

Well-Being Insurance for Seniors at Home Act (H.R. 4289)

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Overview

Type of Reform: Creating a New Program

Description: Create a universal, catastrophic LTC insurance program meant to:

- Improve access to LTSS by bringing additional money into LTSS system.
- Reduce family out-of-pocket spending.
- Stabilize and improve the private market by reducing the tail-end risk.
- Reduce Medicaid spending.

Sponsoring Organization:

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- Introduced by Rep. Tom Suozzi (D-NY) on July 30, 2021.
- No co-sponsors.

Impact and Action:

- House Committee Referrals: Subcommittee on Social Security, Ways and Means.
- Being prepared for re-introduction in 2025.

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Program Details

Participation Criteria:

Individuals who have reached full retirement age (as defined in section 216(l)(1)) of the Social Security Act) or have disabilities and worked to contribute the following amounts to the new Long Term Care Insurance Trust Fund:

- (Full Benefits) At least 40 credits (10 years of work).
- (Partial Prorated Benefits) At least five credits, but less than 40.

Conditions for Receiving Benefits Scope of Services:

Demonstrate need for LTSS by having met one of the following criteria:

- Inability to perform two or more of six basic ADLs without the help of another person.
- Require supervision due to a Severe Cognitive Impairment.

Scope of Services

Flexible cash benefit to cover services of choice. There are no limitations or definitions of covered services.

Amount of Services

Monthly cash benefit of \$3,600 (estimated to cover for six hours of direct care at home per day in 2021 dollars).

Participant Financial Responsibility

Not specified.

Elimination Period

- People with incomes in the lowest 40th percentile can receive cash payments one year after their eligibility for benefits has been established.
- People with incomes up to the 70th percentile can receive cash payments three years after their eligibility for benefits has been established.
- Anyone above the 70th percentile of income can receive cash payments four years after their eligibility for benefits has been established.

Provider Requirements

No limitations or definitions of eligible providers. Individuals can hire independent care workers, agency-based providers, and/or pay family members, along with any other uses of the cash payment.

Provider Payment Levels

Not applicable.

Inflation Adjustments

Monthly cash payments would be adjusted annually for wages and inflation.

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Financing & Implementation

Revenue Source(s)

New tax as follows:

- Federal payroll deduction of 0.6% of payroll (uncapped) for each employee (0.3% from employee and 0.3% from employer).
- Self-employed individuals will pay the 0.6% tax in its entirety.

Total Program Costs

No cost estimate available.

Program Administration

- Administered through the Social Security Administration.
- Education and awareness campaign conducted by HHS.

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