

Opening Statement of Senator Herb Kohl
Special Committee on Aging Hearing
Long-Term Care Financing: Are Americans Prepared?
March 9, 2006

Thank you, Mr. Chairman. Americans are living longer than ever thanks to tremendous advances in medicine. But this longevity also means that as people age, many will need long-term care in the future, whether it's provided at home, in an assisted living facility, or in a nursing home.

As a nation, we need to develop a comprehensive long-term care policy to care for the 10 million people who need long-term care today and the millions more who will need care in the coming years. It is an important but complicated issue that the Committee should explore, so I thank the Chairman for holding this hearing, as well as the witnesses who are here today to educate us.

It's worth noting that today, the majority of long-term care is actually provided free through family or friends. Caregiving can take a tremendous financial and emotional toll on families. Many older family members who care for a loved one often are forced to miss work or find they simply cannot continue working at all – placing their own economic well-being in jeopardy. They deserve some help, and that is why I have proposed legislation to provide a tax credit for older workers to help cover the costs of caring for chronically ill seniors.

Of course, we know that aside from family caregiving, Medicaid is the largest payor and greatest safety net for long-term care services. Medicaid provides care for millions of elderly and individuals with disabilities that need assistance with basic activities of daily living. It is critical that we preserve and strengthen this important program.

However, we know that public financing is not the only answer to the long term care dilemma. We will also need to find new ways to encourage Americans to anticipate and plan for their future long-term care needs. As we will hear today, some families are turning to long term care insurance, which I support as an option that can be helpful under the right circumstances. Unfortunately, for the millions of low

and modest income families that are already finding it difficult to secure food, housing, transportation, and health care, along with saving for their retirement, long-term care insurance is unaffordable today. But it's clear that with standardized policies and consumer protections, long-term care insurance can be a good and clear option for some families, and we should work to make it available and affordable.

To help alleviate some of the costs of long-term care and long-term care insurance, I am a cosponsor of S. 602, the Ronald Reagan Alzheimer's Breakthrough Act. The bill would provide a tax credit for individuals certified as having long-term care needs and for whom the taxpayer is acting as a caregiver, as well as a tax deduction for long-term care insurance. I hope the Congress will make this a priority and pass this legislation soon.

I strongly believe we need to develop a coherent long-term care policy that will enable seniors of all incomes to plan for and access long-term care, if and when they need it. I applaud Chairman Smith for having this hearing and look forward to hearing from our witnesses on how we can develop a better plan for the future.