

JOINT TESTIMONY OF  
DR. BRUCE CHERNOF AND DR. MARK WARSHAWSKY  
COMMISSION ON LONG-TERM CARE  
BEFORE THE U.S. SENATE SPECIAL COMMITTEE ON AGING  
DECEMBER 18, 2013

Mr. Chairman, Senator Collins, and Members of the Committee:

My name is Bruce Chernof. I am the President and CEO of The SCAN Foundation and was, until recently, Chair of the Commission on Long-Term Care. I am accompanied by the Commission's Vice Chair Mark Warshawsky, who is an Adjunct Scholar at the American Enterprise Institute. Dr. Warshawsky and I are pleased to be here today to present the vision and recommendations of the Commission and discuss the Commission's work with you.

The Commission on Long-Term Care was established under Section 643 of American Taxpayer Relief Act of 2012 (P.L. 112-240), signed into law January 2, 2013. The statute called for the President as well as House and Senate Leaders to appoint 15 Commissioners. The Commission was given six months from the day of the final Commissioner's appointment to convene, to develop a plan for organizing and financing a comprehensive, coordinated, and high-quality system of long-term services and supports (LTSS), and to vote on a report based on the plan, including recommendations for legislative or administrative action.

The Commission was delayed three months pending congressional action to appropriate necessary funds. With funds appropriated, the Commission elected a Chair and Vice-Chair on June 10 and proceeded to hire staff and convene its first meeting on June 27. It held four public hearings with testimony from 34 witnesses. It solicited extensive comments from the general public. It worked through 9 executive sessions to develop broad agreement on the report and recommendations. On September 12, as required by statute, Commissioners voted 9 to 6 in favor of putting its Final Report forward as the broad agreement of the Commission.

Throughout this process, the Commission worked to identify areas of broad bipartisan agreement. The common vision and 28 recommendations presented by the Commission reflect the input and areas of agreement among Commissioners. Initial recommendations from Commissioners that were broadly opposed were either modified for inclusion or removed.

Through this process, the Commission produced a strong bipartisan vision of a fiscally-sustainable and effective LTSS service delivery system built on concepts of person- and family-centered care; a well-trained and adequately supported array of family caregivers and paid workers; with a comprehensive financing approach that would balance public and private

financing to insure the most catastrophic expenses, encourage savings and insurance for more immediate LTSS costs, and provide a strong safety net for those without resources.

Below is a summary of the 28 recommendations in the areas of Service Delivery, Workforce, Financing, and Next Steps that align with and would make progress toward the shared vision developed by the Commission.

### *Service Delivery*

In the area of service delivery, the Commission called for “a more responsive, integrated, person-centered, and fiscally-sustainable LTSS delivery system that ensures people can access quality services in settings they choose.” To this end, the Commission recommended changes that would lead to a balance of home- and community-based care and institutional care options, integrate LTSS and medical care, implement a uniform assessment tool in support of the LTSS care plan, use information technology more effectively across settings, ensure consumer and caregiver access to information, and improve LTSS quality through outcomes-focused care management.

### *Workforce*

In the area of paid and unpaid caregiving, the Commission called for “an LTSS system that is able to support family caregivers and attract and retain a competent, adequately-sized workforce capable of providing high-quality, person-and-family-centered services and supports to individuals across LTSS settings.” To this end, the Commission recommended changes that would: focus LTSS on the person with cognitive or physical functional limitations and the family caregiver, involve family caregivers and their needs in care planning and as part of the care team, improve caregiver training, and encourage an array of interventions to support family caregivers. The Commission also recommended changes to improve the paid workforce, including revising scope of practice to broaden opportunities for professional and direct care workers, creating opportunities for direct care workers to advance, integrating workers in care teams, encouraging states to improve standards for home care workers, and collecting data on the LTSS workforce.

### *Financing*

In the area of financing LTSS, the Commission called for “a sustainable balance of public and private financing for LTSS that enables individuals with functional limitations to remain in the workforce or in appropriate care settings of their choice.” This vision would be accomplished through a financing approach that “(1) provides the tools and protections to enable Americans to better prepare for the financial risk of needing LTSS; and (2) ensures that individuals with limited financial resources or for whom the cost of their care exceeds their financial resources

have access to needed high-quality services and supports.” The Commission reaffirmed the importance of an effective – and improved – publicly-funded safety net. It also stressed the importance of creating viable mechanisms for insuring what is for many an insurable risk, including the need to provide catastrophic insurance for the most devastating costs in order to encourage savings and private insurance for the more immediate LTSS costs.

The Commission offered two different approaches for mechanisms to move toward this end – one relying largely on private options and the other largely on public social insurance. The private options approach centered on providing new market-based incentives to improve uptake of private long-term care insurance (e.g., tax incentives, life care annuity, allowing a Medicaid carve-out), as well as establishing an ongoing public awareness campaign. The public social insurance approach described two possible models – create a comprehensive Medicare benefit for LTSS or create a basic LTSS benefit within Medicare or a new public program – both allowing for private sector involvement. These approaches are not meant to be mutually exclusive, and various features could be combined in the effort attain a “sustainable balance of public and private financing.”

The Commission did not come to an agreement on a single comprehensive plan for financing LTSS. Many Commissioners believed it would be irresponsible to put forward a specific proposal, particularly involving public financing, when it is not currently possible to reliably estimate the scope or magnitude of the cost that would be financed and to determine the amount of tax and or premium dollar that would have to be raised to pay for it. Many Commissioners believed designing a viable approach to LTSS risk protection, public or private is possible, but that it would require a considerable amount of new data, design work, and careful analysis of costs and consequences before a fiscally-responsible proposal could be put forward that would gain broad support. What the Commissioner did develop was a bipartisan vision and core principles that should guide the next phase of technical work needed to move toward viable policy solutions.

The Commission did recommend several changes in the financing arena that focused on Medicare and Medicaid. Recommendations included improving access to Medicare skilled nursing facility and home health care benefits, providing support through Medicaid for working adults with LTSS needs, and allowing families to save through tax-favored accounts for an individual’s LTSS expenses.

### *Next Steps*

The broad bipartisan agreement the Commission achieved on a vision statement and specific recommendations is a strong foundation for the additional work that needs to be done and

could not be completed in the time allowed. The Commission recommended significant follow-on efforts to take this vision and these recommends further. Specifically, the Commission recommended the creation of a “...subsequent national advisory committee to continue this work and consider the Commission’s recommendations and potential financing frameworks as a starting point for its own assessments and recommendations.” The Commission also recommended convening the White House Conference on Aging in 2015 to include LTSS in partnership with the National Council on Disability.

Mr. Chairman, we appreciate the opportunity afforded us and our fellow commissioners by the Congress to focus on the tremendous challenge this country faces in meeting the growing needs in the population for long-term services and supports. With the limited time and resources we were allowed, we were able to establish a solid bipartisan base for further consideration of this important issue. We urge you and your colleagues to consider, build on, promote, and where appropriate, enact into law the 28 recommendations in order to meet the human and fiscal challenges facing Americans with substantial cognitive and physical functional limitations.