Universal Family Care

An Integrated Approach

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Academy Study Panel on Universal Family Care
Universal Family Care would be a new social insurance program to which everyone would contribute while they are working, and from which everyone would benefit.
Universal Family Care Insures for 3 Care Needs

- EARLY CHILD CARE AND EDUCATION (ECCE)
- PAID FAMILY AND MEDICAL LEAVE (PFML)
- LONG-TERM SERVICES AND SUPPORTS (LTSS)
The case for an integrated, universal approach

We all juggle work and care

Not just those with low income

More family friendly

Allows families to focus on one other during care episodes

More efficient way to pay for care

Families pay a little from each paycheck rather than a lot during time of crisis

One stop shop

Less red tape for families and states due to single access point, lack of means testing
How Could UFC Benefit Society?

**Families**
- Make affordable child care and long-term services and supports widely available
- Empower families to make their own decisions about how to balance work and family care
- Reduce stress and negative health outcomes for family caregivers

**Workers**
- Reduce lost wages, and potentially job loss

**Care Recipients**
- Make early care and education available to all children
- Increase self-direction (empowering people with disabilities to determine how and by whom their care needs are met)

**Care Workforce**
- Improve quality of care jobs (compensation, worker protections, career ladders, etc.)

**State**
- Reduce Medicaid spending
- Accommodate needs of an aging population
- Streamline administrative functions

**Economy**
- Free up many family caregivers to stay in the workforce
- Reduce poverty

**Employers**
- Reduce lost productivity and employee turnover
As Leah begins to explore her options, UFC offers her an integrated approach to care supports grounded in her specific family care situation:

First, it asks what she needs. Then, it suggests a personalized set of supports she may be eligible for.
Welcome.

Universal Family Care supports American families with benefits and resources for quality care across every stage of life.
Assess your care needs.

To learn about benefits you could be eligible for, answer a few simple questions about your situation.

Then, you'll be guided through an application tailored to your family's needs.

Start
First, who are you looking for benefits for?

- Myself
- A family member
Which family member?

- My Child
- My Parent
- Someone Else
Tell us their full, legal name.

Harold

Reyes

Next
What sorts of activities do you think Harold needs help with?

- Getting in or out of bed
- Transfer
- Household mobility
- Eating
- Toilet use
Is Harold currently enrolled in any other benefits or health insurance programs?

Medicare

Select

Complete
UFC can help.

Based on your answers, you and your family may be eligible to receive the following types of benefits:

POSSIBLE BENEFITS:
Over the course of Leah’s lifetime, there will be multiple moments when she might need Universal Family Care...

In each of these moments, UFC offers Leah guidance, resources, and relief she needs to care for her family. Let’s take a look at how she manages her UFC dashboard.
Pillars of a Universal Family Care program

Work is the foundation
Everyone who is working contributes and the program enables people to work.

Flexible and portable
Covers people across jobs, including 1099 income, across the life course as needs change.

Single access point for variety of supports
Supports change as care needs change.

Invests in care workforce
Compensation, labor protections, career ladders.
UFC Design Elements and Considerations

Two structural approaches:

I. Contributory social insurance approach

II. Comprehensive approach
Option 1: Core Contributory UFC
- Only contributors can benefit; vesting requirement for long-term services and supports
- Modest benefits, but sufficient to help most people
- Stable, predictable funding

Option 2: Expanded Contributory UFC
- More generous benefits than Core Contributory
- Less stringent vesting requirements for long-term services and supports
- Higher cost than Core Contributory

Option 3: Core Comprehensive UFC
- Covers everyone, not just workers
- Reduces inequality by covering most vulnerable populations
- Covers those aged 65+ via premiums

Option 4: Expanded Comprehensive UFC
- Most universal coverage
- Makes early child care and education available to all children free of charge (like public school)
- Stipend for full-time family caregivers
- Higher cost than Core Comprehensive
Core Contributory Universal Family Care

- Payroll contributions on all earned income
- Work and contribution requirements (0/1/10)
- ECCE: Universal subsidy
- PFML: Exclusive state fund
- LTSS: Front-end coverage
Expanded Contributory Universal Family Care

- Structure is the same as Core Contributory UFC
- More generous coverage and benefits
- Funding: Medicare payroll tax base (higher rate on earnings above $200k/$250k)
- Shorter contribution period required (0/1/6)
- ECCE: Universal subsidy
- PFML: Exclusive state fund, greater wage replacement
- LTSS: Back-end catastrophic coverage
Core Comprehensive Universal Family Care

- Covers everyone regardless of work history
- Funding: total Medicare tax base; to support cost of covering today’s elderly, premiums from 65+
- Rates levied could be modestly higher than needed to cover contributing population
- ECCE: Comprehensive universal program (with parental contribution)
- PFML: Exclusive state fund
- LTSS: Comprehensive coverage
Expanded Contributory Universal Family Care

- Structure: Same as Core Comprehensive UFC
- More generous benefits
- Funding: Total Medicare tax base supplemented by general revenues or dedicated tax
- ECCE: Comprehensive universal program (no parental contribution, as in public education)
- PFML: Exclusive state fund, and stipends for primary family caregivers not in the workforce
- LTSS: Comprehensive coverage, and daily benefit max increases over time
### Preliminary Ballpark Estimate:

<table>
<thead>
<tr>
<th>UFC Program</th>
<th>Social Security Payroll Tax Rate</th>
<th>Income Tax Rate</th>
<th>Medicare Tax (if payroll tax only)</th>
<th>Medicare Tax (if payroll &amp; investment income tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECCE: NAS Illustrative Package</td>
<td>2.02%</td>
<td>1.48%</td>
<td>1.55%</td>
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<tr>
<td>PFML: Family Act</td>
<td>1.44%</td>
<td>0.61%</td>
<td>2.56%</td>
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<tr>
<td>LTSS: Front-End Coverage</td>
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</tbody>
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- **Medicare Tax Rate**
  - Additional rate on earnings > $200k/$250k
  - Payroll tax rate
  - Additional rate on earnings > $200k/$250k
  - Investment income tax rate
Financial Integration

- Highly integrated: One care insurance fund
- Moderately integrated: Two funds

ECCE/PFML: 1-2 Year Horizon

LTSS: 75 Year Horizon
We may experience a variety of care needs at once or over the course of our lives.

- Having a Child
- Disability
- Family Member Needing Long-Term Services and Supports
- Medical Condition
- Aging Parent
- Partner’s Medical Emergency