Book: Who Will Pay for Long Term Care: Insights from the Partnership Program

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Publisher: Health Administration Press, 2001

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Pick up a magazine or newspaper and you'll find an article on the "graying" of America. This aging is in full-force, as each day an estimated 1,500 Americans has their 50th birthday. In addition, the "over 85" age cohort is the fastest growing age category. It's no wonder that issues related to seniors or the elderly have gained so much attention.

How big is the problem of long-term financing? In fiscal year 2000, the Congressional Budget Office estimates that Medicaid long-term care costs will total $39.5 billion or 34% of total Medicaid expenditures. Together, Medicaid and Medicare pay nearly 60% of total long-term care expenditures, which accounts to about 1% of the gross domestic product.

As a licensed nursing home administrator, I've experienced first-hand the major policy problem in long-term care: who will pay it? Most often, long-term care is paid by either the resident (patient), his or her family, or by a state's Medicaid program. To be eligible for the latter, the resident may only have $1,500 of total assets.

In McCall's book, she describes the Partnership for Long Term Care, sponsored by the Robert Wood Johnson Foundation. Begun in 1988, the partnership included eight states. Nearly fifteen years later, the Partnership offers long term care financing alternatives in four states: California, Connecticut, Indiana, and New York. The program's objectives include the following:

- Avoiding impoverishment by the elderly utilizing long-term care services.
- Promoting greater access to insurance protection.
- Encouraging private-public funding coordination for long-term care delivery.
- Providing for maximum personal choice among those planning for long-term care.

Program participants blended private and public insurance in an effort to provide payment options, thereby expanding access to needed long-term care services. In summary, the Partnership addressed the following areas:

- Benefit Eligibility Determinations—Triggers (i.e., activities of daily living) required for long-term care utilization.
- Coverage—Minimum daily payments for nursing home, home care, residential care, or case management.
- Policy Features—Allowable "elimination" periods.
- Premiums—Base rates and inflation factors.

- Consumer Protection Features—Preexisting condition exclusions and "free-look" feature benefits.

According to McCall, long-term care includes three areas:

- Community Care
  - Home care.
  - Adult day care.
  - Hospice care.
- Institutional Care.
  - Nursing home.
  - Supportive housing (i.e., assisted living).
- Informal Care.
  - In-home care and support (by friends or family).

Following this introductory chapter, the book presents a 360^{o} view of long-term care financing, using the partnership's outcomes. The partnership is presented from the viewpoints of the participating states, insurers, and residents. Commentaries are offered, along with policy implications and recommendations.

The most interesting chapter, written by Stephen Moses, presents a discussion concerning why the Partnership failed to meet its objectives. Central to the failure is the failed logic that consumers would be more likely to enroll in long-term care insurance plans if they could reduce their spend-down liability for Medicaid eligibility. Unfortunately, consumers did not respond.

Despite this shortcoming, the Partnership was successful in bringing together the private and public sectors in dialogue and program development. More importantly, it has further heightened the awareness among the legislators that alternative long-term care financing options must be implemented. To that end, this book is a valuable resource for long-term care advocates, providers, and policy makers.