



Common ground. Common good.

At A Glance: Citizens League's Long-Term Care Financing Recommendations

A Necessary New Paradigm: "Personal responsibility will be publicly supported and rewarded."

Breaking With Conventional Policy Approaches

The Citizens League Long-Term Care Collaborative's (LTC Collaborative) framing of long-term care financing, one based on personal responsibility and public support, breaks with conventional policy approaches in a number of ways. The "system" recommended does not take the form of a conventional government-led policy proposal. It is not a comprehensive scheme in the form of a new public program. It recognizes that at its heart, long-term care is a highly personalized issue, dealing with the most intimate concerns of life and death, relationships with our family members, and the financial dreams we set for our children and ourselves. The LTC Collaborative recommends a package of public incentives and private-sector financial products that empowers people to create for themselves the most appropriate way to obtain services and/or care in their older years.

Goals

- **By 2015, 50% of Minnesotans aged 45-65 will have some financial planning in place for their long-term care.**
- **By 2020, 85% of Minnesotans aged 45-65 will have some financial planning in place for their long-term care.**

Framework for Recommendations

More Minnesotans are becoming aware of the need to prepare for the possibility of long-term care. But too many do not really know how to prepare, or do not feel that they have the capacity to prepare. Or they feel they can put it off to a later time. The framework can be restated into three essentials that *must* exist to encourage and support personal responsibility. If we are to meet our goals, none of the three can be ignored.

1. A strong **reason** to become financially prepared for long-term care (i.e., Medicaid reform); and
2. A mix of financial products that provide families the **opportunities** to financially prepare, appropriate for varying family situations and financial capacities; and
3. The **knowledge** and information to make sound choices.

Recommendations

1. Redesign Medicaid to provide a co-insurance option.
2. Make available and promote financial products, especially those aimed at middle income households; prize-rewarded savings; a new hybrid home equity/reverse mortgage product; and a broader mix of affordable insurance products.
3. Make unbiased information about long-term care planning and financial options readily available to the general public, so long-term care planning becomes an essential, ubiquitous part of retirement planning.