determine what the LTC “system” was, and what exactly needed to be financed. He also noted the importance of remembering that if we want to transition from a welfare-based system to an insurance system, a certain portion of the population will be unable to afford any type of long term care insurance policy. Because of this, any system put in place will need to be flexible.



The panel also held a discussion about the possibilities of a universal insurance-based system. **Gleckman** acknowledged that there have been conversations about entitlement reform, but stated that one cannot consider Medicaid reform without also considering long term care insurance. When asked what policymakers can do to build off of Medicare or another program and make care more accessible for Americans, **Hayes** responded that there are three things that can be done in the next year to make improvements to the current system: revising the current LTC insurance market; streamlining and simplifying waivers to encourage states to offer community-based care; and allowing plans and providers to use Medicare dollars to pay for things Medicaid cannot finance.



North Carolina **Senator Thom Tillis (R-NC)** joined the symposium and discussed the “design for dignity” concept – developing policies that allow seniors to live in an independent, safe and comfortable environment as they age. Tillis explained that doesn’t necessarily mean heavily funded government programs, but policies can be developed to encourage innovative private-sector solutions to the long term care crisis.

Technology and Innovation: The Future of LTC Delivery

Terry Bradwell, Executive Vice President and Chief Enterprise Strategy & Innovation Officer at AARP, began the second panel by referencing AARP's recent report, "The Longevity Economy," a look at how America's population of 50 and older consumers impacts the economy. This report found that there is a growing, yet under-appreciated, market to help improve the lives of aging Americans, and that caregivers and family members have the desire to use technology to help their loved ones age. Bradwell gave a brief overview of products currently in the marketplace that are helping older Americans, including SmartSole, a GPS insert that can non-invasively track Alzheimer's patients with a tendency to wander; an easy release seatbelt that informs caregivers if people susceptible to falls attempt to stand up without assistance; and GreatCall Lively, a wearable device that provides more dignity than a traditional wearable alarm.

Majd Alwan, Senior Vice President of Technology and Executive Director of the LeadingAge Center for Aging Services Technology (CAST), continued the discussion by outlining the care issues prevalent among older adults and individuals with disabilities, including falls and chronic disease management. He highlighted the key findings of the Office of the Assistant Secretary for Planning and Evaluation's (ASPE) Report to Congress: Aging Services Technology Study. This found that technology supports can help manage costly and prevalent conditions, allow people to thrive in the place they choose and help with social engagement. Alwan also noted that in the short term, there should be a focus placed on payment and health reform, as well as emerging technologies to help those 65 and older.



Crispin Baynes, Strategic Advisor for Aging 2.0, discussed his organization's goal of improving the lives of older adults. He explained that technology is changing and becoming more affordable – and that older individuals adapt to technology quicker than we might think. Baynes stressed that there needs to be a focus on nutrition, health and wellness and financial planning for older adults, as many “cannot afford to be sick” in our current LTC environment.

The panelists wrapped up the event by discussing the path forward for technology in the long term care space. **Baynes** explained that he believes health care delivery will dramatically change to become more home-based in the near future, but money and time are needed to make this a reality. **Bradwell** added that there should be a focus on preventative measures to avoid unnecessary costs down the line, and **Alwan** closed by explaining what can be done in the short term, including payment and general health care reform, to innovate on the long term care front.

Long Term Care Financing Modeling Work & Policy Options

#LTCFinancing

<http://www.TheSCANFoundation.org/ltc-financing-initiative>

Urban Institute/Milliman, Inc. Policy Modeling Project

In 2015, modeling efforts distilled various options to improve America's financing system for long term care. The SCAN Foundation partnered with AARP and LeadingAge to fund a large body of actuarial and economic modeling completed by the Urban Institute and Milliman, Inc. The purpose of the modeling was to create new analytic information comparing various high-level insurance options to address this impending crisis.

- **Urban Institute:** *Microsimulation Analysis of Financing Options for LTSS*
- **Milliman, Inc.:** *Premium Estimates for Policy Options to Finance LTSS*

Long Term Care Policy Options

In February 2016, three organizations – the Bipartisan Policy Center (BPC), LeadingAge, and the Long-Term Care Financing Collaborative (the Collaborative) – subsequently released policy recommendations building from the 2015 modeling work.

The SCAN Foundation's Side-By-Side Review of Recent Long-Term Care Financing Policy Recommendations identifies common threads between the three reports, as well as where the recommendations differ in perspective and emphasis. Specifically, each report found that:

- Older adults and their families are unprepared for the risk of needing long term services and supports (LTSS), both in terms of high out-of-pocket spending and the resulting need for Medicaid. This system will be unsustainable as support needs rise.
- Increasing insurance-based coverage will require multiple solutions, utilizing the strengths of both the private and public sectors.
- The solution set should include reforms to the private insurance marketplace to provide lower priced policies for the purpose of insuring against the risk of needing a high level of LTSS over a relatively short period of time.
- The solution set should also include insurance specifically designed to protect against the risk of high LTSS need that occurs over long periods of time and to at least consider further development of a catastrophic insurance program where all Americans would be covered.
- Medicaid should be strengthened as the safety net program, which has an important but smaller role in a refashioned, insurance-based LTC financing system.

For more details on each set of recommendations, access these reports:

- **The Collaborative:** *A Consensus Framework for Long-Term Care Financing Reform*
- **BPC:** *Initial Recommendations to Improve the Financing of Long-Term Care*
- **LeadingAge:** *2016 Pathways Report: Perspectives on the Challenges of Financing Long-Term Services and Supports*

Resources and Additional Reading

[Genworth's Cost of Care Interactive Website](#)

[Genworth's Cost of Care Survey: Key Findings and Methodology](#)

[Report to Congress: Aging Services Technology Study](#)

[Side-by-Side Review of Long-Term Care Financing Policy Recommendations](#)

[The Longevity Economy: Generating Economic Growth and New Opportunities for Business](#)