

The National Academy for Social Insurance: Designing a State-Based Social Insurance Program for Long-Term Services and Supports

[See the original source →](#)

Overview

Type of Reform: Creating a New Program

Description:

- Focuses on an analysis of social insurance solutions and intended as a roadmap for state policymakers.
- Identifies the key design issues for consideration in the design of a social insurance program for LTSS.
- Speaks to the preliminary design and concepts of the Washington State LTSS social insurance program, Washington Cares (WA Cares).

Sponsoring Organization and Key Author(s):

Sponsoring Organization: The National Academy of Social Insurance is a nonprofit, nonpartisan organization comprised of experts on social insurance. This report was produced by an expert study panel convened specifically to explore issues in the development of LTSS social insurance.

Key Authors: The report was the work of two study panels comprised of 29 policy experts meeting over the course of a year.

Key authors include: Benjamin W. Veghte, Marc Cohen, Eileen J. Tell, and Alexandra Bradley.

Key workgroup members include: Robert Espinoza, Henry Claypool, Judith Feder, Mary Sowers, and more.

Impact and Action:

Provides an important road map for states wanting to explore options for a state-based social insurance program.

The National Academy for Social Insurance: Designing a State-Based Social Insurance Program for Long-Term Services and Supports

Program Details

Participation Criteria:

Not specified; discussed within the context of alternative program designs.

Conditions for Receiving Benefits Scope of Services:

Discussed within the context of alternative program designs. Impact of alternative criteria discussed in report. Report speaks to criteria consistent with HIPAA:

- Need support with two or more ADLs.
- Have a severe cognitive impairment expected to last at least 90 days.

Scope of Services

Actuarial modeling within the report explores programs with different combinations of covered services including:

- A home care only program.
- A comprehensive program that includes HCBS, assisted living, and nursing facility care.

Amount of Services

- Discusses the issues and impact of paying a benefit that is reimbursement for services versus a cash benefit and combinations and options along that continuum.
- Compares front-end coverage (after a brief 30-to-90-day elimination period), back-end catastrophic coverage (after a two to three year elimination period) and comprehensive benefit that are paid during the entire period of need.

Participant Financial Responsibility

Individuals are responsible for costs during the waiting period, which varies for individuals depending on Lifetime Benefit Limits set. Some designs may specify co-payments as a cost management feature.

Elimination Period

Discusses a variety of approaches, depending upon the nature of the lifetime amount of services.

Provider Requirements

Not specified.

Provider Payment Levels

Not specified.

Inflation Adjustments

Not specified.

The National Academy for Social Insurance: Designing a State-Based Social Insurance Program for Long-Term Services and Supports

Financing & Implementation

Revenue Source(s)

Discusses revenue sources (and combinations), including: tax on social security; Medicare Part A; Part B; Medicare Net Investment Income Tax; state income surtax; sales surtax; provider fees; estate tax; property surtax; general revenues; premiums and other.

Total Program Costs

Actuarial modeling was provided by Edward Armentrout and Gordon Trapnell in the “Actuarial Report on Long-Term Care Financing Proposals,” an unpublished report produced for NASI, October 2018. They modeled the tax rates required to run a sample program under alternative designs (front-end; back-end; comprehensive; home care only) and using different revenue sources. For example, considering a payroll tax only, the payroll tax rate for a \$100/day benefit for the following plan types would be as follows:

- One-year front-end: 0.59%
- Home health only \$36,500 lifetime max: 0.85%
- Home health only \$73,000 lifetime max: 1.37%
- Home health unlimited lifetime max: 3.19%
- Catastrophic with income-related waiting period: 0.58%

Program Administration

- States design, implement, and monitor the program.
- Federal role not addressed.

Private Sector Role

Discusses opportunities for private sector integration and supplemental coverage under various public approaches.

The National Academy for Social Insurance: Designing a State-Based Social Insurance Program for Long-Term Services and Supports

[See the original source →](#)