



FUNDING LONG TERM CARE SERVICES

**ALLEN HAGER
EXECUTIVE CHAIRMAN
RIGHT AT HOME INTERNATIONAL**

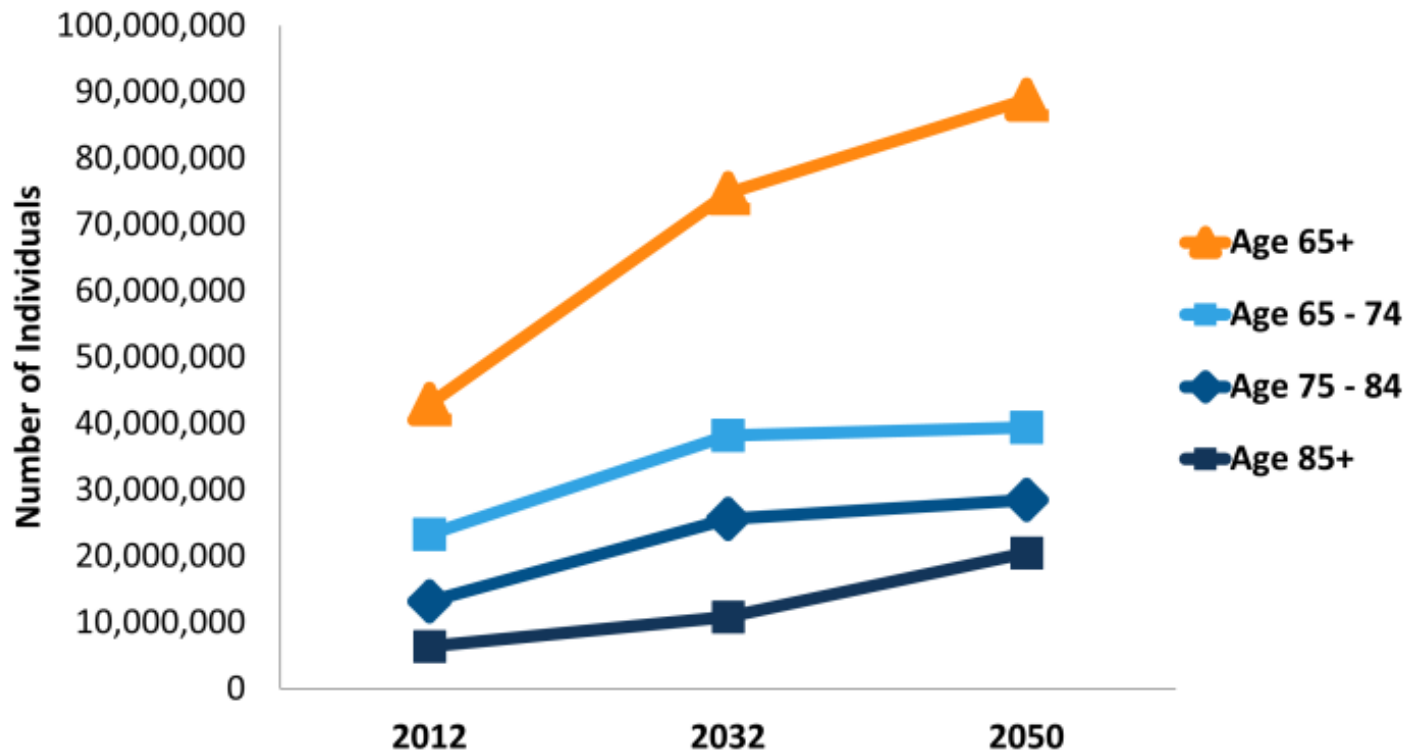
**6th Annual International Carers Conference
September 5, 2015**



U.S.A.

65+ = 2 X Population

85+ = 3 X Population



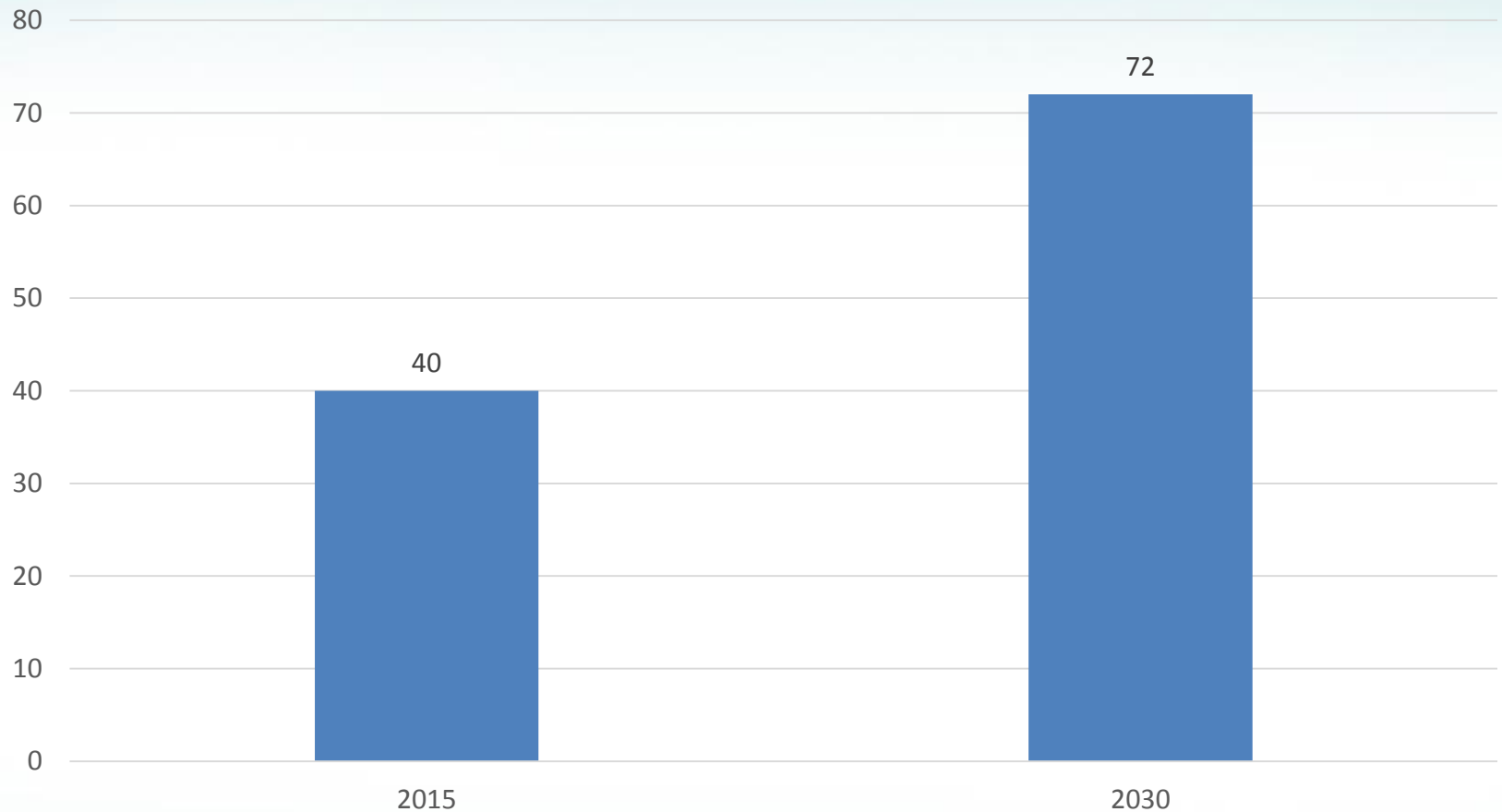
SOURCE: A. Houser, W. Fox-Grage, and K. Ujvari. *Across the States 2013: Profiles of Long-Term Services and Supports* (Washington, DC: AARP Public Policy Institute, September 2012), http://www.aarp.org/content/dam/aarp/research/public_policy_institute/ltc/2012/across-the-states-2012-full-report-AARP-ppi-ltc.pdf.



CHALLENGES FOR LTC IN U.S.A.

- Aging Societies
- Political Challenges to Increase Funding for Health Care
- Resource Allocation between Health Care and Long Term Care
- Family and Carer Stress

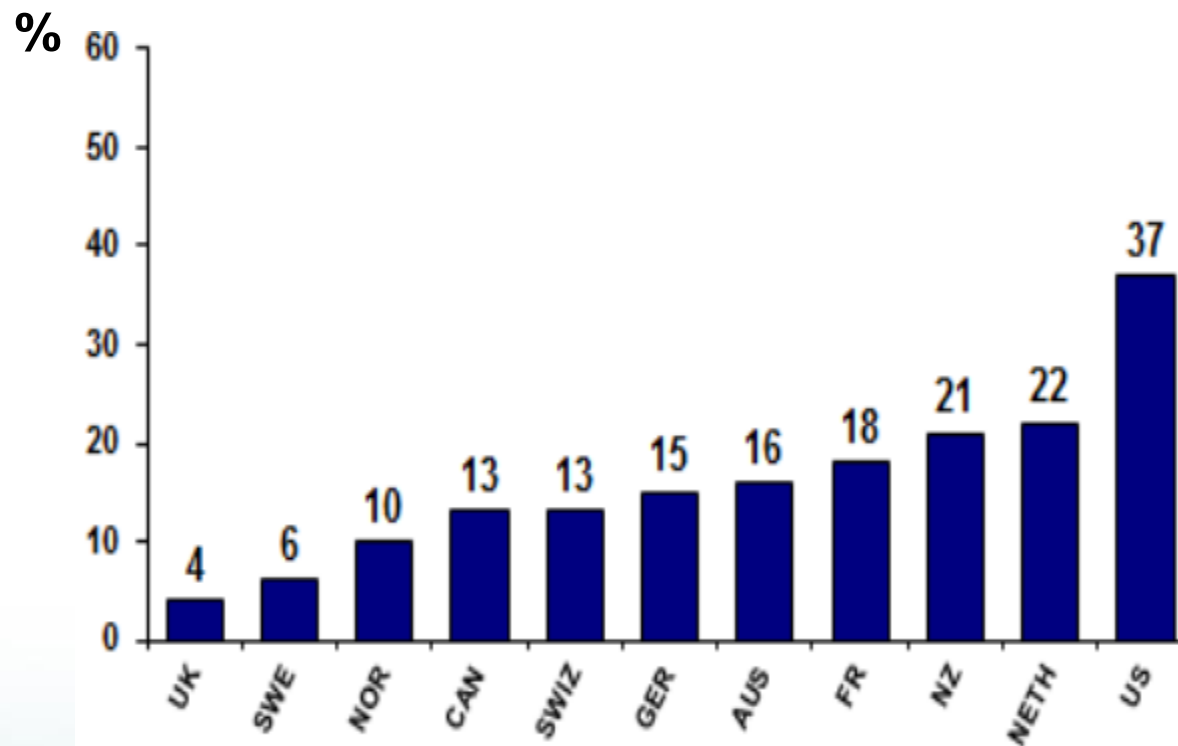
U.S.A. Adults 65+ (Millions)



- 70% of adults 65+ will need long-term care at some point in their lives.
- Average length of care is 3 years

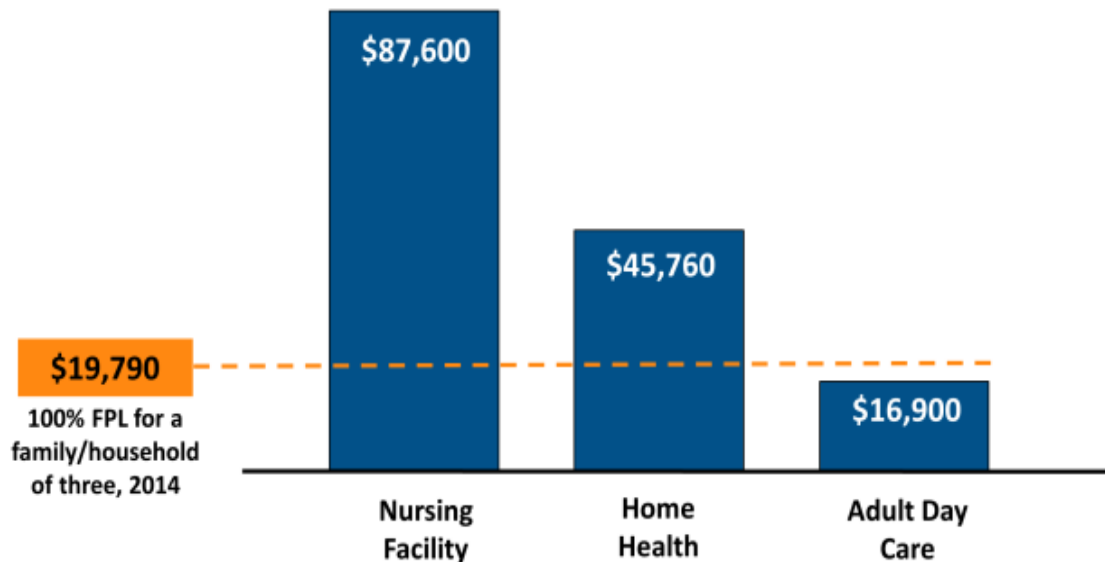


Cost-Related Barriers to Accessing Needed Health Care in the past year



Long-Term Services and Supports Are Expensive, Often Exceeding What Beneficiaries and Their Families Can Afford

Median Annual Care Costs, by Type of Service, 2014



SOURCES: Genworth, *Genworth 2014 Cost of Care Survey* (Richmond, VA: Genworth Financial, Inc., March 2014), https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/130568_032514_CostofCare_FINAL_nonsecure.pdf; U.S. Department of Health and Human Services, 2014 Poverty Guidelines, <http://aspe.hhs.gov/poverty/14poverty.cfm>.



CARER BURDEN

70% Have
Work
Related
Difficulties

Spend
Average of
20.4 Hours
per week on
Care

10% Report
Serious Health
Problems



20% Report
Symptoms of
Depression

FIGURE 1 Health expenditure as a share of GDP, 2011 or nearest year

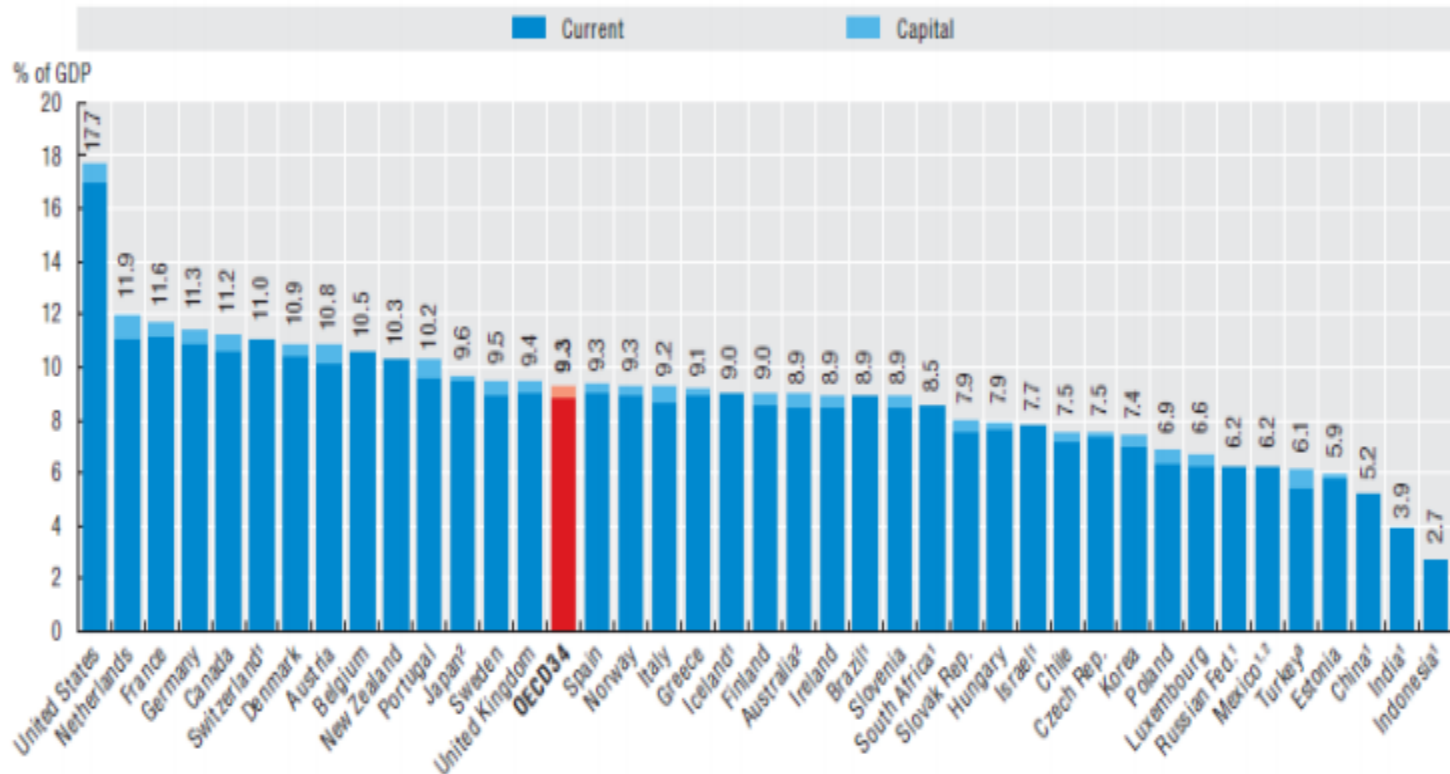
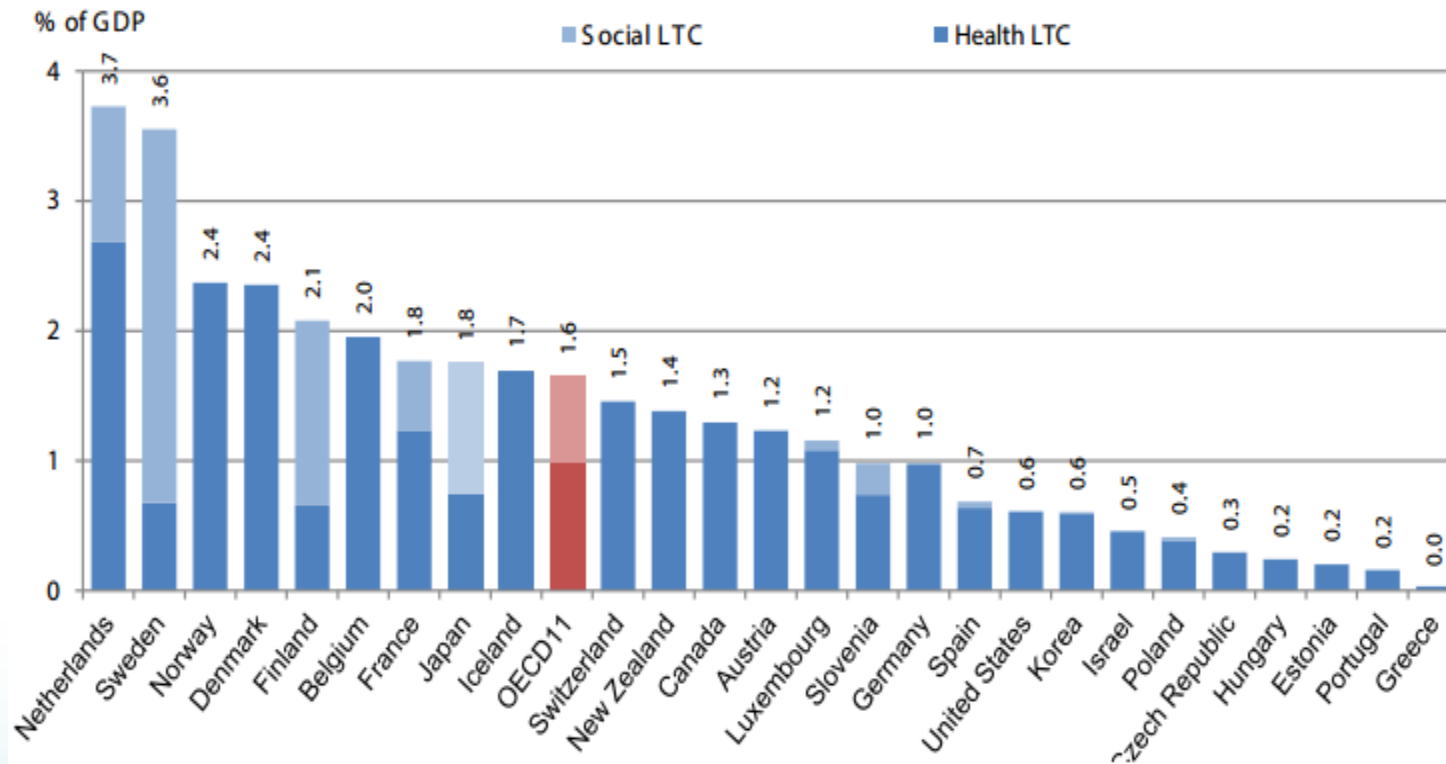
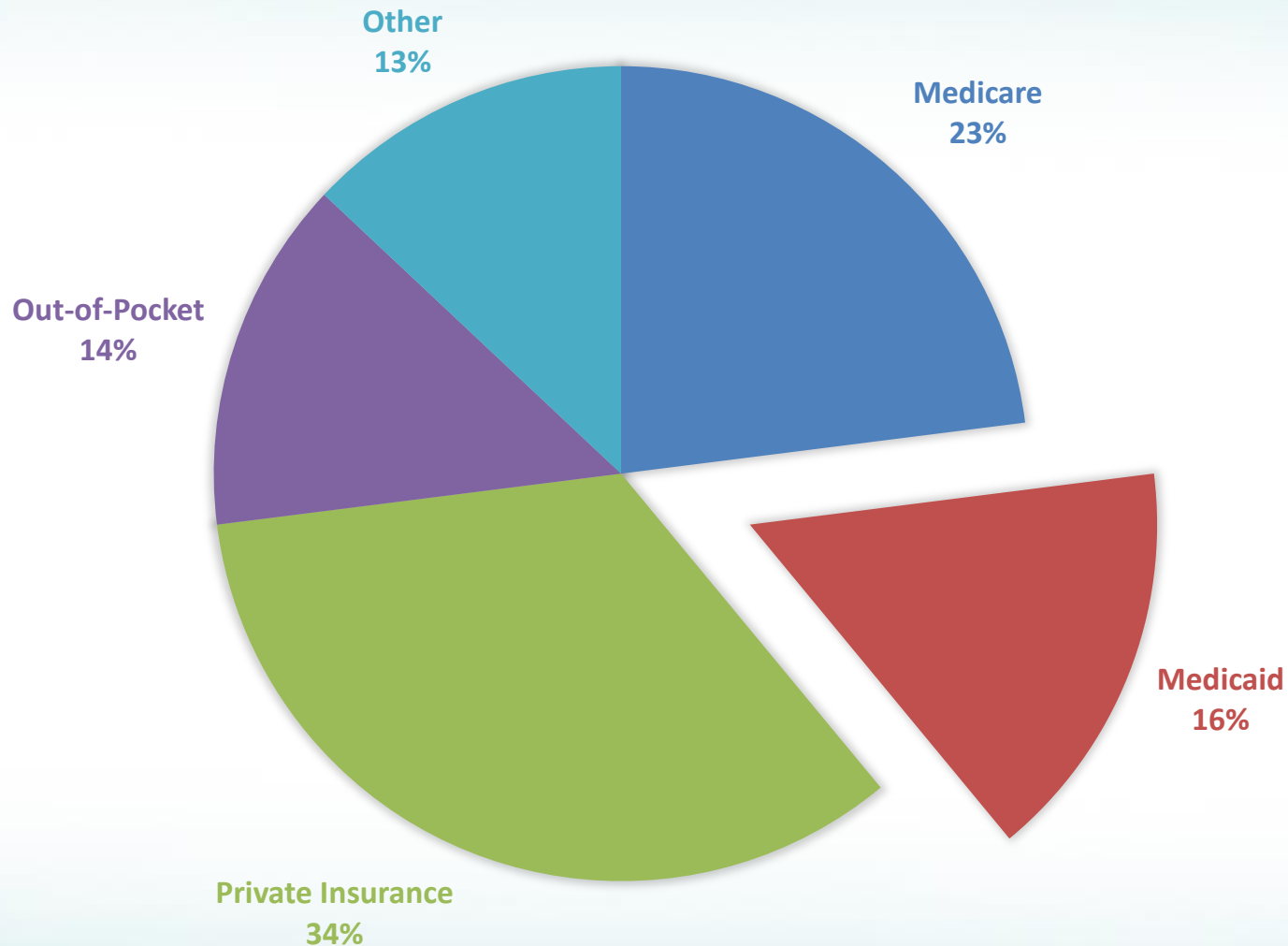


FIGURE 3 Long-term care public expenditure (health and social care components), as share of GDP, 2011 (or nearest year)



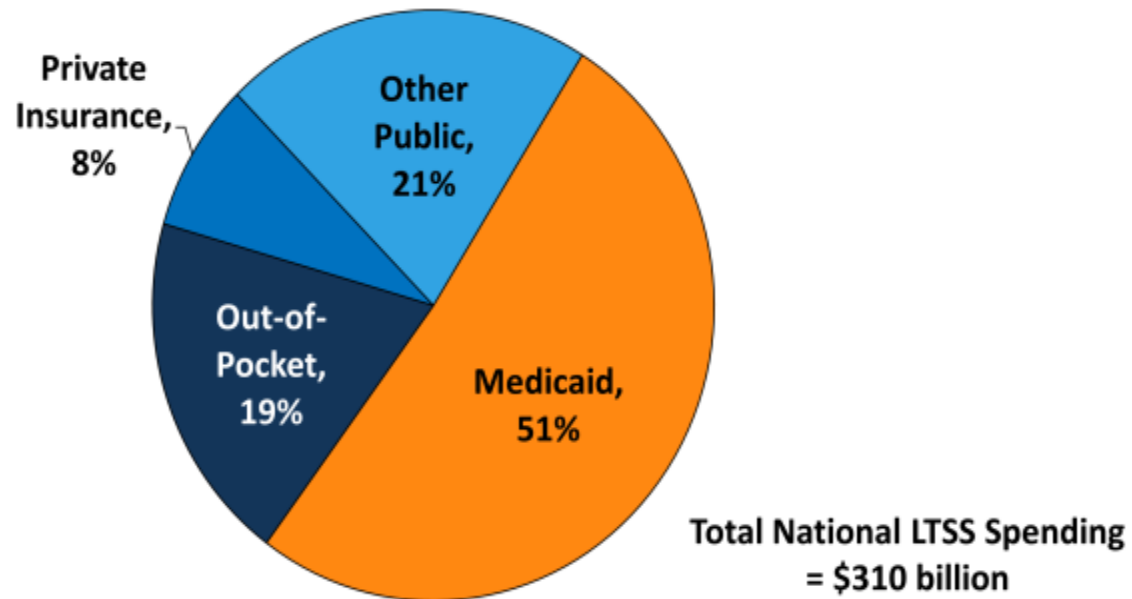
HOW CARE IS PAID IN U.S.A.



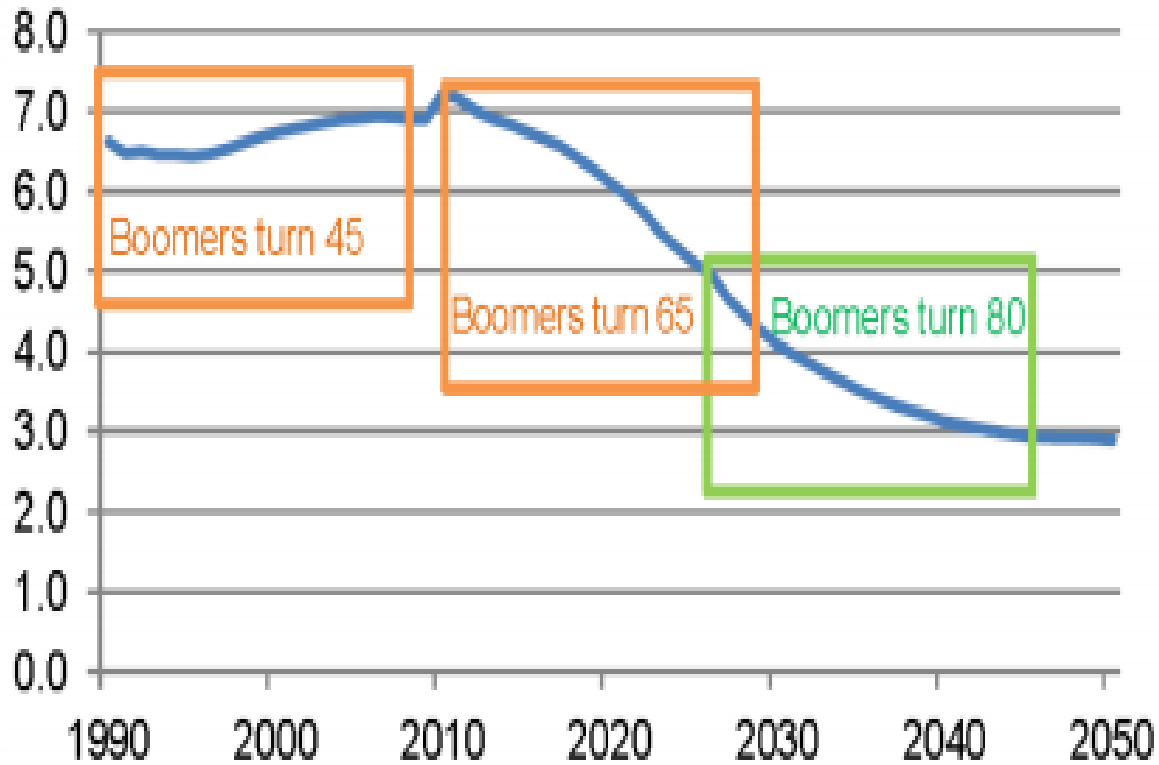
\$2.8 trillion in 2012 (Only \$155 billion of \$450 billion Medicaid is used for LTSS spending)

Figure 3

Medicaid is the Primary Payer for Long-Term Services and Supports (LTSS), 2013

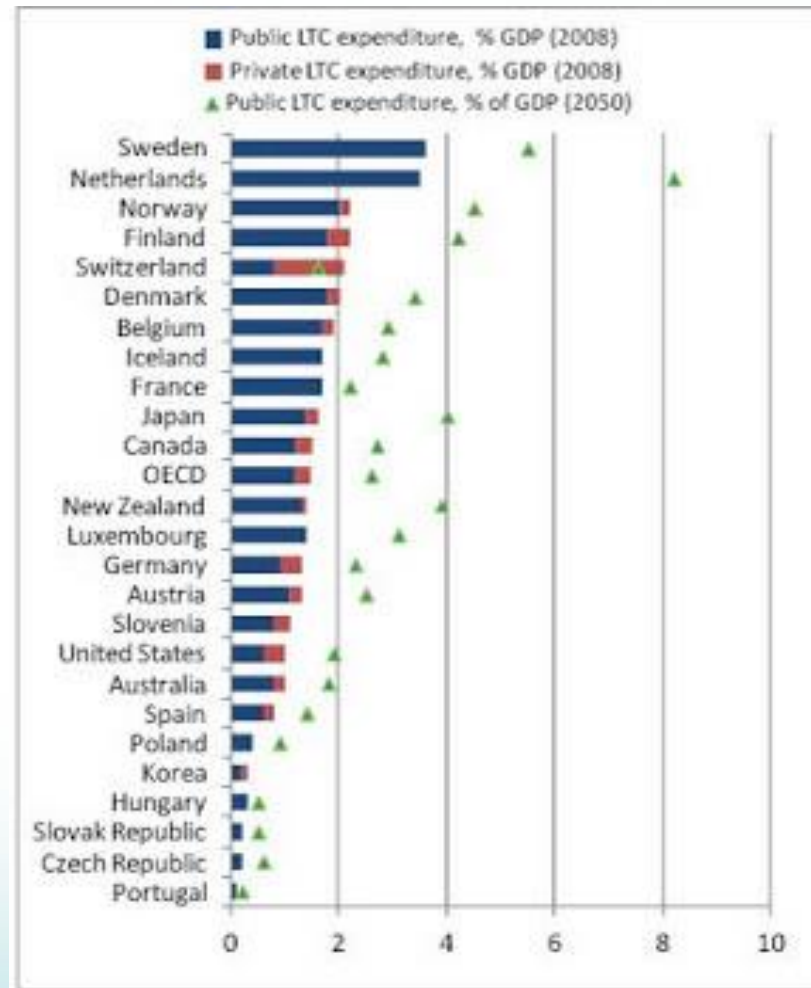


Caregiver Support Ratio, United States



- Majority of LTC Performed by Informal Caregivers
- Political and Cultural Stresses will Increase with Aging Society

PUBLIC AND PRIVATE LTC EXPENDITURE IN THE OECD, 2008 AND 2050



IMPLICATIONS

- Existing Social Welfare Models will come under Increasing Stress
- New Solutions will be painful, but necessary as political and cultural reality clash

SOLUTIONS UNDER CONSIDERATION IN U.S.A.

- Technology to reduce unit cost of care
- Increase means and age tests to qualify for eligibility
- Shift traditional “health” expenditures to social support
- Set up government LTC insurance programs
- Better educate and prepare families

Thank You!

