Caring for loved ones can create some of the most special and meaningful moments of life.

Yet, gaps in our care infrastructure leave many families struggling to both work and provide care.
Why has the care risk become salient now?

Today’s families need all adults’ earnings to make ends meet

64% of mothers bring in at least one quarter of family earnings; 41% bring in half or more.

– Center for American Progress

A national shortage of elder caregivers is approaching

7:1→3:1 is the projected decline between 2015 and 2050 in the ratio of people aged 45-64 to each person 80+.

– AARP

Care costs are out of reach for many

$50,336 is the annual cost for a Home Health Aide, while the average cost of childcare ages 0-4 is nearly $10,000.

– Genworth; New America
A patchwork of disparate programs leaves many of us with costly bills and anxieties about caring for our loved ones - at every stage of life, and growing older ourselves.
The number of paid caregivers won’t meet demand, and care jobs are poorly compensated, limiting the quality and growth of the care workforce and the quality of care.
Families bear the burden of care.

And an increasing number of us are “sandwiched” between caring for both our children and our parents.
But improving our care infrastructure is possible.

Long-term services and supports, paid family and medical leave, and early childcare and education are insurable risks.

Our families experience these needs and risks as interconnected.

There are synergies to addressing them together.

And states have an important role to play.
## Academy Study Panel Overview

### Task

Design policy options for state-based social insurance programs for Early Childcare and Education (ECCE), Paid Family and Medical Leave (PFML), Long-Term Services and Supports (LTSS), and Universal Family Care (UFC)

### Purpose

01. Create roadmap for state policymakers considering social insurance programs

02. Highlight implications and tradeoffs for key decision points related to:
   a. Structure
   b. Financing
   c. Integration
   d. Implementation

### Timeline

- December 2017 through June 2019
- Funded by the Ford Foundation and Caring Across Generations

### People

01. Panel Co-Chairs:
   - Marc Cohen and
   - Heidi Hartmann

02. Panel Members:
   - 29 experts in three working groups

03. Project Staff:
   - Benjamin Veghte (Project Director),
   - Alexandra Bradley
ECCE/PFML Working Group Members

Heidi Hartmann, Working Group Chair; President and CEO, Institute for Women’s Policy Research; Economist in Residence, American University; MacArthur Fellow

Indivar Dutta-Gupta, Co-Executive Director, Economic Security and Opportunity Initiative, Georgetown Center on Poverty and Inequality

Kathryn Edwards, Associate Economist, RAND Corporation; Professor, Pardee RAND Graduate School

Joan Entmacher, Senior Fellow, National Academy of Social Insurance

Jocelyn Frye, Senior Fellow, Center for American Progress

Jeffrey Hayes, Program Director, Job Quality and Income Security, Institute for Women’s Policy Research

Elaine Maag, Principal Research Associate, Urban-Brookings Tax Policy Center, The Urban Institute

Aparna Mathur, Resident Scholar, Economic Policy, American Enterprise Institute; Co-Director, AEI-Brookings Project on Paid Family and Medical Leave

Michelle McCready, Chief of Policy, Child Care Aware of America

Ray Pepin, Temporary Disability Insurance (TDI) Administrator, Rhode Island Department of Labor & Training

Erik Rettig, Senior Manager, SMB/Economic Policy, Intuit

Christopher Ruhm, Professor of Public Policy and Economics, University of Virginia

Marcy Ybarra, Associate Professor, School of Social Service Administration, University of Chicago

LTSS Working Group Members

Marc Cohen, Working Group Chair; Co-Chair, Professor, McCormack Graduate School of Policy and Global Studies, University of Massachusetts, Boston

Eddie Armentrout, Consulting Actuary, Actuarial Research Corporation

Brian Burwell, VP, Health Policy and Data Analytics, IBM Watson Health

Henry Claypool, Policy Director, Community Living Policy Center, UCSF

Robert Espinoza, VP of Policy, PHI

Judith Feder, Professor of Public Policy, McCourt School of Public Policy, Georgetown

Howard Gleckman, Senior Fellow, The Urban Institute

David Grabowski, Professor of Health Care Policy, Harvard Med School

Michael Miller, Director, Strategic Policy, Community Catalyst

Rebecca Owen, Consulting Actuary, HealthCare Analytical Solutions, Inc.

Heinz Rothgang, Professor of Health Economics, SOCIUM Research Center on Inequality and Social Policy, University of Bremen

Allen Schmitz, Principal and Consulting Actuary, Milliman, Inc.

Mary Sowers, Executive Director, National Association of State Directors of Developmental Disabilities Services (NASDDDS)

David Stevenson, Professor, Health Policy, Vanderbilt University Medical Center

Eileen J. Tell, President and CEO, ET Consulting, LLC

Anne Tumlinson, CEO, Anne Tumlinson Innovations, LLC
Early Childcare and Education
The Case for Investing in Universal Childcare & Education

Existing patchwork of programs inadequate
- Only very low-income families eligible
- Eligibility requirements strict and confusing

Significant ROI from expanded access
- High developmental value for children
- Allows parents to stay in the workforce
- Develops our future workers, citizens, communities

Universal program would improve equity and access to care
- Could address today’s quality disparities (by income) and access disparities (by region)
- Focus on diversity + cultural competence could lessen gaps in achievement/socio-emotional development
- Nonstandard hours could make care meaningful to more working parents
Policy Options for States - ECCE

Comprehensive universal program
- All children eligible
- Essentially an expansion of existing public education
- High up-front public investment

Employment-based contributory program
- Targets resources specifically to working families
- Coverage is not universal – expanded coverage would require additional provisions
- Determining eligibility could be administratively challenging

Universal subsidy program
- All children eligible
- May or may not cover full cost of care, or even a sufficient amount, depending on the generosity of the program
- Greater flexibility for state and families
Tradeoffs of ECCE Policy Options

Universal programs better positioned to improve equity in child development outcomes than employment-based ones

Employment-based approach leaves many children out while shifting others in and out of coverage

Benefit adequacy (share of cost subsidized) critical
➢ If family share of cost after public subsidy exceeds affordability threshold for low-income households, an ECCE program could exacerbate inequality
Long-Term Services and Supports
Key Decision Points Program Design

• Why 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?

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?
Universal Family Care

An Integrated Approach
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.

BENEFITS GUIDE
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
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
What Level of Financing Would be Required?

Preliminary ballpark estimate:

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<th>UFC Program</th>
<th>ECCE: NAS Illustrative Package</th>
<th>PFML: Family Act</th>
<th>LTSS: Front-End Coverage</th>
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Financial Integration

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

**ECCE/PFML:** 1-2 Year Horizon  
**LTSS:** 75 Year Horizon