

Trends and Innovations in Long Term Care Insurance Coverage and Financing

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Emerging Trends?

1. Increased desire for group / worksite LTC solutions
2. State and Federal initiatives to provide LTC
 - WA Cares, WISH, CA/MN/MA studies
 - A recent EBRI Study:
 - 64% would pay an additional state payroll tax
 - 57% would pay higher Medicare taxes
 - 56% would prefer a public/private program
 - 55% would prefer higher Soc Sec taxes
 - 53% willing to purchase a Long-Term Care policy through their employer
 - Therefore, the 2,445 employees in the survey are saying...give me something.
3. Wellness and Care Coordination/Integration are common within today's LTC insurance products

What is Public/Private Collaboration?

This is an essential question that must be thoughtfully examined:

- Public and private programs support one another to strengthen long-term care solutions.
- Public incentives to reduce Medicaid reliance and promote sustainable private market options.
- Enabling a flexible care system meeting emerging needs: informal care, home care, and affordable facilities.
 - Lowering costs of the overall cost of care for all stakeholders involved – Older adults and their families, public programs, insurance programs, and to grow the supply of providers.
- Ultimately, creating a shared safety net where the risk of LTC needs and financial burden is collectively addressed.

NAIC Model Laws - Purpose

NAIC Model Laws, Regulations, Guidelines and Other Resources—1st Quarter 2017

LONG-TERM CARE INSURANCE MODEL ACT

Section 1. Purpose

The purpose of this Act is to promote the public interest, to promote the availability of long-term care insurance policies, to protect applicants for long-term care insurance, as defined, from unfair or deceptive sales or enrollment practices, to establish standards for long-term care insurance, to facilitate public understanding and comparison of long-term care insurance policies, and to facilitate flexibility and innovation in the development of long-term care insurance coverage.

Drafting Note: The purpose clause evidences legislative intent to protect the public while recognizing the need to permit flexibility and innovation with respect to long-term care insurance coverage.

NAIFA's Approach to Long-Term Care Insurance

- Recognizes the importance of public and private sectors working together to raise awareness and address the growing care needs of an aging population.
- Supports initiatives to sustain and grow the private LTCi market, ensuring future product viability.
- Acknowledges the role alternative LTCi products can have in expanding access to affordable coverage.
- Believes agents play a critical role in meeting consumer needs within the LTCi marketplace.

NAIFA supports multiple pieces of legislation at the federal level, including the *Credit for Caring Act*, which would create a new tax credit of up to \$5,000 for working family caregivers, and the *Lowering Costs for Caregivers Act*, which would allow people to use their HSAs and FSAs on medical expenses for their parents.

- Adopting similar innovative policies at the state level would offer valuable support to caregivers and help advance the long-term care market.

What Legislators Can Do.....

1. Review your State Plan on Aging
2. Discuss the existing regulatory environment with stakeholders in your state including the Department of Insurance/Commerce, Insurance Carriers, Advisors, and your constituents
3. Study the projections of your State's Medicaid expenditures for LTSS over the next 10-15 years

References and Contact Information:

EBRI Study:

ebri.org/docs/default-source/pbriefs/ebri_ib_634_ltc-1may25.pdf?sfvrsn=5dd8042f_2

Massachusetts Commission Proposed Bill:

<https://malegislature.gov/Committees/Detail/J44/Bills>

NAIFA LTC

<https://lhc.naifa.org/home>

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