

**CCoA Master Plan for Aging Special Committee  
Master Plan for Aging Recommendation**

**LTSS Financing**

**Issue statement:** An individual’s ability to choose their long-term services and supports (LTSS) setting is generally dependent on their economic circumstances. Thus, older adults and persons with disabilities of modest means have few options, if any. The high cost of LTSS, whether in an institution or in the community, combined with limited individual savings, force many to exhaust their financial resources; they must then rely on Medi-Cal for LTSS. Medi-Cal primarily covers institutional care and low-income individuals on IHSS. The Medi-Cal Assisted Living Waiver pilot is only available in select counties. This expense, borne in great part by the State, is anticipated to increase exponentially given the expansion of the older adult population. Additionally, other Medi-Cal waiver programs that provide personal care and other LTSS are limited by caps on the number of participants.

**MPA Framework Goal**

**Goal 1:** Services & Supports. We will live where we choose as we age and have the help we and our families need to do so.

**Recommendation:** Develop a public benefit system for financing Long-Term Services and Supports that can ease the cost-burden of long-term care for all Californians. Such benefit should give individuals access to the long-term services and supports of their choosing and that are appropriate for their needs. A universal public LTSS benefit will reduce reliance on Medi-Cal, at a substantial savings to the state, and help middle-income families with the cost of care. A public LTSS benefit will also serve the needs of all Californians, regardless of race, ethnicity, gender, sexual orientation, gender identity and physical ability.

**Target Population:** Older adults, individuals with disabilities

**Evidence that Supports the Recommendation**

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**Examples of Local, State or National Initiatives**

- Washington Long-Term Care Trust Act provides \$36,500 lifetime benefit toward long-term services and supports for vested residents. <sup>i</sup>
- Hawaii’s Kapuna Care provides a stipend up to \$70 per day for home care services for non-Medicaid residents over age 60 experiencing challenges with at least two ADLs or two IADLs.<sup>ii</sup>
- The Long-Term Care Financing Collaborative in 2016 issued recommendations to address the need for long-term care financing reform. The recommendations support:

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“A universal catastrophic insurance program aimed at providing financial support to those with high levels of LTSS care needs over a long period of time,” and

“An enhanced Medicaid LTSS safety net for those with limited lifetime incomes who are not able to save for their care needs and for those who impoverish themselves paying for medical and long term care needs. This includes more flexible public programs that can deliver an appropriate suite of services to those receiving care at home, and equal access to care in the setting most appropriate given individual needs, whether at home or in a care facility.”<sup>iii</sup>

- The California Department of Health Care Services has initiated an actuarial study of LTSS benefit costs and options using state General Fund dollars secured for that purpose by the California Aging and Disability Alliance. The projections provided by the study will be used to determine alternative approaches to LTSS financing and resulting savings to state safety-net programs.<sup>iv</sup>

**Prioritization: High**

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<sup>i</sup> Washington Long-Term Care Trust Act Fact Sheet. <https://www.agingwashington.org/files/2019/02/2019-Long-Term-Care-Trust-Act-Factsheet.pdf>

<sup>ii</sup> Paying for Senior Care. Hawai'i Kupuna Care (KC) for the Elderly. March 2019. <https://www.payingforseniorcare.com/hawaii/kapuna-care>

<sup>iii</sup> Long-Term Care Financing Collaborative. A Consensus Framework for Long-Term Care Financing Reform. 2016.

<sup>iv</sup> California Aging and Disability Alliance 2019-2020 Budget Request