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Academy Study Co-Chair

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Purpose

• Describe LTSS Financing Challenge and Solutions

  • The case for Action
  • The advantages of a social insurance
  • Key decision points for states

• Describe Universal Family Care Solution

  • An integrated System
  • Holistic approach to Care policy
  • Advantages of Program
The Case for Action

• LTSS needs are growing even as families are becoming less able to deal with them

• Current system leaves most families paying out-of-pocket when need

• States are left holding the bag
Universal LTSS Could Support and Strengthen Families

• Social insurance could provide universal, affordable LTC coverage
  
  • Lack of affordable insurance mechanism for vast majority of Americans
  
  • Social insurance contributions would be generally more affordable than private insurance premiums today
  
  • Coverage designed to be nearly universal for the workforce, for all adults, or for society as a whole.
  
  • Contribution is less than $40 from the average worker's monthly earnings

• Stakeholders can certainly benefit from universal LTSS
  
  • Seniors, families and people with disabilities
  • Employers and workers
  • State governments
  • Insurers
Core LTSS Decision Points for States

• Eligible population

• Timing and duration of coverage

• Who would benefit from alternative coverage durations and start times?

• Program Financing
  • Medicare payroll tax base
  • Medicare investment tax base
  • Medicare total tax base
  • Social Security tax base
  • Dedicated tax on personal income tax base

• Issues to consider in choosing funding source
  • Size of tax base
  • Affordability for the insured
  • Connection with program benefits
  • Fiscal sustainability
  • Political sustainability
Universal Family Care: Care Needs Occur over the Life Course

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
Universal Family Care:  
One Integrated Insurance System for Family Care Supports

• New social insurance program to which everyone would contribute while they are working and from which everyone would benefit.

• Integrated earned benefit covering care needs across life course:

  - EARLY CHILD CARE AND EDUCATION (ECCE)
  - PAID FAMILY AND MEDICAL LEAVE (PFML)
  - LONG-TERM SERVICES AND SUPPORTS (LTSS)

• Our families experience these needs and risks as interconnected and not in isolation.

• There are synergies to addressing them together.
Pillars of Universal Family Care

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

• Single Access Point for Variety of Care Needs
  ➢ Supports change as care needs change.

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

• Invests in Care Workforce
  ➢ Compensation, labor protections, career ladders.
Advantages of an Integrated and Universal Approach

• Universality: We all juggle work and care
  ➢ Not just those with low incomes

• It is an efficient way to pay for care
  ➢ Families pay a little from each paycheck rather than a lot during time of crisis

• It is Family Friendly
  ➢ Allows families to focus on one other during care episodes

• One Stop Shop
  ➢ Less red tape for families and states due to single access point, lack of means testing
## Initial Estimates for Program Financing

<table>
<thead>
<tr>
<th>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>
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<tr>
<td><strong>UFC Program</strong></td>
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<td><strong>ECCE: NAS Illustrative Package</strong></td>
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<td><strong>LTSS: Front-End Coverage</strong></td>
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Benefits to Society:
Bring common interests under single umbrella program

• Families
  ➢ affordability, lower enrollment barriers, better health outcomes

• Workers
  ➢ Reductions in lost wages and job loss

• Care Recipients
  ➢ Less unmet need, greater flexibility, better health outcomes

• Work Force
  ➢ Improve quality of care jobs by needed infusion of funds

• State
  ➢ Reductions in Medicaid growth and administrative savings

• Economy
  ➢ Reduce poverty and more labor force participation

• Employers
  ➢ Reduce lost productivity and employee turnover