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## Long-Term Care Stirs Health Care Debate

By [ROBERT PEAR](#)

WASHINGTON — Embedded in sweeping health legislation passed by the House and being debated on the Senate floor is a major new federal insurance program for long-term care intended to help people like Anne M. Rader.

Ms. Rader, 45, works at Booz Allen Hamilton as a consultant to federal agencies on emergency preparedness. Even though she has [cerebral palsy](#) and [multiple sclerosis](#), she leads a full, active life. But she worries that she will lose her independence if her conditions grow worse.

“Having two disabilities, two disabling conditions, I can’t predict what will happen in the future,” said Ms. Rader, who lives alone in a condominium in Arlington, Va.

Advocates for older Americans and people with disabilities see the program as a long-overdue effort to address needs that will explode as baby boomers age. It is meant for people with severe disabilities who want to live in the community, though the benefits could also be used to help pay for nursing home care or assisted living.

But critics say that the program is unsustainable and that it could ultimately create serious fiscal problems for the government.

Senator [Edward M. Kennedy](#), Democrat of Massachusetts, drafted the proposal several years before he died. [Barack Obama](#), as a senator from Illinois, was a co-sponsor. Now, as president, Mr. Obama wants Congress to include it in the health care bill.

Senator [Tom Harkin](#), Democrat of Iowa and chairman of the health committee, said: “This is the next logical step after the Americans With Disabilities Act. It will provide people with security and peace of mind. They won’t have to go to a nursing home or an institution if they become disabled through an accident or an illness.”

The bill would provide cash benefits if a person had a substantial cognitive impairment or was unable to perform two or three “activities of daily living,” like eating, bathing or dressing. The program would be financed with premiums paid by participants, through voluntary payroll deductions, with no federal subsidy. People could qualify for lifetime benefits if they became disabled after paying premiums for at least five years and working for three of those years.

The [Congressional Budget Office](#) assumes that premiums would be \$123 a month for benefits expected to average \$75 a day, or about \$27,000 a year. The amount of benefits would vary, depending on the degree of a person’s disability. The secretary of health and human services could increase premiums to ensure “the financial solvency” of the program over 75 years.

The Senate bill says, “No taxpayer funds shall be used for payment of benefits.”

Senator [Christopher J. Dodd](#), Democrat of Connecticut, said the benefits would allow people with disabilities to “live out their lives with decency and dignity.”

“What’s the alternative?” Mr. Dodd asked. “Getting rid of all your assets, impoverishing yourself, relying on your family or friends to take care of you in order to try to survive.”

But Republicans and some fiscally conservative Democrats said they feared that the government would eventually have to bail out the program because it would prove unsustainable.

“It would create a huge new liability down the road,” said Senator [John Thune](#), Republican of South Dakota.

Paradoxically, the proposed new program accounts for more than half of the bills’ deficit reduction in the first 10 years — because the government would pay out far less in benefits than it would collect in premiums. But costs would grow later.

The Congressional Budget Office estimates that the long-term-care insurance program in the Senate bill would reduce [federal budget](#) deficits by \$72 billion from 2010 to 2019. For the House bill, the comparable figure is \$102 billion.

On Dec. 4, the Senate voted [51 to 47](#) to strip the program from the bill. The Senate had previously agreed to set a 60-vote threshold, so the effort failed, and the program remains in the bill. But it could become a bargaining chip in negotiations over the measure.

The effort to eliminate the program won support from 11 Democrats, including the chairman of the Finance Committee, [Max Baucus](#) of Montana, and the chairman of the Budget Committee, [Kent Conrad](#) of North Dakota.

Six of those Democrats said the program “would not be fiscally responsible.” The bill would “create a new federal entitlement program with large, long-term spending increases that far exceed revenues,” they said in a letter to the Senate majority leader, [Harry Reid](#), Democrat of Nevada.

Richard S. Foster, chief actuary at the federal Centers for Medicare and Medicaid Services, has expressed a similar concern.

“There is a very serious risk that the program would become unsustainable,” Mr. Foster said, because people who have or anticipate health problems would be more likely to sign up than people in better-than-average health.

Some companies that sell long-term-care insurance are lobbying against the proposal, known as the Community Living Assistance Services and Supports Act, or Class Act.

One big insurer, Genworth Financial, said the program “would give individuals a false sense of security” and could discourage them from buying private insurance to cover the costs of long-term care.

“A government-run program that covers only a small fraction of Americans’ total long-term-care needs will mislead the general public and make it even harder for agents and advisers to encourage their clients to plan for this important retirement protection,” Genworth says on a Web site for its employees and agents.

Supporters of the program say it will help not only people with disabilities, but also those who care for them as well.

Carolyn A. Martin, 85, has a touch of [dementia](#), kidney problems and severe [arthritis](#). She  
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cannot prepare meals, wash her clothes or bathe herself, and she often has trouble getting out of bed.

She lives in Columbia, Md., with her daughter, Alma M. Gill, who cares for her while holding a full-time job at a nonprofit organization.

“If I had someone to care for my mother four hours a day, it would change her life, and mine,” Ms. Gill said. “I feel guilty about leaving her alone when I go to work. If something were to happen to her, it would be my fault.”

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