SHALALA TESTIMONY ON LONG-TERM CARE

Good Morning. Chairman Grassley, Senator Breaux and Members of the Senate Special Committee on Aging. Thank you for this opportunity to testify on what might be the most important domestic issue facing our nation: long-term care for our elderly. I am joined today by two members of my team, Dr. Jeanette C. Takamura, Assistant Secretary for Aging, and Dr. Richard Hodes, Director of the National Institute on Aging.

Mr. Chairman, when the late Stanley Kubrick made *2001 A Space Odyssey* 30 years ago, his vision of the future was one of revolving space stations and rebellious computers. Now that 2001 is only three years away, we can argue about how close Mr. Kubrick came to the truth.

What we can't argue about is what we face in the next 30 years. We know what's coming. For all the images we see in movies and television of a nation that is perpetually faster, younger and healthier, the fact is we are heading for a world no demographer has ever seen before. And the color that best captures that world is gray. By the year 2030, the number of persons in our country 65 and older will double. And people 85 and older will be nothing short of commonplace.

These changing demographics are no cause for fear. But they are cause for action. We want life to not only be long – but good. That means having the tools we need to care for

persons ravaged by Alzheimer's and other chronic or disabling diseases. This will be one of the central challenges of the 21st century – to make being dignified and comfortable when we're old as much a part of our national consciousness as being educated and safe when we're young.

Let me emphasize that millions of families across America are already facing up this challenge. These families provide most of the care for older persons who are no longer able to manage on their own. So one of the reasons I am here today is to convey this Administration's strong commitment to the families and caregivers of people in need of long-term care. But we need to do more than stand with them. We need to help them. That is the purpose of the President's long-term care initiative. To give these families – and the loved ones they care for – the support, guidance and financial assistance they desperately seek.

Let me be clear: This initiative is not designed to just help older Americans. It is part of a much broader strategy to help Americans of all ages who are disabled. And this initiative is not just about money. It is about providing comprehensive assistance to families giving or needing long-term care.

That means the hundreds of thousands of Americans living in communities across our country, struggling to raise children, hold down jobs and protect their elderly parents. Let me give you an example of the kind of person I'm talking about. I'll call him Frank. He is an older gentleman from the Chicago area. His wife is in a local adult day care center three days a week.

Those three days are Frank's respite. They are a time of rest and relief – and also a time for going out and buying the groceries and other supplies he needs to hold his family together. What Frank does is a 24-hour-a-day, seven day-a-week expression of love. At first the burden was manageable – and the fulfillment of a promise he had made on his wedding day. Now Frank says that although the added stress and exhaustion means he might end up going before her, "at least my conscience will be clear."

What about our conscience? Frank and so many others like him deserve more than our admiration; they deserve our support.

Research indicates that informal support of caregivers has a significant impact on the emotional wellbeing of caregivers, as well as in delaying the need for nursing home services. A recent NIH study found that adult day care not only reduces caregiver stress, but delays the institutionalizing of the care recipient. Another recent study indicates that counseling and support for caregivers of people with Alzheimer's can keep the care recipient out of a nursing home for an additional year.

The National Family Caregiver Support Program

That is why our long-term care initiative includes a $125 million FY 2000 investment by our Administration on Aging in the proposed ºational Family Caregiver Support Program" to provide assistance to people caring for older family members. Mr. Chairman, 95 percent of frail older Americans who live in the community and need long-term care receive unpaid assistance from informal caregivers. Seven million people are informal caregivers for their spouses,

parents, other relatives and friends. According to the recent National Long-Term Care Survey, if the work of these caregivers had to be replaced by paid home care staff, the cost would be $45 to $94 billion per year.

Research tells us that providing care to older persons exacts a heavy emotional, physical and financial toll. Almost three-quarters of informal caregivers are women, many are older and vulnerable themselves, or are running households and parenting children. Many caregivers have had to cut back on their hours of work to provide elder care for their loved ones. Two thirds of working caregivers report conflict between work and caregiving which require them to rearrange their work schedules, work fewer than normal hours, and/or take unpaid leaves of absence.

Half of all caregivers of older persons are over the age of 65, and thus are vulnerable to a decline in their own health. In fact, one third of caregivers of older persons describe their own health as fair to poor. Because primary caregivers are emotionally strained, they have a high rate of depression.

Our proposed program would enable states, working with area agencies on aging, local service providers and consumer organizations, to create an infrastructure of support for family caregivers. Under this proposed program, state offices on aging would be expected to put into place at least five important program components to meet complex and diverse care needs. These components include:

- Provision of information to caregivers about available services;
- Assistance to caregivers in gaining access to specific services;

- Individual counseling, organization of support groups, and provision of caregiver training to help families make decisions and solve problems related to their caregiver roles;
- Respite care to enable families and other informal caaregivers to be temporarily relieved from their caregiving responsibilities; and
- Provision of supplemental long-term care services, on a limited basis, to complement the care provided by caregivers.

In addition, our proposal includes competitive innovative grants for the development of new approaches to specialized caregiver issues. The results of such demonstrations and applied research will be translated into practice through ongoing state programs, thus generating the best practices which can most effectively support caregivers of persons living at home, in the community or on tribal reservations.

The Administration's initiative also includes a targeted $1,000 tax credit for caregivers or family members who are receiving care. For some families, the tax credit will help offset some of the direct costs of long-term care, such as adult day care or home health care visits. For others, it will help offset indirect costs such as unpaid leave taken from work. We have included in the Administration's package an expansive educational effort to inform all Medicare beneficiaries about long-term care options. We are concerned that most people do not really know what their long-term care options are. The President's proposal also calls for the federal government to offer private long-term care insurance to federal employees. As the nation's largest employer, the market leverage of the federal government will influence the private sector

to develop options that better meet the needs of older Americans and their families. Finally, we propose to expand access to home and community-based care services to people of all ages with significant disabilities. In our FY 2000 budget, we are proposing to allow the states to provide Medicaid coverage to people with incomes up to 300 percent of the federal Supplemental Security Income (SSI) level who would be eligible for nursing home care, but who would prefer to live in the community. This new Medicaid option will make eligibility for nursing homes and community-based services more comparable. It would eliminate one of the sources of Medicaid's "institutional bias."

What we are proposing is to help keep American families from having to live in sheer terror that their Mom or Dad with diseases like Alzheimer's will wander off or hurt themselves. We are proposing to help keep families from having their lives wracked with stress, worry and despair. When I was home in Cleveland over Christmas, my cousins were talking to me about one of my aunts who has Alzheimer's disease. My cousins are rushing home from work in the middle of the day, every day, to make sure that their mother gets the help she requires. They are stressed. They need help. But they could find very few places that would help them, because they are middle income and do not qualify for Medicaid services.

This is but one example. We know that the lives and needs of caregivers are varied. We know that there is no "one size fits all" answer. A complicated challenge requires a comprehensive solution. Overall, our initiative is a pragmatic response to the growing problems of long-term care. It provides comprehensive assistance, not just financial assistance to those

requiring or providing long-term care. Our proposal is an historic first step representing a compassionate response to what I have already said will be one of our nation's most compelling issues in the 21st century. As the President stated, this initiative will help "give care to caregivers." This initiative will help meet that challenge.

The Department's Alzheimer's Initiatives

Alzheimer's disease exacts a heavy toll on its victims, their families, and our health care system. Each year new research helps to sharpen the effectiveness of care for people with Alzheimer's disease. The nearly four million people in the United States who have Alzheimer's disease or related disorders is expected to double in the next 20 years, and each of them will eventually require full-time care. This dreaded disease affects patients, their families, caregivers and society. We must continue to pursue the systematic evaluation of various models of care for persons with Alzheimer's disease and of models of support for their families so that successful approaches may be given broader implementation.

That is why I have directed the National Institute on Aging, under the leadership of its Director, Dr. Richard Hodes, to step up its efforts to study Alzheimer's disease and related disorders. The NIH Alzheimer's disease prevention initiative is being developed to expedite our progress in delaying or preventing the onset of Alzheimer's disease. In collaboration with other federal agencies and the private sector, this initiative will foster new approaches to basic biologic and epidemiologic research, increase focus on drug discovery and development, improve methods for early identification of people at increased risk of developing Alzheimer's disease,

and facilitate movement of possible new treatments into the clinic for testing in clinical trials. The initiative will also develop strategies for improving patient care and alleviating caregiver burden.

Just last week NIA launched a nationwide treatment study targeting persons with mild cognitive impairment (MCI), a condition characterized by a memory deficit, but not a dementia. Accurate and early evaluation and treatment of MCI individuals might prevent further cognitive decline including the development of Alzheimer's disease. This study is the first such Alzheimer's disease prevention clinical trial carried out by NIH, and will be conducted at 65-80 medical research institutions throughout the United States and Canada. Many other trials are in the pipeline, many of which will piggy back cognitive studies onto ongoing trials that are currently in progress for the treatment or prevention of other conditions. Importantly for those who now have Alzheimer's disease, research and information efforts are being intensified to alleviate some part of the overwhelming patient and caregiver burden, with special emphasis on the needs of a diverse patient population. The NIA is also taking steps to make information about Alzheimer's disease clinical trials more accessible to the general public. As part of a NIH-wide initiative on all major clinical trials, the NIA's Alzheimer's Disease Education and Referral Center (ADEAR), in collaboration with the Food and Drug Administration, is developing a database of ongoing Alzheimer's disease clinical trials. When complete, both government and commercial trials will be represented. The database will be accessible on the World Wide Web,

and information will also be available through trained information specialists of the ADEAR toll-free hotline (1-800-438-4380).

The Administration on Aging's Alzheimer's disease demonstration grants will help states take advantage of research findings and demonstrate effective models of non-medical care for persons with Alzheimer's disease. The demonstration programs have proven to be very successful in reaching out to, and providing support services to people with Alzheimer's disease and their family caregivers, especially minority, low-income and rural families. Building upon the approach instituted by the Health Resources Services Administration (HRSA), AoA supports states in developing model practices for serving persons with Alzheimer's disease and their families. Of the 15 grantees, 12 are state offices on aging, two are state health departments, and one is a state mental health agency. Nationally, almost 150 agencies are involved in the program. State and local Alzheimer's Association chapters are active in all of the projects. Approximately 8,000 families have been assured that their loved ones with Alzheimer's disease are able to maintain the highest possible quality of life.

In addition, the Administration on Aging's highly successful national toll-free Eldercare Locator (1-800-677-1116) also provides important information and assistance to long distance caregivers who are seeking help for their loved ones. We have found that many of the individuals who call our Eldercare Locator are caregivers for family members with Alzheimer's disease.

In closing, the need for support for family caregivers has never been more evident. Caring for our elders has truly become a family issue across America. Clearly, the demands of family caregiving resources will increase substantially as a result of lengthening life spans, the changing structure of American families, increasing numbers of women in the work force, continued family geographic mobility and delayed child rearing. We believe that our long-term care proposal, in particular the National Family Caregiver Support Program, offers an important first step towards ensuring that all American elders and their families are able to enjoy a good quality of life, optimal health and access to critical supportive services.

Chairman Grassley, Senator Breaux, members of the Special Committee on Aging, I appreciate the support you have provided us in the past. I look forward to working with you to meet the challenges and opportunities of the gift of longevity. We have so much to accomplish and so many families to help.

My colleagues and I would be happy to address any questions you might have.

GENERAL LONG-TERM CARE INITIATIVE

Question: What are the specific long-term care initiatives in the President's Budget? How well do these proposals solve the long-term care crisis facing the country as the baby-boomers age?

Answer: The budget includes:

- **Tax Credit**. $1,000 credit for people with severe disabilities or their caregivers ($58m/FY 2000, $5.5b/5);
- **AoA Grants**. Grants to States for a new National Family Caregiver Support Program to assist families caring for elderly relatives ($125m/FY 2000, $625m/5);
- **LTC Education**. Medicare beneficiary LTC campaign to educate Medicare beneficiaries about LTC ($10m/FY 2000);
- **Insurance for Federal Employees**. Employee financed private LTC insurance for Federal employees at group rates (Administrative costs: $ 5m/FY 2000, $15m/ 5);
- **Assisted Living**. a HUD grant initiative ($100m/FY 2000);
- **Medicaid**. a Medicaid option that equalizes eligibility for people with LTC needs in the community settings ($5m/FY 2000, $110m/5);
- **Nursing Home Quality**. a new investment to strengthen nursing home quality ($60.1m/FY 2000);

This initiative, totaling almost $6.2 billion over 5 years would make a major contribution toward helping over 2 million Americans afford and obtain much-needed long-term care services. No one in the Administration has or will suggest that this initiative on its own will address all of the problems. But it recognizes and provides meaningful support for the caregiving provided to Americans of all ages with chronic illness or disability.

Background: The Administration's initiative addresses five long-term care issues: 1) the need for more family support through the tax credit and the grants to States; 2) the need for more private long-term care insurance coverage through a long-term care education campaign for Medicare beneficiaries and the Federal employees group long-term care insurance proposal; 3) additional home and community-based options through the assisted living initiative and the Medicaid eligibility expansion; and 4) better quality for people who must be in nursing homes through the nursing home quality initiative.

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Long Term Care: Women

More than any other socioeconomic group, women are disproportionately affected by long term care. Much of the reason behind this lies in the fact that women live longer than men and thus, are more likely to develop the functional ailments that require long term care services. Today, the average life expectancy of a male is 72 years. The average woman can expect to live as much as seven years longer than her male counterpart (79 years) – all the while increasing her demand for vital long term health care that ranges from help with day-to-day activities to sophisticated therapy such as stroke rehabilitation.[1]

Traditional Caregivers

For centuries, women have served as the traditional, primary caregivers of long term health care. Today, women still bear the responsibility of caring for their parents or loved ones when they need attention. More women are working outside the home than ever before, yet with those professional responsibilities come the personal responsibilities of essentially serving as a parent to their own parents.

The emotional strain and anguish that often arise when daughters, granddaughters, sisters and nieces are faced with such decisions can have devastating effects, not just on the emotional health of the female caregiver, but also on her financial well-being and productivity. A national study conducted by the American Association of Retired Persons (AARP) found that 80 percent of working caregivers reported emotional strain, 50 percent reported financial strain, and 40 percent missed work on a regular basis due to the health needs of an elderly loved one.[2]

Boomer Women at Financial Risk

The baby boom generation is the first in history to include a disproportionate number of single women, many of whom face serious financial risks. A recent study by the National Center for Women and Retirement Research (1998) found that baby boomers, and women in particular, are largely unprepared for the financial costs they will face upon retirement.[3]

Only 27 percent of the women surveyed have accumulated more than $100,000 in their 401(k) retirement plans, while 33 percent of women reported having less than $25,000 in their retirement portfolios.[4] On average, married women live 17 years after the death of their husbands and therefore, lack the spousal help at home that can

prevent or delay the need for long term health care. Along with the trauma of outliving one's spouse is the fear of outliving one's savings to meet future needs. Yet as studies indicate, women of the baby boom generation will be the largest group ever to remain single or get divorced – a group that will average less than $20,000 in retirement savings.[5]

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FACTS

- Three out of four nursing facility residents are women. (Health Care Finance Administration.)
- Nearly half of all female nursing facility residents rely on Medicaid for their long term care services. (Health Care Finance Administration.)
- Of the elderly poor, nearly 75 percent are women. (U.S. Department of Labor.)
- The median amount that women have set aside for retirement is $20,000, an amount that would cover less than one year of nursing facility costs ($41,000 average). (Scudder, Kemper Investments, Scudder Kemper Baby Boom Generation Poll. 1998.)

SOURCES

(1) U.S. Census Bureau.

(2) American Association of Retired Persons, 1997.

(3) Scudder Kemper Investments, Scudder Kemper Baby Boom Generation Poll. 1998.

(4) Ibid.

(5) Ibid.

Social Security Facts from the Social Security Administration:

Long Term Care Finance Reform Facts from the American Health Care Association:

Be Prepared

Changing demographics are driving the need for changes in Social Security because 76 million baby boomers will begin retiring in about 2010, and in about 30 years there will be approximately twice the number of elderly as there are now. At the same time the number of workers paying into Social Security per beneficiary will drop from 3.3 to 2.

Changing demographics are driving the need for changes in long term care financing as the numbers of baby boomers retiring by the year 2010 explodes. At the same time the number of workers supporting each retiree will decrease from 16:1 in 1950, to 2:1 by 2040.

There is a looming crisis...

The Social Security Administration will pay beneficiaries 100 percent of their benefits between now and the year 2032, at which time the trust fund may go broke and benefits will be cut back to only cover ¾ of those supported before 2032.

In 1994, 7.3 million Americans needed long term care services. By 2000, this number will rise to 9 million, and by 2060 it will skyrocket to about 24 million. The Medicaid system is currently America's primary source of financing long term care and was never designed to handle America's long term care costs.

Financial Devastation

The maximum Social Security benefit for a worker retiring at age 65 in January of 1998 cannot be more than $1,342 per month ($16,104 per year).

Long term care is costly, and older people are not financially prepared to pay the $41,000 annual cost for a nursing home stay or the average $89 per visit fee by a home care registered nurse.

It's not just the number of years people are going to live, but the number of people going to live them.

When the Social Security program was created in 1935, a 65-year-old had an average life expectancy of 12 ½ more years; today, it's 17 ½ years – and rising.

People age 85 and older are among the heaviest users of long term care. Nearly 25 percent lived in nursing homes in 1990. From 1994 to 2020, America's 85 and older population is projected to double to 7 million and swell to between 19 and 27 million by 2050, making these seniors the fastest growth segment of the population.

How will we fare in our own retirement?

An aged couple – both receiving Social Security benefits – only received an average of $1,293 per month in 1998 [$15,516 per year].

Millions of people who worked all their lives and paid taxes have been impoverished because they got sick and needed long term care. Over 70 percent of single individuals and 50 percent of couples with one partner in a nursing home are poverty-stricken within a year. Millions more face the same fate unless the system changes.

Nicole

Charles Dolan <charles.dolan @ ketchum.com>
03/03/99 05:16:03 PM

Please respond to charles.dolan@ketchum.com

Record Type: Record

To: Ruby Shamir/WHO/EOP

cc:
Subject: CONFIDENTIAL MEMORANDUM

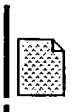
TO: Ann Lewis

Ann - this poll was done for our client American Health Care Association. I understand that Hillary will be giving a speech on women and long term care in the next week or two. I thought you might find this useful. I know Penn & Shoen are doing work for you as well. However in case this info has not come across your desk I am passing it on. I will also send a hard copy with graphs. If anyone wants a briefing on this please let me know.

Please note that this has not yet been released.

All the best,

Chuck

 - att1.htm

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~~CONFIDENTIAL~~ MEMORANDUM

To: American Health Care Association

From: Bob Ward, Fabrizio, McLaughlin & Associates

Date: February 4, 1999

Re: Baby Boomer IQ Test – Survey Executive Summary

In an effort to better understand the preparedness of the Baby Boomer market when it comes to the issue of retirement and long term care, the American Health Care Association commissioned the Republican polling firm Fabrizio, McLaughlin & Associates, and the Democratic polling firm Penn Schoen & Berland to conduct a national telephone survey of 800 adult Americans between the ages of 34 and 52 years, i.e. Baby Boomers, in September, 1998. Following the announcement in early January of the President's long term care initiative, Fabrizio, McLaughlin & Associates conducted a follow-up national telephone survey of 800 Baby Boomers in mid January, 1999. The following analysis draws from these two national surveys.

Baby Boomers Flunk Long Term Care IQ Test

The Baby Boom generation gets a failing grade when it comes to what they know and what they believe about how the nation's elderly pays for its long term care. Whether it is correctly understanding the difference between Medicare and Medicaid, understanding what Medicare does and does not cover, or how long term care is paid for in the United States today, the "Me" generation is sorely uneducated.

Nearly three out of five (58%) Baby Boomers admit they cannot correctly describe the basic differences between Medicare and Medicaid. (Jan. '99)
A majority (56%) of Baby Boomers is unable to correctly say that Medicare does not cover extended stays in nursing homes. Even those who have had experience with the nursing home system are unaware of Medicare's coverage of the care. Half of those who have recently placed a love one in a nursing home were not aware or inaccurately thought Medicare covered extended nursing home care. (Jan. '99)
More than four out of five (85%) Baby Boomers cannot name the primary funding source for the vast majority of nursing home residents. Only 15% correctly identified Medicaid. Other choices included personal savings (21%), Medicare (20%), Social Security (19%), family (8%), health insurance (8%), and 10% were unable to form an opinion. (Jan. '99)
Personal Preparedness for Long Term Care

While Baby Boomers are nearly universally covered by health insurance, the vast majority do not see themselves as being financially prepared to cover their own long term care costs, or those of their spouse, should they require it. Moreover, few have given serious thought to the issue, lending credence to the theory that by the time people start to prepare for their long term care needs, it is often too late. As the national dialogue on long term care issues intensifies, and more focus is given to the idea of supplemental long term care insurance, there seems to be some willingness among Baby Boomers to go the extra step and pay for additional coverage, as long as it is very low-cost.

91% of all Baby Boomers claim to be covered by health insurance. Sizable majorities are also covered by life insurance (77%) and have a pension or retirement plan (69%). And while only 27% of Baby Boomers say they are covered by long term care insurance, the reality is that only about 2% of them actually are covered. The impact of this disparity is significant: roughly one in four Baby Boomers think they are covered for one of the costliest expenses they will face in their lives and they are not. (sep. '98)

On average, Baby Boomers have saved $34,000 for their retirement, an amount that would not cover the average cost of a single year in a nursing home. Less than one in five (19%) Baby Boomers have set aside the average $50,000 needed for just one year in a nursing home. (sep. '98)

By far, the single greatest concern Baby Boomers have about health care and about their retirement is cost. In an open-ended format, 39% of Baby Boomers cited cost concerns when it came to the biggest health care issue facing their families. When asked what was the greatest problem facing their generation, 22% of Baby Boomers responded health care or retirement costs. (sep. '98 & jan. '99)

Only half of all Baby Boomers have given at least some thought to how they will pay for their long term care needs, while only 13% say they have given the issue a great deal of thought. (Jan. '99)

More than two out of three (68%) Baby Boomers say they are not financially prepared for long term care should they or their spouse need it later in life. (Jan. '99)

Nearly three out of five (58%) Baby Boomers are willing to consider supplementing their current insurance coverage with long term care policies. However, most (70%) of those who are willing to consider long term care insurance are only willing to pay up to $50 per month for it (42% are willing to pay $1-$25, 28% are willing to pay between $26-$50). Less than 6% of Baby Boomers are willing to pay $100 per month or more on long term care insurance. The mean monthly payment Baby Boomers are willing to pay for additional coverage is $31. A quarter of all Baby Boomers are unwilling to consider additional coverage at all. (Jan. '99)

Retirement Challenges Facing Women

Baby Boom women face a unique challenge as their retirement years approach. Statistics show that women still make seventy-five cents for every dollar made by a man, and they live longer, often spending their retirement savings looking after their ailing husbands. In addition, our research found:

Among Baby Boomers, men save on average one third more than what women save for their retirement. There is a $9,000 difference in the mean savings between men and women – $39,000 to $30,000, respectively. (sep. '98)
Over one-third of all Baby Boomer women expect to be a caregiver for a family member or a loved one at some point. Interestingly, female Boomer caregivers are almost twice as likely to expect to provide care for a parent or in-law as they are to provide it for their own husband; 86% expect to provide care for a parent or in-law, 48% expect to provide care for their husband. (sep. '98)
With care giving comes consequences that are suffered by female Boomers. Half of them say that they had to both reduce the number of hours they worked and give up space in their homes as a result of providing care. In addition, sizable percentages said they were forced to hire nursing help (46%), incur large expenses (44%) and quit their job or take a leave of absence (41%) as a result of their care giving. (sep. '98)
Female Boomers are very concerned about saving enough for retirement and LTC. More than seven in ten female Boomers say they are concerned about saving enough for retirement, while nearly two-thirds say they are concerned about saving enough to pay for LTC. And while 57% say they are concerned about saving enough to help take care of their parents, that share jumps to 75% among those who expect to be caregivers. (sep. '98)

Baby Boomer Attitudes and Opinions Toward Long Term Care

Most Baby Boomers generally agree that people who have worked hard, played by the rules and paid their taxes should not have to become bankrupt to receive care. They are also very receptive to the initial proposals to address some long term care concerns that were advanced this month by President Clinton, particularly those items that rewarded caregivers and educated people about the reality of what is and is not covered by Medicare.

Two out of three Baby Boomers believe that government policy should not force families who have worked hard and played by the rules into bankruptcy just to get long term care assistance. Support for this idea runs strong regardless of gender or age, although support among Baby Boomers with college and advanced degrees are less enthusiastic than those are with not as much education. (Jan. '99)
More than four out of five (86%) Baby Boomers favor Clinton's plan to give $1,000 tax credits to support those with long term care needs or the family members who care for and house their ill and disabled relatives. (Jan. '99)
More than four out of five (82%) Baby Boomers support the launching of a national campaign to educate Medicare beneficiaries about the programs' limited coverage of long term care and how best to evaluate their options. (Jan. '99)
Nearly three out of four (74%) Baby Boomers favor the creation of a National Family Caregiver Support Program that will allow states to set up centers for "one-stop-shopping" for information and support on long term care concerns. (Jan. '99)
While supported by fewer numbers than the other Clinton proposals, nearly three out of five (58%) Baby Boomers support the idea of offering quality private long term care insurance to Federal employees to set a national example to employers so they might offer the benefit to their employees. (Jan. '99)
Industry Images

Whether public perception shapes the news or the other way around, it is clear that the political rhetoric railing against the HMO industry is striking a chord. HMO's are the most negatively viewed health care industry tested in this survey. Unfortunately, nursing homes do not fare much better. As many people

view the nursing home industry negatively as they do positively. The assisted living industry and the broader long term care industry are viewed much more positively, while home health care has an exceedingly popular image. And while HMO is part insurer, part health care provider, its negative image does not track with the image of the health insurance industry generally. Moreover, the life insurance industry, which might be a source of creative solutions to long term care insurance, has an extremely popular image. (jan. '99)

Industry	Favorable	Unfavorable	Net Favorable
Home Health Care	76%	9%	+67%
Life Insurance	73%	18%	+55%
Assisted Living	61%	16%	+45%
Health Insurance	61%	35%	+26%
Long term Care	51%	25%	+26%
Nursing Homes	44%	45%	-1%
HMOs	36%	51%	-15%

Methodology

The September 1998 survey was the product of a joint effort between the firms of Fabrizio, McLaughlin & Associates and Penn, Schoen, Berland & Associates on behalf of the American Health Care Association. Interviews were conducted among 800 adults ages 34-52 on September 21-24, 1998. The margin of error associated with a sample of this type is +3.5% at the 95% confidence level.

The January 1999 survey was produced by Fabrizio, McLaughlin & Associates. FMA conducted a national telephone survey among 800 Baby Boomers (ages 34-52) January 11-13, 1999 on behalf of the American Health Care Association. The margin of error for this survey is ± 3.5% at the 95% confidence level.

Questions regarding the research should be directed to Bob Ward, Vice President of Fabrizio, McLaughlin & Associates, (703) 684-4510.

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