



IN PERSPECTIVE:

A CLOSER LOOK AT HOW THE AFFORDABLE CARE ACT HELPS EVERYONE

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Help for Those Who Need Long-Term Care

No one likes to think about getting older or becoming disabled and needing help with things like dressing, bathing, or preparing meals. But today, an estimated 12 million Americans need help with such daily activities. Over the next decades, as the Baby Boomers age and as people live longer, more of us are going to be joining them in needing long-term services. Most people who need long-term services strongly prefer to get those services in their home or community, rather than in an institution. The Affordable Care Act will help make that possible.

Why Help Is Needed

When people need long-term services, it isn't always easy to get the help needed to stay at home. Most people don't have insurance that covers long-term care. As a result, they have to pay for care themselves. Even people who *do* have long-term care insurance often find out that their policy doesn't cover the home care they need. Although care at home is less expensive than nursing home care, which averages over \$70,000 a year, it can still easily cost \$25,000 or more. That can quickly eat up savings until the person qualifies for Medicaid, the state and federal health insurance program for low-income people. State Medicaid programs are required to cover nursing home care, but not home- and community-based care such as help with food shopping and meal preparation, bathing assistance, or transportation to doctors. Although all state Medicaid programs cover some home- and community-based care, coverage is often limited, and there can be long waiting lists for services.

What this means is that many people go to nursing homes when they could have stayed in their own home or another community setting, like an assisted living facility, if they'd had the services and supports they needed. The Affordable Care Act helps make it easier for people to get the care they need in the setting they prefer. Here's how.

- **A long-term care insurance program for working adults**

The Affordable Care Act includes a new voluntary federal long-term care insurance program for working adults, the Community Living Assistance Services and Supports (CLASS) program. Unlike most existing long-term care insurance, CLASS allows people to enroll regardless of age or health status. The program will pay benefits as long as a person needs long-term services, not just for a set number of years. It provides a cash benefit that can be used to help pay for assistance that will help someone remain as independent as possible.

CLASS will be available to anyone over the age of 18 who is not living in a nursing home or other institution and who meets a minimal work requirement. To be eligible for benefits, a person must be enrolled in the program for five years, meet the work requirement for three of those years, and have a disability that requires long-term assistance. CLASS's cash benefit will average at least \$50 a day (over \$18,000 a year). There will be multiple benefit levels based on how much care someone needs. Benefit levels will be inflation-adjusted annually.

CLASS will be fully funded by premium payments. The premiums are not yet set, but must be sufficient for the program to be solvent for 75 years. The Congressional Budget Office, the office that calculates the cost of federal programs, estimated premiums would average \$123 a month; they will be based on age, so they will be lower for younger enrollees and higher for older enrollees. Premiums will not vary by health status. Working full-time students under the age of 22 and people with incomes below poverty will pay about \$5 a month. After a person signs up, premiums are intended to remain the same year after year. There are some exceptions. Premiums will go up for people who drop out and re-enroll or if someone paying at the student or low-income level no longer qualifies for that lower rate. Premiums may increase if necessary to maintain program solvency. CLASS will probably be available in 2013.

- **Improved financial protection if your spouse needs long-term care**

Today, if one member of a married couple is in a nursing home, state Medicaid programs are required to allow the spouse living in the community to keep some income and assets without affecting the Medicaid eligibility of the spouse receiving care. They don't both have to impoverish themselves to pay for nursing home care for one. Until the Affordable Care Act, there was no requirement that states apply those same financial protections if the spouse needing care was living at home rather than in a nursing home—even though the cost of home- and community-based care can use up a family's savings, too.

The Affordable Care Act changes that. Starting in 2014, states will be required to apply the same spousal financial protections they use for nursing home care to home- and community-based care. No longer will both members of a couple have to become impoverished for the one receiving home care to qualify for Medicaid. Couples will not have to face the difficult decision of moving the one needing care into a nursing home so the other can avoid poverty. It will be easier for a couple to stay together, in the community, when one of them needs long-term services.

- **More programs for home- and community-based care if you need Medicaid**

For people needing long-term care who qualify for Medicaid, The Affordable Care Act includes new programs that give states financial incentives to provide more home- and community-based care in Medicaid.

The Affordable Care Act creates two new programs, starting in 2011: the State Balancing Incentive Payments Program and Community First Choice Option. These two programs give states added federal funds to expand Medicaid home- and community-based services. The new law also expands an existing grant program, Money Follows the Person. Money Follows the Person gives states added federal payments to help people in nursing facilities move back into the community. These programs will help states offer more home- and community-based care in Medicaid, so that people who rely on Medicaid will have more options besides nursing homes.

- **Support for building the long-term care workforce**

The Affordable Care Act includes programs to make sure that the long-term services workforce can meet demand as the population ages. There are grants to states to develop workforce training programs and for geriatric education centers. There is tuition assistance for people training to be long-term services workers. The new law also establishes a structure for national health care workforce planning to help make sure we have the workforce to meet our long-term services needs.

These programs will expand opportunities for people needing long-term services, both today and in the years ahead, to remain living in the community. The Affordable Care Act will help more seniors and people with disabilities to get the care they need while living as independently as possible in the place they call home.



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