

SENATOR JOHN BREAUX
Opening Statement
Broken and Unsustainable:
The Cost Crisis of Long-Term Care for Baby Boomers
Special Committee on Aging
March 21, 2002

This committee has the responsibility to look ahead and see that as a nation we are prepared to handle the long-term care needs of the pending "age wave" of 77 million baby boomers. Over the past few years we have had many hearings on Social Security and Medicare reform and tried to move closer to solutions. Now, of equal importance, we are tackling Medicaid reform and examining Medicaid's growing role in financing long-term care.

Although Medicaid was originally designed to provide health care to low-income women and children, it has become our country's "de facto" payor of long-term care for the elderly and disabled. Most people do not know that Medicaid expenditures are now outpacing Medicare nor do they realize that Medicaid is the second largest expenditure for state budgets. The unsettling notion here is that we have no real, comprehensive long-term care system in this country and yet we are spending billions of dollars for a system that was not designed - it just evolved. Unfortunately, the system we have is inefficient, outdated, incomplete and unable to meet the needs of current or future recipients.

Simply stated, this is an issue that just can't wait.