

**Summary of Focus Groups**  
**Long-term Care Financial Preparation**  
**March 17, 2010**

*focus groups conducted by Stacy Becker*

In March 2010, three focus groups were held with employees of Ecumen. Ecumen employees were chosen as people who have good knowledge about what it means (and costs) to age, so that we could exclude lack of awareness of or education about LTC as a primary reason influencing people's decision.

Group one: Six people (two men, four women) at Ecumen's administrative offices in Shoreview. This group included high level administrative personnel who have worked at Ecumen from 18 months to ten years. Most had worked at Ecumen for three to four years.

Group two: Six women at Centennial House in Apple Valley, who were employed in caregiving activities and housekeeping. Three had worked with seniors/Ecumen for 2-4 years and the other three for more than ten years.

Group three: Five people (one man) at Lakeview Commons in Maplewood. They are employed as a CNA, an LPN, dining manager, sales and marketing, and activities. They all had worked at Ecumen for at least five to seven years, with two serving seniors for around fifteen years.

**Key findings:**

1. All participants are very aware of, and concerned about, the costs of LTC and the general needs that come with aging, but few had specifically prepared.
2. Everybody bought into the idea of, and need for, personal responsibility.
3. However, there was general agreement that there is capacity to save (somewhat) more. Saving would need to feel "purposeful" (e.g., fun, like in the prize-linked savings; worthwhile because of different Medicaid incentives; simply not an impossible and overwhelming task; or because it's required).
4. It is clear that a number of different products to enhance savings should be offered, because different people preferred different alternatives.
5. Everyone favored restructuring Medicaid by using it as a supplement on a sliding scale.

**All participants are very aware of, and concerned about, the costs of LTC and the general needs that come with aging, but few had specifically prepared.**

When asked whether working with seniors had changed their attitudes about aging, most said yes.

- “I don’t know how you can work here and not have a change in attitude about aging.”
- New understanding that people live longer and run out of money.

Financial preparations were mixed, and mostly limited; only one person had a LTC insurance policy, although more had considered it.

- Preparations were mixed: one person (who described her husband as a worry wart) has a LTC policy; another bought a one-level townhouse; a number of participants were saving and/or investing; some plan to rely on their children; many plan on working past 65.
  - “My biggest asset is my ability to work.”
  - “Everybody needs to express what they want to family members.”
  - “None of us thought we’d get this old.”
  - “Trying to stay healthy.”
  - “Maybe we’re in denial...it sneaks up on you.”
- Nearer-term needs, like short-term disability policies, children’s college and weddings were higher on the financial priority list than saving for LTC, especially since the future regarding LTC is so uncertain.
  - It’s going to be so different, so vastly different.”
  - “By the time you do retirement, college, long-term care is overwhelming. Why bother?”
  - “I’m still paying for my mother’s nursing home bill.”
- Those who researched LTC policies chose not to buy (or canceled) for two primary reasons: 1) they were not convinced LTC policies will be worth anything when they are eventually needed; and 2) they found the policies too costly compared to benefits
- Similarly, they didn’t believe that public funding would be there either if needed. But they hope not to need Medicaid, believing that the choice and quality of care is limited.
- Almost everyone had some concern about their ability to pay for long-term care needs.

**Everybody bought into the idea, and need for, personal responsibility.**

- “Savings and how we take care of ourselves is our salvation.”
- Nothing’s going to happen unless we make it happen for ourselves.”
- But the rules don’t encourage personal responsibility: “The system is stacked against personal responsibility.”
- And there are some things we just can’t plan for: “Crazy stuff happens that no one predicted.”
- “No one is able to distinguish between the ones who deserve public assistance and those who don’t.”
- One person talked about personal responsibility in terms of managing resources; “You should start with the money you need when you’re born and have to manage it until the end of your life.”
- “Why am I paying for your kids to eat?”

**There was general agreement that there is capacity to save (somewhat) more.**

- “Saving is a learned behavior.”
- Some expressed a sense of urgency about savings, related both to their age and the economy. These participants tended to favor a “mandatory” savings plan, or at least the opportunity for payroll deduction. The less hassle, the better.
- Any incentives to save are positive, especially if it doesn’t cost the public anything.
- Automatic savings of \$25 a paycheck perhaps as high as \$50 maximum, would be doable.

**It is clear that a number of different products to enhance savings should be offered, because different people preferred different alternatives.**

#### ***Prize-linked savings***

- Some liked it a lot; others felt it was not for them but would appeal to other people. One person said, “I gotta do that.”
- Liked that your chances to win increased with the amount you save.
- “It would be amazing how much you could save.” (regarding prize-linked savings)
- Felt that prize-linked savings should be marketed through employers. And make sign up fun too!

#### ***Catastrophic LTC policy***

- Trust factor in insurance remains a problem
- “What you really worry about is being a burden.”
- The administrative group really liked the higher deductible, because regarding the cost of nursing home care: “It destroys everything you’ve worked for.”
- Centennial House participants were not so interested. They prefer fuller coverage. But the cost of LTC insurance is so pricey that they view it as money out the door given that they don’t know they’ll need LTC for sure.

#### ***Home equity product***

- Everybody favored this idea.
- One participant described her mother’s experience. “She saw a commercial and thought “I can get some money.””

#### ***People advocated for a multi-faceted approach***

- “Not one thing is going to be the savior. (we) need to appeal to a wide group.”
- We need “little mice instead of a big cow. Don’t make it too complicated.”
- If these ideas help reduce the public demand for Medicaid and cost nothing to offer, why not?

**Everyone favored restructuring Medicaid by using it as a supplement on a sliding scale.**

- Humiliating to be on Medicaid.
- Would help remove some fraudulent practices.
- Some were resentful of current Medicaid practices, and see it as wasteful.
- Others had not considered that those who were “beating the system” were spending their tax payer money. Is it important that people know this? Yes!

