

Long-Term Care: The Public's View

By Peter D. Hart Research Associates and American Viewpoint

Summary

The American public understands that the financing of long-term care is a serious policy problem and seems receptive to change. Nearly three-quarters of baby boomers and seniors are concerned either a great deal or a fair amount about paying for long-term care, according to a poll commissioned by the National Academy of Social Insurance's study panel on long-term care. Seven in ten believe that government should do more to help people meet the costs of long-term care. Even those less concerned about the problem are troubled that the current system impoverishes people before it helps them. After hearing that Medicaid covers care only after people have exhausted virtually all their own resources, 41 percent of respondents conclude that the system of paying for long-term care "is broken and needs a complete overhaul," and another 30 percent say that it needs major improvements.

Introduction

Peter D. Hart Research Associates and American Viewpoint conducted a survey from March 3 to 8, 2004, among 804 Americans age 40 and over for the Service Employees International Union and the National Academy of Social Insurance. The survey assessed this audience's knowledge of, level of concern about, and policy attitudes toward long-term care. The margin of sampling error for the survey is ± 3.5 percentage points for results based on the entire sample and higher among subgroup populations.

The survey sample is structured in generational terms, with a focus on two generations of Americans: baby boomers (age 40 to 59) and seniors (age 60 and over). Seniors, as the age cohort most likely to need long-term care, are a critically important group to study. Because political candidates, journalists, and policymakers may assume that long-term care is *only* a seniors' issue, we also wanted to explore whether baby boomers are concerned about this issue (the answer is yes). To accommodate robust samples of seniors and baby boomers, younger adults are not included in this survey sample. Given these findings among baby boomers, however, it cannot be assumed that young people are unconcerned about long-term care, and future research with that population could prove enlightening.

For the purposes of this study, long-term care is defined as care provided on a regular basis for three months or more, including providing help with personal-care tasks such as bathing or dressing, help for people who cannot perform daily activities such as cooking or taking

Peter D. Hart Research Associates and **American Viewpoint** are two of the leading survey research firms in the United States. This analysis was prepared for the National Academy of Social Insurance's study panel on long-term care.

medications, or help with nursing care such as monitoring blood pressure. Long-term care as defined in this survey can be provided in a nursing home, in a person's home by aides or family, or in an assisted-living facility.

The public is highly concerned about the affordability of long-term care and expresses a desire for the nation to make addressing long-term care costs a high priority. Most baby boomers and seniors believe that affording the costs of long-term care is difficult for most people, and that the current system of paying for it is broken and must be fixed. The public does not expect or want the government to do it all, but it would like to see the federal government do more. Adults are especially drawn to programs that give individuals and families more incentives to prepare for the potential expense of care in a nursing home, an assisted-living facility, or in their own home. Americans seek a greater partnership among families, individuals, and the government to help people meet these costs.

The survey results also shed light on the factors and forces that drive concern about long-term care, both at the personal and societal level. These findings should prove invaluable to a public education effort about the serious challenge that long-term care costs will pose for American families and the government in the years ahead.

Personal Knowledge and Concern

Americans associate long-term care with senior citizens, as more than four in five (84%) say that when they think about long-term care, senior citizens age 65 or over are the first type of people who come to mind. Just one in five (19%) first think of adults with disabilities, and only 10% initially think of children under 18 who have a disability. This is an important perception that shapes the public's attitudes toward long-term care.

Adults are asked a battery of questions to assess their personal experience with long-term care, either through their own experience or through that of a family member or close friend, to measure whether personal experience affects attitudes toward this issue. One in 12 (8%) Americans age 40 and over say that they are currently receiving some form of long-term care assistance—6% from family or friends and 2% from a nurse or paid caregiver in their home—including 6% of baby boomers and 11% of seniors (of course, residents of long-term care institutions are unlikely to be reached in a telephone survey). Another three in five (59%) indicate that they have a relative or close friend who currently receives or has received long-term care. In total, nearly two-thirds (63%) of Americans age 40 and over have some personal experience with long-term care, most of whom gained their experience through a parent or a spouse's parent (30%), or a grandparent or spouse's grandparent (12%).

One-third (32%) of adults polled say that the people they know who are receiving or have received long-term care mainly receive assistance in a nursing home, but just over one in 10 say that their relative or close friend receives care in an assisted-living facility (13%), in their home from family or friends (13%), or in their home from a nurse (11%). A third (34%) also say that their relative or close friend relies on government assistance to pay for part or all of their long-term care, and nearly all these adults say that this person had to exhaust all his or her savings to qualify for government assistance.

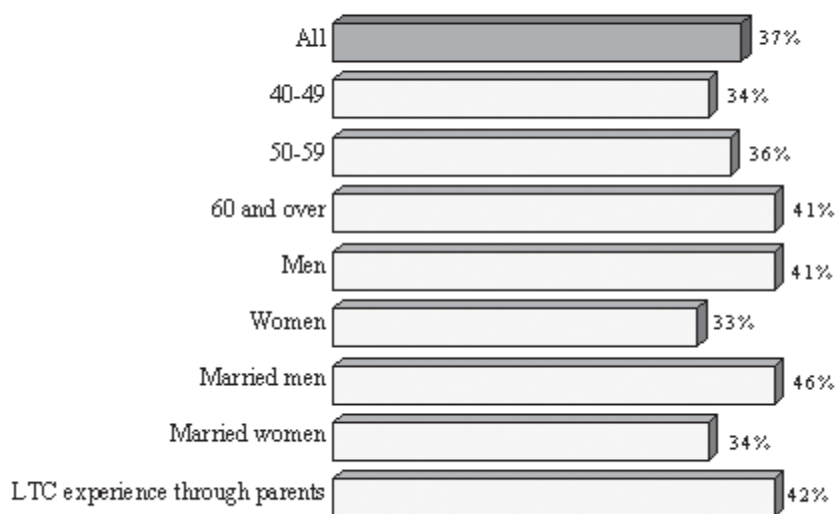
Planning and Paying for Long-Term Care

Fewer than two in five (37%) adults report that they have developed a plan to pay for their long-term care needs, compared with the 31% who admit that they have not thought about paying for their own long-term care, and the quarter (23%) who have not started planning because they do not believe that they will need long-term care in the future. Americans age 60 and over (41%) are only slightly more likely to have made plans than are adults in their forties (34%) and fifties (36%). Seniors (28%) also are slightly more likely to expect that they will *not* need long-term care compared with Americans 40 to 59 years old (20%).

Men (41%), married men (46%) especially, are more likely than are women (33%) and married women (34%) to have developed a plan to pay for long-term care should they need it. People whose parents currently receive or have received long-term care (42%) and Americans who believe that paying for long-term care is a personal responsibility rather than a government responsibility (47%) are more likely than others to have a plan. Conversely, substantial majorities of the youngest members of our sample, 40- to 49-year-olds (59%) and women age 40 to 59 (61%), as well as African Americans (68%) say that they do not have a plan to pay for their own long-term care expenses.

Planning For LTC

Proportion of Americans age 40 and over who say they have a plan to pay for LTC



One reason for the low level of planning is that most Americans do not believe that they personally will need long-term care: just 35% feel that it is very likely that they or their spouse will ever need such care. This personal expectation of need plays an important role in determining people's level of concern about this issue (and their view of policy solutions).

In the event they may need it, adults are divided over how to pay for their long-term care. One-third (32%) say that they would rely on long-term care insurance to pay for their expenses (far more than we know actually have such insurance), whereas nearly three in 10 (28%) would

rely on personal savings. Another quarter (23%) plan to rely on a government program should they incur expenses for their own long-term care, and fewer than one in 10 (8%) say that they would rely on family; 6% admit that they are not sure how they would pay for it.

We know from other surveys on this topic that the proportion of the public who think that they have long-term care insurance is a vast overestimate. In this poll, one-third of every demographic group says that they would rely on long-term care insurance to pay for their long-term care costs. A couple of demographic groups on the high end in this regard include African Americans (41%) and middle-income Americans earning between \$40,000 and \$75,000 (39%). People who believe that paying for long-term care is a personal responsibility (40%) and those who say that they have a plan to cover their costs (49%) are among the most likely to report that they will use long-term care insurance to cover their expenses. Americans in their fifties are the least likely to rely on personal savings (19%), compared with adults in their forties (32%) and adults age 60 and over (31%). Americans in their fifties also are slightly more likely to say that they would rely on a government program (28%).

Regardless of whether one has experience with long-term care, the vast majority (90%) of adults age 40 and over recognize that affording the costs of long-term care is a difficult proposition, including 62% who say it is very difficult. Affording long-term care costs is considered far more difficult than finding quality nursing home care (70% very/fairly difficult), finding quality home-care providers (63%), and finding information about how to judge quality facilities and caregivers (64%) or information on government programs that provide or help fund long-term care (55%).

People's perceptions of the coverage they have are complicated by the fact that both Medicare and private health insurance cover limited periods of nursing home or at-home care, albeit not long-term personal support. Only one-third (34%) of adults surveyed know that long-term care costs are covered by Medicaid for low-income people with no savings, 21% think that costs are covered by Medicare, 14% think that neither Medicare nor Medicaid cover costs, and another 20% admit that they are uncertain. Eight percent think that a government program other than Medicare or Medicaid covers costs. When it comes to government long-term care policies, experience is the best teacher. The people who are most likely to know that long-term care costs are covered by Medicaid are those who know someone who spent down (44%) to qualify for Medicaid or those who have a parent who currently receives or has received long-term care (45%).

Personal Concern Over Paying for Long-Term Care

Paying for long-term care is a very significant concern among the over-40 public. Nearly three-quarters are concerned either a great deal (54%) or a fair amount (18%) about paying for long-term care, either in a nursing home or at home, for themselves or for another family member. Only one in four (27%) Americans age 40 and over say that they are only concerned a little or not at all. Surprisingly, the proportion expressing greater concern about paying for long-term care is nearly identical to the proportions who are concerned with paying for medical treatment if diagnosed with a major medical illness (73%) and paying for the costs to live comfortably in retirement (75%) as one of the top issues of concern to members of this age group.

Substantial racial, education, and income differences exist about concern over affording long-term care costs. African Americans (77%) are far more likely than are whites (50%) to be concerned a great deal about affording care costs. While three in five (60%) of those with a high school education or less report this level of concern about paying for long-term care, fewer than half (46%) of college graduates are as concerned. In addition, compared with the 61% of individuals in households earning less than \$40,000 who express a great deal of concern, just 44% of those living in households with an income greater than \$75,000 are as concerned.

Interestingly, Republicans (43%) are far less personally concerned than are Democrats (63%), and this ratio holds even when controlled for socioeconomic status and race. Perhaps the most surprising finding is a non-relationship: having personal experience with long-term care (such as having a parent or other relative receive care) is not correlated at all with concern about affording long-term care. However, personal expectations concerning the likelihood that the respondent (or his/her spouse) will someday need care is positively associated with concern over paying for the costs.

Concerned a Great Deal about...

	Paying For Medical Treatment If Diagnosed With A Major Medical Illness	Paying For Long-term Care	Paying For The Costs To Live Comfortably in Retirement	Paying For Education For Child/Grandchild
	%	%	%	%
All Adults	57	54	51	31
Women	60	60	57	32
Men	54	47	45	31
African Americans	79	77	67	52
Whites	54	50	49	28
Democrats	67	63	59	38
Republicans	43	43	43	26
Less than \$40,000	66	61	61	33
More than \$75,000	42	44	38	31

Interestingly, concern does not vary much by age, with baby boomers expressing just as much concern over affording long-term care costs as do senior citizens. Baby boomers in their forties (53%) are as likely to express a great deal of concern about this issue as are baby boomers in their fifties (57%) and seniors age 60 and over (53%). Women (60%), however, are much more likely to express a great deal of concern over long-term care affordability than are men (47%), and the gap between married women (62%) and married men (45%) is even greater.

Long-Term Care as a Public Problem

In addition to the fairly high levels of personal concern, a 53% majority says that addressing long-term care costs should be a high priority *for the nation*, including 34% who say it should be a very high priority. Slightly more than a third (37%) of adults think that addressing these costs should be a moderate priority, and just one in 10 (9%) believe that these costs should be a lower priority than that. Some connection to age exists: fewer than half of 40- to 49-year-olds (46%), compared with majorities of 50- to 59-year-olds (55%) and seniors age 60 and over (58%), feel that it should be a very or fairly high priority.

A connection exists between the perception that affording the costs of long-term care is very difficult and the priority one believes that long-term care should be for the nation. For example, nearly three-quarters (73%) of those who say that these costs should be a very high priority for the country also believe that paying for them is very difficult. Comparatively, nearly two-thirds (63%) of those who believe that long-term care costs should be a fairly high priority for the country, and a smaller majority (55%) of those who believe it to be a moderate or lower priority, perceive these costs to be very difficult to afford.

Long-Term Care Priority for the Country

	<u>Very/Fairly High Priority%</u>
All Adults	53
Women	55
Men	51
African Americans	81
Whites	50
Democrats	67
Republicans	37
Less than \$40,000	63
More than \$75,000	38

Many of the same differences among groups are apparent on this measure as are evident on the question of concern over affordability. African Americans (81%), Democrats (67%), those with a high school education or less (64%), and adults in households earning less than \$40,000 (63%) are much more likely than are whites (50%), adults in households earning more than \$75,000 (38%), college graduates (37%), and Republicans (37%) to believe that addressing the costs of long-term care should be a very or fairly high priority for the nation. But there also are interesting findings among Americans who have a plan in place to pay for long-term care

(48% very/fairly high priority) versus those who have not thought about paying for it (59%). Americans who think of long-term care as a personal responsibility and have taken planning steps are somewhat less inclined to see the issue as a public (or government) concern.

A number of multivariate regression analyses were conducted to uncover the factors that are most important in shaping attitudes toward long-term care as a priority for the nation. The analysis reveals that partisan preferences (revealing ideological differences) and socioeconomic status are strong predictors of concern about long-term care as a national issue. Those Americans with higher incomes, with higher levels of education, or who self-identify as Republicans are less likely to consider long-term care to be a high national priority. African Americans are more likely than are whites to rate this as a priority issue.

In attitudinal terms, two related factors emerge as powerful predictors of believing long-term care should be an important national priority: the perceived likelihood that one (or one's spouse) will need long-term care at some point in the future and personal concern about paying for it. Surprisingly, our regression model finds no correlation between personal experience with long-term care and propensity to consider it a high priority for the country. Even more immediate personal experience—those who have or have had a parent or spouse's parent in long-term care—fails to meet the threshold for a significant correlation. There also is no relationship with knowledge about government policies related to long-term care, such as the fact that one must spend down before qualifying for help from Medicaid.

Attitudes toward long-term care, then, are driven by a combination of ideology and a very personal perspective on the likelihood that one's own family will confront long-term care financing problems. Knowledge of long-term care, even knowledge gained from direct, personal experience, does not appear to affect attitudes in a significant way. This poses significant challenges for any public education effort addressing this issue.

The Role of Government

Direct questions about the public's attitude toward the current system of paying for long-term care suggest widespread discontent with the system as currently designed. After being presented with a description of current government coverage for long-term care costs, seven in 10 (71%) Americans age 40 and over feel that the current system of paying for expenses needs a complete overhaul (41%) or major improvements (30%). Only one-quarter (23%) think that the system works well just as it is or could use only minor improvements. The results show almost no difference between those with experience with long-term care (70% complete overhaul/major improvements) and those with no experience on this dimension (71%). African Americans (54%), Democrats (49%), those earning less than \$40,000 (45%), and those in their fifties (45%) are among the most likely to say that the system needs a complete overhaul. A slim majority (51%) of people currently receiving long-term care agree that the system is broken. Again, ideological outlook is clearly more important in shaping views on this matter than is personal experience with long-term care.

System of Paying for Long-Term Care

	<u>Complete Overhaul/Major Improvements</u>
	%
All Adults	71
African Americans	72
Whites	71
Democrats	80
Republicans	63
Less than \$40,000	73
More than \$75,000	69

Given the perceived inadequacy of the current policy, it is not surprising that a strong majority (70%) of Americans age 40 and over think that the federal government should do more to help people meet the costs of long-term care; only 22% say that the government should do less or is doing the right amount. Large majorities of almost every demographic group, and even a small majority of self-identified Republicans (53%), believe that the federal government should do more in this area. African Americans (89%), Democrats (86%), and people earning less than \$40,000 (79%) are the most likely types of Americans age 40 and over to believe that the federal government should do more to help people meet the costs of long-term care, but women (74%) are more likely than are men (66%), and fifty-somethings (77%) are more likely than are those in their forties (69%) or those age 60 and over (67%) to want the government to do more. Nearly four in five (78%) people who know someone who spent down to qualify for Medicaid coverage of long-term care expenses are looking for the federal government to do more.

Should the Federal Government Do More to Pay for Long-Term Care?

	<u>Should Do More</u>
	%
All Adults	70
African Americans	89
Whites	68
Democrats	86
Republicans	53
Less than \$40,000	79
More than \$75,000	62
Women	74
Men	66
Know someone who spent down	78

However, even Americans who think that the government should do more to help people meet these costs are not looking at the government as a panacea for paying for these expenses. By two to one, people who think that the federal government should do more also believe that paying for long-term care should be a *shared responsibility* between individuals and the government, rather than having the government provide long-term care for all through an expansion of Medicare. Three in five (60%) believe that there should be tax incentives to encourage Americans to save and purchase long-term care insurance and that the government should pay for the care of low-income people, compared with only one-third (32%) who think that additional Medicare premiums and higher taxes should be instituted to ensure that all Americans are covered. There is only a slight difference between the attitudes of baby boomers (62% shared responsibility, 33% coverage through Medicare) and those of seniors (56%, 31%) on the extent of the role the government should play.

This reluctance to have the government take on primary responsibility for financing long-term care reflects a more general skepticism about an enhanced role for the federal government. The nation continues to be divided over whether the government should be doing more to solve the country’s problems (46%) or whether it already is doing too many things better left to businesses and individuals (41%).

Among all adults 40 and over, a 42% plurality wants to see the government sharing responsibility with individuals through policies such as tax incentives. In contrast, just 21% believe that the government should not do more than it does now to help people meet the costs of long-term care, and another 22% would like to see the federal government provide long-term care coverage for all Americans.

What Should be the Federal Role in Paying for Long-Term Care?

	Government Should <u>NOT Do More</u> %	Shared <u>Responsibility</u> %	Government <u>Should Provide</u> %
All Adults	21	42	22
Whites	23	41	21
African Americans	7	51	32
Democrats	8	52	40
Independents	20	62	30
Republicans	37	69	21
Less than \$40,000	14	43	28
\$40,000-\$75,000	19	46	24
More than \$75,000	33	44	14

To gauge attitudes toward the government’s role in paying for long-term care expenses, adults are asked to rate how they believe the costs of long-term care should be covered in this country on a one-to-seven scale, on which a seven means that it should be strictly a government

responsibility and a one means that it should be strictly a personal/family responsibility. The public leans slightly toward a larger role for the federal government, as half (50%) have the view that paying for long-term care should be a government responsibility (a combined rating of “5,” “6,” and “7”), compared with only 28% who feel that it is an individual responsibility (a combined rating of “1,” “2,” and “3”). At the same time, most (59%) people choose a number toward the middle of the scale (a combined rating of “3,” “4,” or “5”), indicating that the majority is neither looking for solely a government solution or purely a personal responsibility solution.

The findings are almost exactly the same for those with long-term care experience (48%, 28% government responsibility) and those without (51%, 30%). Notably, Republicans and people residing in households earning more than \$75,000 lean most toward it being a personal responsibility rather than the government’s.

Balancing Government and Personal Responsibility

	Government Responsibility (5-7 on a 7-point scale)	Personal Responsibility (1-3 on a 7-point scale)
	%	%
All Adults	50	28
Whites	46	31
African Americans	75	11
Democrats	64	16
Independents	47	26
Republicans	30	48
Less than \$40,000	60	21
\$40,000-\$75,000	43	31
More than \$75,000	37	41
Experience w/LTC	48	28
No experience	51	30

Regression analysis shows many of the same relationships that we uncovered with regard to long-term care being an important national priority. Having a low income, being African American, and identifying as a Democrat all are associated with favoring a larger government role. Interestingly, the older the adult, the less likely he or she is to favor a larger government role. Once again, immediate personal experience with long-term care is not a significant predictor, but anticipation that one will need long-term care at some point in the future and personal concern about being able to afford to pay for care are predictors of a favorable attitude toward a government role.

Impact of Information

The final section of the survey is devoted to giving people information about long-term care as a national problem and measuring their reaction to it. Most of the reasons for why more must be done to help people meet the costs of long-term care are fairly compelling to Americans age 40 and over. It is important, however, to understand that this is not designed as a balanced exercise. No effort is made to present people with information that might undercut a commitment for national action, such as the size of the current federal budget deficit or the huge cost to the government of substantially expanding coverage. These questions simply are trying to determine which types of information are most compelling as reasons why long-term care should be a higher national priority.

The most convincing reasons center around the increasing number of Americans who will need long-term care in the future and the attendant costs of such a rise, as well as that people have to deplete their savings before they can receive any government assistance. The expense of private long-term care insurance as well as the dearth of individuals who possess these policies also is very convincing to most Americans 40 and over.

Americans say that recent estimates indicating that the number of elderly individuals with long-term care needs will rise by 39% by 2020 is a very convincing reason (54%) why more needs to be done to help people meet long-term care costs (another 21% say it is fairly convincing). This message is especially resonant with people who are concerned a great deal about being able to afford long-term care (66% very convincing), compared with only 40% of people who are only concerned a fair amount or less. Employing a similar theme, the message that total spending on long-term care is now \$139 billion and government estimates show that the cost will increase between two and four times in the next 20 years is very (51%) or fairly (19%) convincing to many individuals. This message is one of the most convincing among people who have yet to begin thinking about how they would pay for long-term care (59% very convincing, 20% fairly convincing).

Informing people that nursing home residents have to spend all their assets except for \$2,000 to become eligible for government help with their long-term care expenses also is a very convincing argument among a majority (54%) of Americans age 40 and over. Three in 10 (29%) say that it is just somewhat or not too convincing a reason. Adults who know someone who spent down (64%) or currently receive long-term care (69%) are much more likely than average to find this to be a compelling reason why more must be done.

Pointing out the facts about private long-term care insurance is a bit less compelling, but is persuasive to some. Half of all adults say that studies suggesting that private long-term care insurance is affordable for only 10% to 20% of elderly individuals (51%), and that only about 4% of American adults currently have a private long-term care insurance policy (48%) are very convincing reasons. Another one in five (17%, 21% respectively) say that these reasons are fairly convincing.

In general, messages about future projected growth in the numbers of long-term care patients and in the costs for long-term care are most resonant with baby boomers, essentially those whom these projections are discussing. Although the messages that work best are effective

among both men and women, women react more intensely to the range of themes than do men. Lower-income Americans and those on fixed incomes (retirees) react most strongly to messages that discuss the spend down requirement, the cost of long-term care insurance, and the average cost of nursing home care. The image conjured by informing people about the Medicaid spend down requirement is obviously troubling even for people who generally are not inclined to support more action on long-term care affordability—half of Republicans (49%) and those who say that long-term care costs are a moderate or low priority for the nation (51%) find this message very convincing.

Despite the fact that adults find many of these messages to be persuasive, after listening to an extensive case for doing more to help people meet long-term care costs, the proportion that are concerned a great deal or a fair amount about being able to pay for the costs of long-term care (74%) remains virtually unchanged from the outset of the survey (72%). The same is true for the proportions who believe that addressing this issue should be a high priority for the nation (54% at the end of the survey versus 53% at the beginning), as well as those who lean toward the view that paying for long-term care should be a government responsibility (50% rate this a “5,” “6,” or “7” at the beginning, and 49% say the same at the end of the poll).

To some extent, these attitudes are shaped by larger, pre-existing philosophical orientation on the proper role of the government versus personal responsibility. The other key factor in shaping opinion is personal expectations of the need for long-term care, together with anxiety about paying for those costs. The information tested in this survey did not really address such personal expectations, but focused mainly on national level statistics about the projected increases in the demand for and cost of care.

Whether or not attitudes change over the course of the survey, the data clearly demonstrate that Americans age 40 and over already are deeply concerned about long-term care. They believe that more must be done to help people afford these expenses. Fundamentally, Americans are looking for a balance between personal responsibility and government assistance as the nation addresses the challenge of financing long-term care.



The National Academy of Social Insurance (NASI) is a nonprofit, nonpartisan organization made up of the nation’s leading experts on social insurance. Its mission is to promote understanding and informed policymaking on social insurance and related programs through research, public education, training, and the open exchange of ideas.

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