

CEO Message

The SCAN Foundation Unveils the Long-Term Care Policy Simulator Tool



The passage of the Patient Protection and Affordable Care Act is a great basis upon which to reform and build a comprehensive long-term care system. Opportunities for improvement contained in the Act include expanded access to *services*, such as increases of federal matching dollars for states to expand Medicaid home and community-based services as an alternative to nursing homes, and *cash support* for individuals to pay some of the costs of long-term care through a brand new voluntary insurance program known as the CLASS (Community Living Assistance Services and Supports) program.

Creating and implementation of these kinds of programs are often accompanied by key questions such as: How do these sorts of programs impact federal and state budgets? If one wanted to modify these programs, what effect would the proposed changes have on costs, savings, the numbers and types of people served, etc.? To answer these and many other policy questions in a sound and non-partisan manner, data sources and analytic models using these data are needed that are equally sound and nonpartisan.

To facilitate this process and create a broader understanding of a complex yet critical aspect of health reform, The SCAN Foundation in partnership with Avalere Health recently launched an innovative web-based modeling tool that enables policymakers and the public to test the budgetary implications of a wide variety of federally run long-term care insurance programs. The [Long-Term Care Policy Simulator](#), which can be accessed from our [home page](#) or by visiting www.ltcpolicysimulator.org, produces more than 2,500 unique outputs of public, long-term care insurance program designs and benefits. These outputs provide information on estimated coverage of the benefit, enrollment and benefit utilization rates, and costs to both participants and taxpayers.

This tool addresses an important information gap in the analytic underpinning of the long-term care debate. Outside of Congressional Budget Office and Office of the Actuary estimates of CLASS and certain Medicaid community-based care expansions, policymakers have had little opportunity to assess and compare the impact of other ideas and policy options about the costs and uptake of a public long-term care program.

Users of the Long-Term Care Policy Simulator are now enabled to essentially create long-term care policy and then see how their selections directly impact benefit design, individual and federal costs, and the potential popularity of the benefit.

Policy options that can vary using the tool are:

- Participation: Mandatory or voluntary
- Type of benefit: Cash or services
- Vesting requirement before being able to receive benefits: zero to five years
- Benefit amount:
 - Daily rate for cash benefit: \$50, \$75, or \$100
 - Co-pay and deductible for service benefit: 20 percent co-pay and \$500 deductible or no co-pay and deductible
- Length of benefit: Lifetime, five years, four years, three years, one year
- Elimination period of when benefit is active after confirming eligibility: zero days or 90 days
- Low-income subsidy: Persons under 150 percent of the federal poverty level, persons under 100 percent of the federal poverty level, or no subsidy
- Percentage of program funded through premiums: 100 percent, 75 percent, or 50 percent

After selecting each of the options, the user sees how a selected benefit design affects various policy considerations, such as average monthly premium amount, potential federal Medicaid savings, estimated enrollment in the program, and percent of people with disabilities covered by the program.

Try it for yourself. We believe you will find our Long-Term Care Policy Simulator to be a powerful educational tool that will help you understand how a choice of policy options translate into long-term benefits and costs.