

Well-Being Insurance for Seniors to be at Home (WISH) Act **Proposal to Create Federal Catastrophic Long-Term Care Insurance** **Congressman Thomas R. Suozzi (NY-03)**

Demographics Make Fixing Long-Term Care Insurance an Urgent Matter

- Between 2010 and 2035, the number of retirees who will be seriously disabled will nearly double and that number will continue to rise into the future
- Presently, most retirees will have no way to pay for needed services during disability in old age
- Without legislative action, millions of older adults will become disabled and destitute and be placed in Medicaid nursing homes, causing Medicaid costs to skyrocket

Many Older Adults Who Need Long-Term Care Currently Have No Options

- They may not have a family member able to provide care or be able to afford a home health aide
- The federal government does not require that state Medicaid programs cover long-term care, except for those who have spent down or forfeited their assets and require nursing home care
- The private sector has not been able to offer an attractive long-term care insurance product for the middle class due to lack of awareness, limited coverage, and a history of premium increases

How the *WISH Act* Will Finance Catastrophic Long-Term Care

- The *WISH Act* will create a public-private partnership to provide long-term care insurance for older adults so they can age at home if they wish:
 - **Public:** Federal government will collect an insurance contribution of 0.6% of wages (0.3% from employees and 0.3% from employers) to fund catastrophic long-term care
 - **Private:** Having been alleviated of insuring catastrophic levels of long-term care, private companies will create a variety of affordable and appealing long-term care insurance products

***WISH Act* Will Supplement Social Security for Those with Greatest Need**

- “Catastrophic” long-term care is defined by one’s income history, so those with lower earnings will receive the benefits sooner (Waiting periods range from 1 to 5 years)
- Beneficiaries will need help with at least 2 Activities of Daily Living (ADLs) or have dementia
- Beneficiaries will get ~\$3,600 per month (inflation-adjusted), enough for ~6 hours of daily care
- Full benefits will go to people who worked and contributed to the new Long-Term Care Insurance Trust Fund for at least 40 quarters (10 years of work, as with Social Security)

Some of the *WISH Act’s* Many Benefits

- Americans can choose to age in their homes
- Families will have financial protection
- Elders will not become impoverished
- Workers will not be forced to leave their jobs to care for their family members
- Medicaid costs will be reduced by a quarter

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