

Long-Term Services and Supports

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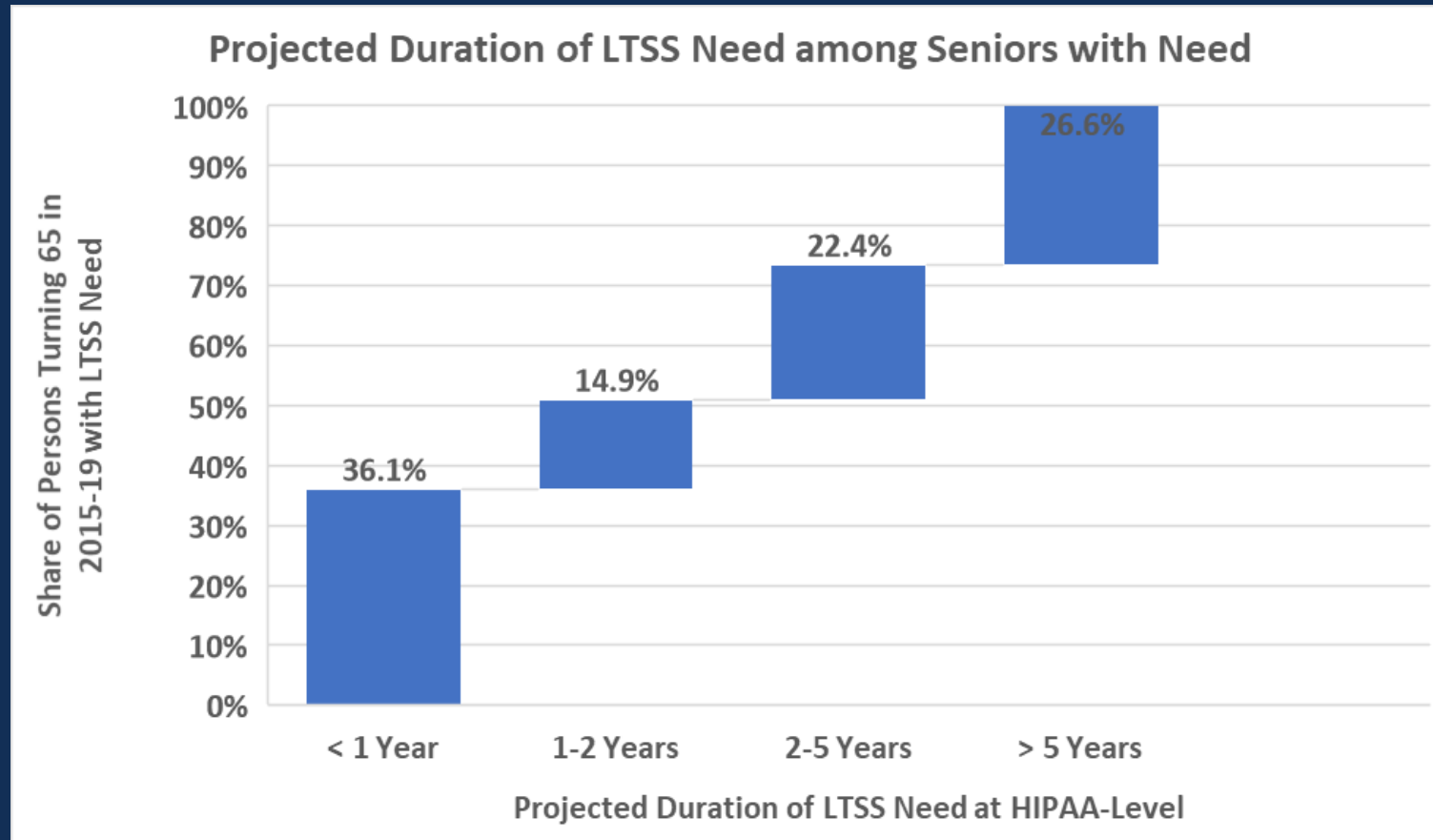
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Key Social Insurance Program Structure Considerations

- Social insurance approach
- Eligible population
- Generational transition issues
- Timing and duration of coverage
 - First dollar (front-end coverage)
 - Catastrophic Coverage (back-end)
 - Comprehensive coverage
- Benefit eligibility criteria
- Level of benefit payment
- Form of benefit (cash-service reimbursement continuum)

Who Would Benefit from Alternative Coverage Durations and Start Times?



Source: Melissa Favreault and Judith Dey, “Long-Term Services and Supports for Older Americans: Risks and Financing Research Brief,” Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, Washington, D.C., February, 2016,

Financing Sources and Considerations

Sources

Existing Federal Social Insurance Programs

- Social Security
- Medicare Part A
- Medicare Parts B and D
- Medicare net investment income tax

Existing State Social Insurance Programs

- Workers compensation
- Unemployment insurance
- Paid family and medical leave

Additional Potential Funding Approaches

- Taxes
- Fees
- Premiums

Considerations

- Pay As You Go vs. Pre-Funding
- Size of tax base
- Fiscal sustainability
- Political sustainability
- Affordability
- Connection with program benefits
- Using more than one funding source

Payment & Delivery System Integration

Coordination of benefits with other payers

- Who is second payer?
- Coordination of benefits with private insurance

Federal Medicaid funding issues

- How to assure no loss of Federal Matching
- Are program benefits considered income?

Integration of LTSS and medical care

- How to integrate with coordinated delivery systems?

Ultimate Goals

- **Improving access to LTSS.** To what extent does the additional money brought into the LTSS system allow the purchase of additional services?
- **Reducing family out-of-pocket spending.** To what extent does the program provide financial relief?
- **Reducing Medicaid spending.** To what extent does the program reduce budgetary pressure on Medicaid?
- **Financial sustainability/stability.** Can the program be paid for over the long term in a stable manner?
- **Political support and sustainability.** Is the program structured in a way that will garner broad public support, likely to persist over time?