

Did you know?

The American long-term care system—including home care, nursing homes, assisted living, and more—is not up to the challenge of meeting our needs:

- Older adults and people with disabilities often struggle to afford the cost of quality care.
- Family caregivers struggle with insufficient support and a workforce shortage.
- Long-term care workers struggle to earn a living wage despite the essential nature of their work.

There is a better way!

IT'S TIME FOR LONG-TERM CARE FOR ALL

It's time to create a better system, and that starts with how we pay for long-term care. In a social insurance model, people pay into a public fund while they work, and receive the benefit when they need it (similar to Social Security or Medicare). Policy experts agree that a long-term care social insurance program is the best way to make long-term care insurance affordable for all. It can be structured in a way that allows people and families to get the care they need while building in funding to pay workers a living wage.



It provides coverage to everyone who pays in.

A long-term care social insurance program would provide benefits to anyone who pays into the program, no matter their financial status, race, or gender. This would create a more accessible and equitable long-term care system that promotes dignity and independence. In our current system, Medicaid is the largest payer. Since you have to meet income and asset limits to qualify for Medicaid, lower- and middle-income individuals who can't afford long-term care must spend down their life savings in order to get the coverage and help they need. This prevents them from accumulating generational wealth which is one of the root causes of the racial wealth gap in the U.S.¹

It makes coverage more affordable.

Private long-term care insurance premiums average \$2,700 per year and tend to go up with age, making them unaffordable for many Americans.² And Medicaid is available only to those with limited income and assets. A long-term care social insurance program would provide near-universal access to long-term care coverage at affordable premiums without income or asset tests.



It's financially sustainable.

A social insurance program is typically paid for through payroll premiums that are automatically deducted from your paycheck (like Social Security). By creating this dedicated funding source, the program can plan for increased long-term care costs, such as baby boomers getting older. It also lessens the financial pressure on Medicaid, which provides essential long-term care coverage to individuals with limited means. Plus, since most people would be enrolled in the program, there is a broad base of support, making it less likely the program would be eroded in the future.

1. McIntosh, Moss, Nunn, & Shambaugh. 2020. "Examining the Black-white wealth gap." Brookings Institution. <https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/>.

2. Stark. 2018. "5 Things You Should Know About Long-Term Care Insurance." AARP. <https://www.aarp.org/caregiving/financial-legal/info-2018/long-term-care-insurance-fd.html>; Sammer. 2020. "The Collapse of Long-Term Care Insurance." *The American Prospect*. <https://prospect.org/familycare/the-collapse-of-long-term-care-insurance/>.