

Long-term care costs are surging and the population requiring such services and support is rapidly growing with a whopping [70% of](#) people turning 65 today needing long-term care in the future. Of the older population with long-term care needs, about [one-third](#) have substantial disabilities and nearly 15 percent live below the poverty level.

Currently, Medicare support for long-term care is relatively 'skinny' but could gear up for some key changes if the [Medicare Long-Term Care Services and Supports Act of 2018](#) is passed. The legislation would provide Medicare beneficiaries with funds to use for adult day care programs, home health aides and nursing facility care. It would also provide some financial relief to approximately 17 percent of working adults who provide unpaid care for family members or friends.

"The growing need for long-term care is one of the greatest threats to retirement security for American seniors, and the adult children who care for them," said Frank Pallone, a Congressman from New Jersey who sought feedback on a draft of [the legislation](#) in May, in a statement. Seniors will spend an average of \$140,000 out of pocket for long-term care. More than 15 percent will incur fees beyond \$250,000.

[Medicare](#) does provide some long-term care so long as it's not the only service needed. It covers care in a long-term care hospital, skilled nursing care in a facility, some home health services, and hospice and respite care. Otherwise, a person spends their own money on services before turning to Medicaid.

Long-Term Care via Medicare?

The benefit, which would extend to all people regardless of income or location, would offer \$100 a day for long-term care to anyone eligible, as well as people under 65 who meet specific disability parameters. The benefit would start after two-year waiting period. The self-directed benefit could be applied to nursing facility care, adult daycare programs, home health aide services, personal care services, transportation, and assistance from a family caregiver.

A spokesperson for the American Health Care Association praised Pallone's effort.

"Affordability in long-term care is one of the biggest issues facing older Americans and their families. We are looking forward to have this discussion with Congress about potentially increasing access to long term care while lifting the burden from the Medicaid program," the spokesperson said.

The Path to Funding Long-Term Care

Details on how the act would be funded were not included in the draft of the bill. The payroll tax funds Medicare Part A, which may be an option to fund the legislation.

"The draft is far from perfect," [Howard Gleckman](#), a senior fellow at the Urban Institute, wrote in [Forbes.com](#). He said the draft doesn't include a funding mechanism for the program.

"To begin paying benefits quickly, the proposal would rely on general fund tax revenues at

least in the early years—a feature that would be extremely controversial,” Gleckman wrote.

[John Norce](#), a licensed Medicare Agent in the Washington, D.C., area, said the act could profoundly help seniors with limited financial resources, but funding it remains a challenge.

Because insurers have pulled out of the Affordable Care Act marketplace, Norce said he wasn't sure how the government could resolve the issue. Raising taxes could be a solution, but services may be extremely expensive so cost containment standards would be needed to ensure the program's viability.

“There is no question the need is there and the act is moving in the right direction to help resolve this,” Norce said.

[Raymond Lavine](#), an extended benefits care advisor from Washington State, believes the plan is a good concept, but the funding presents a problem. It will not be “economically sustainable,” he said.

“This idea has good intentions, but money, money, money and the benefits of the plan will not be sufficient to provide enough funds to support the proposal,” Lavine said. According to a [2017 survey](#), about 56 percent of Americans supported a Medicare long-term care benefit; about two-thirds supported a public long-term care insurance plan.