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GUEST COLUMNS

The irony of long-term care advocacy

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Long-term care faces a world of hurt. The COVID pandemic worsened the profession's chronic long-term problems including revenue shortfalls, caregiver shortages and wage pressures. Researchers, operators and policymakers ask "What should be done?"

There are two schools of thought. A major one that dominates the public policy conversation and a minor one rarely heard from by comparison. Yet the latter works and the former doesn't. Therein lies the irony of long-term care advocacy.

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The major school of thought holds that the industry's primary problem is inadequate government investment in elder care and housing. Funding from Medicaid, Medicare and other public programs is too small to compensate caregivers adequately. Consequently, certified nursing assistants are hard to find and retain; they subsist on poverty-level wages, and care quality suffers commensurately.

The obvious solution in this way of thinking? Plow more money into traditional government funding programs or, better yet, create a new compulsory, payroll-funded program on the model of Social Security and Medicare, but dedicated exclusively to long-term care.

It would be far better to implement this new program at the national level so that it encompasses everyone. But failing that, as they have so far, proponents believe state-level implementation is better than nothing. In fact, that is exactly what is happening right now in Washington State.

The WA Cares Fund, proudly proclaimed as the first-ever social insurance program for long-term care, is scheduled to begin pulling a payroll tax of .58% from all employees on January 1, 2022. It promises to deliver up to $36,500 in lifetime long-term care benefits at a later date to people who eventually "vest." Problem solved?

Hardly. The latest news is that this mandatory program, pushed through by advocates and lawmakers despite two ballot initiatives voting it down, is under renewed scrutiny and likely to be revised radically or repealed altogether. It is therefore unlikely to help anyone. Its fate leads us to the following conclusion.

The dominant school of thought in long-term care advocacy keeps beating its head against the brick wall of contrary public preferences. WA Cares Fund is only the latest in a long series of similar failed social insurance proposals including The Pepper Commission, 1990; the Medicaid Commission, 2006; the CLASS Act, 2010; the Commission on Long Term Care, 2013; and the WISH Act, 2021.

We can ask: What's better than trying the same thing over and over again while expecting a different result? The answer is to try something different. What might work?

The minor school of thought is that we should get back to basic human nature. When it comes to long-term care, what do people want and how can they get it? I called it the "Social Contract for Long-Term Care" in an earlier column for *McKnight's*.

In a nutshell, if you need expensive long-term care, Medicaid will provide it almost regardless of your income or wealth, but you must agree to pay back the cost of your care from your estate. If you (or your heirs) don't want that outcome, then plan early and responsibly to pay for your own long-term care by means of personal savings, investment, home equity conversion or private insurance.

In other words, if we eliminate the perverse incentives in current long-term care financing policy that trap many middle-class Americans in public welfare dependency, we can unleash a flow of private capital and financing into the senior living business that will increase profitability, enable higher compensation for caregivers, and elevate quality across the entire care continuum.

What's holding us back? I think it's an ironic disconnect between what the public wants and what the public policy community, *The InLTCgentsia*, prefers. According to a recent Gallup poll,

"Americans' opinions of capitalism have generally been stable over the past decade, with around six in 10 having a positive view of capitalism and slightly fewer than four in 10 having a positive view of socialism."

People want capitalism, free markets, individualism and personal responsibility. But the researchers, policymakers and politicians who dominate the long-term care policy conversation deliver instead socialism, government controls, collectivism and dependency.

No wonder long-term care and senior housing face so many problems. With the goal of reducing individual risk, we ceded responsibility for planning, saving, insuring and funding senior care to the government, which is singularly incapable to do the job.

No one cares more about personal well-being than the individual human being him or herself. The more we rely on individuals to take care of themselves and the less we depend on collective coercion to achieve that objective, the better off long-term care will be.

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