Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: phone numbers and personal medical (9 pages)	12/30/1998	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Devorah Adler
OA/Box Number: 20469

FOLDER TITLE:
Long Term Care [Folder 7]

2012-0463-S
rc780

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

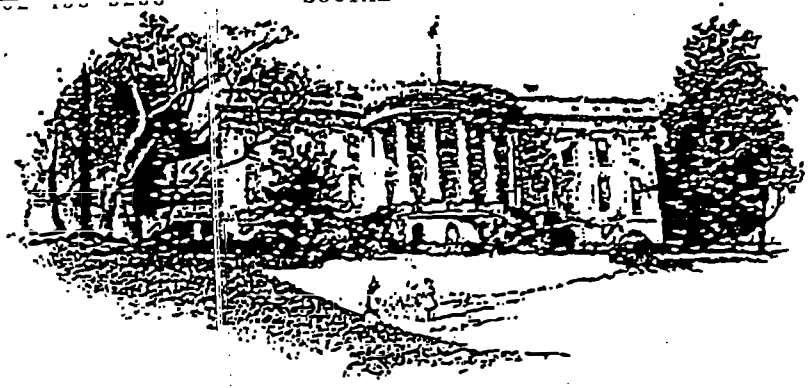
P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

SOCIAL OFFICE



OFFICE OF CAPRICIA PENAVIC MARSHALL

SOCIAL SECRETARY

THE WHITE HOUSE

TELEPHONE NUMBER: 202-456-7136 FAX NUMBER: 202-456-6771

NUMBER OF PAGES, INCLUDING THIS PAGE ____

DATE _____

To Deborah

FAX NUMBER _____

FROM Sharon Kennedy Gail

MESSAGE _____

The names w/o an "A or R" have not responded yet.

NOT FOR Distribution

President's List

HEALTHCARE CEREMONY - Monday JAN 4 1999 - 10:00 AM White House - Business - East Visitors Entrance

THE PRESIDENT AND FIRST LADY

REPORT DATE: December 31, 1998
REPORT TIME: 1:35 PM

Accepts and No Responses

A **Mr. Daniel C. Adcock**
Assistant Legislative Director, National Association of Retired Federal Employees
Washington, DC

A **Ms. Linda Anthony**
Executive Director, Pennsylvania Coalition of People's With Disabilities
Harrisburg, PA

A **Mr. Howard Bedlin**
Vice President for Public Policy & Advocacy, National Council on The Aging
Washington, DC

A **Mr. Robert B. Blancato**
Chairman of the Advisory Board, National Silver Haired Congress
Washington, DC

A **Ms. Deborah Briceland-Betts**
Executive Director, Older Women's League
Washington, DC

A **Ms. Maria Cordone**
Director of Community Service & Older Workers, IAM & Retirees
Upper Marlboro, MD

A **Mr. Lawrence Crecy**
Executive Vice President, National Caucus & Center on Black Aged
Washington, DC

Ms. Hilda L. Crespo
Hispanic Working Group on Healthcare
Washington, DC

A **Ms. Jean Daniel**
Policy Director, National Association of Area Agencies on Aging
Washington, DC

A **Mr. Justin Dart**
Founder, Justice for All
Guest: Mr. Tim Yazawa

A **Dr. Jane L. Delgado**
President and CEO, COSSMHO
Rockville, MD

Ms. Beth Foley
Executive Director, Council for Exceptional Children
Reston, VA

A **Mr. Marty Ford**
Assistant Director, Association of Retarded Citizens
Washington, DC

A **Mr. Burton Fretz**
Executive Director, National Senior Citizens Law Center
Washington, DC

Accepts and No Responses

Mr. Timothy Mark Fuller
Executive Director, Gray Panthers
Washington, DC

Ms. Helen Gibson
Supervisor for Special Programs, CWA Retirees
Washington, DC

A **Mr. Val John Halamandaris**
President & CEO, National Association for Homecare
Washington, DC

Mr. Robert Kafka
ADAPT

Ms. Carmela LaCayo
President & CEO, National Association for Hispanic Elderly
Pasadena, CA

A **Mr. Paul Arthur Marchand**
Chairman, Consortium for Citizens with Disabilities
Washington, DC

A **Mr. Stephen R. McConnell**
Senior Vice President, Alzheimer's Association
Washington, DC

A **Mr. Mike Oxford**
Executive Director, National Council on Independent Living

Mr. Stephen Protulis
National Council of Senior Citizens
Silver Spring, MD

A **Mr. Stephen Regenstreif**
Director, AFSCME Retiree Program
Washington, DC

A **Mr. Max Richtman**
Executive Vice President, National Committee to Preserve Social Security and Medicare
Washington, DC

A **Ms. Judith Assmus Riggs**
Director for Federal Policy, Alzheimer's Association
Washington, DC

Dr. Elena Rios
President, National Hispanic Medical Association
Washington, DC

A **Mr. Michael Rodgers**
Senior Vice President for Government Relations, American Association of Homes & Services for the Aging
Washington, DC

A **Mr. John Charles Rother**
Director of Legislation & Public Policy, American Association of Retired Persons (AARP)
Washington, DC

REPORT DATE: December 31, 1998
REPORT TIME: 1:35 PM

Accepts and No Responses

Mr. Daniel Schulder
National Council of Senior Citizens
Silver Spring, MD

A **Mr. Gerry Shea**
Assistant to the President for Government Affairs, AFL-CIO
Washington, DC

A **Mr. Samuel J. Simmons**
President, National Caucus & Center on Black Aged
Washington, DC

A **Dr. Marta Sotomayor**
President & CEO, National Hispanic Council on Aging
Washington, DC

A **Ms. Victoria Wagman**
Policy Associate, National Council on the Aging, Inc.
Washington, DC

Ms. Roberta Weiner
Older Women's League
Washington, DC

A **Mr. Bruce Yarwood**
Legislative Counsel, American Health Care Association
Washington, DC

A **Mr. Tony Young**
Senior Policy Analyst, United Cerebral Palsy Association

Regrets

R **Ms. Polly Arango**
Director, Family Voices
Algodones, NM

R **Mr. Todd A. Crenshaw**
Organizational Specialist, National Education Association Retirees
Washington, DC

R **Mr. Jonathan D. Dauphine**
Chief Program Officer, Long Term Care Campaign
Bethesda, MD

R **Mr. Horace B. Deets**
Executive Director, American Association of Retired Persons
Washington, DC

R **Ms. Martha A. McStein**
President & CEO, National Committee to Preserve Social Security and Medicare
Washington, DC

R **Dr. Galen Miller**
Vice President and Director of Professional Development and Research, National Hospice Association
Arlington, VA

R **Ms. Patricia McGill Smith**
Executive Director, National Parent Network on Disabilities
Washington, DC

R **Mr. Frank Stella**
Deputy Assistant to the President for Operations, American Federation of Teachers Retirees
Washington, DC

R **Ms. Rosalie W. Whelan**
Coordinator, Retired Members Department, Service Employees International Union Retirees
Washington, DC

REPORT DATE: December 31, 199
REPORT TIME: 1:35 PM

TOTAL COUNTS

Number of Accepts:	30
Number of Regrets:	9
Number of No Responses:	10
Number of Unknown Guests:	0
Number of Expected Attendees:	40

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: phone numbers and personal medical (9 pages)	12/30/1998	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Devorah Adler
OA/Box Number: 20469

FOLDER TITLE:
Long Term Care [Folder 7]

2012-0463-S
rc780

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

PRESIDENT CLINTON UNVEILS HISTORIC LONG TERM CARE INITIATIVE TO SUPPORT FAMILY CAREGIVERS AND HELP ADDRESS GROWING LONG-TERM CARE NEEDS

January 4, 1999

Today, President Clinton is unveiling a historic new initiative to support Americans with long term care needs and the millions of family members who care for them. This four-part initiative takes important steps to address growing complex long term needs through: (1) an unprecedented $1,000 tax credit that compensates for formal or informal costs to Americans of ages with long-term care needs and the family caregivers who support them; (2) a new National Family Caregivers Support Program that provides a range of critical services for caregivers such as information about local long term care options as well paying for respite care services; (3) a national campaign to educate Medicare beneficiaries about the long-term care options that best meet their needs; and (4) new efforts to promote promising strategies by offering quality private long term care insurance to all Federal employees.

The President is being joined by the First Lady, Secretary Rubin, Secretary Shalala, and Director LaChance to unveil this initiative at the White House and the Vice President and Mrs. Gore are participating from an adult day care center in California that is part of one of the nation's few statewide family caregiving resource programs.

MILLIONS OF AMERICANS HAVE LONG TERM CARE NEEDS.

- **More and more Americans have a range of long-term care needs.** About 3 million Americans have significant limitations due to illness or disability and thus require long-term care. Approximately, two-thirds are older Americans. Also, millions of adults and a growing number of children have long-term care needs because of health condition from birth or a chronic illness developed.

- **The aging of Americans will only increase the need for quality long-term care options.** The number of Americans age 65 years or older will double by 2030 (from 34.3 to 69.4 million), so that one in five Americans will be elderly. The number of people 85 years or older, nearly half of whom need assistance with everyday activities, will grow even faster (from 4.0 to 8.4 million). Americans are living healthier lives as one study found that the number of elderly with chronic illness is 1.2 million lower than had trends from the early 1980s continued. However, the sheer increase in number of elderly in the next century means more chronic illnesses and one study found that by 2050, the number of older, disabled people will double.

MULTI-FACETED INITIATIVE TO SUPPORT FAMILY CAREGIVERS AND ADDRESS GROWING LONG TERM CARE NEEDS. The President is unveiling a four-part initiative that is designed to address the broad-based and varied long-term care needs. It will: provide immediate support and assistance for the seven million Americans who care for family members with major long-term care needs; educate the elderly and people with disabilities about long-term care issues and options; promote new promising strategies directions for long-term care policy for the twenty-first century. The President also called on the Vice President to host a series of forums around the nation to raise awareness about the need to support family caregivers and address the growing need for long term care options. This proposal includes:

- **Supporting families with long term care needs through a historic $1000 tax credit.** This initiative, for the first time, acknowledges and supports the millions of family members who care for and house their ill or disabled relatives through a $1,000 tax credit. This new tax credit supports the diverse needs of families by compensating a wide range of formal or informal long-term care for people of all ages with three or more limitations in activities of daily living (ADL) -- such as adult day care, respite care reduced hours at work. This proposal that supports -- rather than supplanting -- family caregiving, would help about 2 million Americans, including 1.2 million older Americans, over 500,000 people with disabilities, and approximately 250,000 children. It costs $5.5 billion over five years and phases out at $110,000 for couples and $75,000 for unmarried taxpayers.

- **Creating an unprecedented National Family Caregiver Support Program.** Recent studies have found that services like respite care can relieve caregiver stress and delay nursing home entry, and that support for families of Alzheimer's disease patients can delay institionalization for as long as a year. This new nationwide program would support families who care for elderly relatives with chronic illnesses or disabilities by enabling states to create "one-stop-shops" that provide: critical information about community based long term services that best meet a family's needs; counseling and support, such as teaching model approaches for caregivers that are coping with new responsibilities and providing training on complex care needs, such as feeding tubes; and paying for quality respite care or adult day care services. This $125 million program would serve approximately 250,000 families nationwide.

- **Launching a national campaign to educate all Medicare beneficiaries about the long-term care options that best meet their needs.** Nearly 60 percent of Medicare beneficiaries are unaware that Medicare does not cover most long term care, and many do not know what long-term care services would best meet their needs. This nationwide campaign would provide all 39 million Medicare beneficiaries with critical information about long-term care options including: what long-term care Medicare does and does not cover; how to find out about Medicaid long-term care coverage; what to look for in a quality private long term care policy; and how to access information about home and community based care services that best fit beneficiaries need. This $15 million campaign would distribute information through a range of critical channels such as the Medicare handbook, Medicare resource centers.

- **Promoting promising new strategies for long-term care by offering private long-term care insurance to Federal employees.** The President also called on Congress to pass a new proposal that allows the federal government as the nation's largest employer to use its market leverage and set a national example by offering quality private long-term care insurance to all federal employees, retirees, and their families. This insurance policy will offer employers nationwide a model approach for offering quality long-term care insurance. The Office of Personnel Management anticipates that approximately 300,000 Federal employees would participate in this program.

BACKGROUND: PRESIDENT CLINTON'S LONG-TERM INITIATIVE

DRAFT: December 30, 1998

One, great fear of the elderly and their families is developing a need for intense, ongoing long-term care. Unlike acute care, long-term care is much less likely to be paid for by private insurance and Medicare and is more likely to require out-of-pocket expenditures. It also takes a huge financial and emotional toll on family and friends who provide most of this care. Because of its complexity, however, no single policy can "solve" this problem. Thus, the President has proposed a multi-faceted initiative to provide immediate assistance with long-term care and help prepare for what will surely be one of the great challenges as the baby boom generation retires.

GROWING NEED FOR LONG-TERM CARE

- **Who needs long-term care.** People with chronic illness or disability not only need doctor, hospital and other acute care services -- they also need a wide range of services to manage their health conditions and perform basic activities of daily living. For example, people with strokes may be bed-bound due to paralysis and need help with eating, moving and changing their feeding tubes. Diabetics with other complications or people with congestive heart failure may require frequent shots, medication and visits to the doctor. People with Alzheimer's disease often need constant monitoring and changes to their homes to allow them to live at home safely. Long-term care encompasses these and other services. It is probably the most complicated area of health care, since its content depends on a person's condition and access to care offered by institutions, health providers, families and friends.

  About 6 million Americans have significant limitations due to illness or disability and thus require long-term care. About two-thirds of people with long-term care needs are elderly, and nearly half of all people age 85 and older need assistance with everyday activities. Among the elderly, women are more likely to require long-term care, even after taking into account the higher number of elderly women than men. **Add women stat**

- **The aging of America will create a greater need for long-term care.** This century has brought great improvements to the health of older Americans. Today's elderly are expected to live more than 20 percent longer (over 3 years) than the elderly of the early 1960s. In part, this is because of less chronic illness among the elderly. One study found that the number of elderly with chronic illness is 1.2 million lower than it would have been had trends from the early 1980s had continued. In just the last 10 years, the proportion of the elderly reporting fair to poor health status declined by nearly 10 percent since 1987.

  Even while the proportion of elderly with health problems declines, the sheer increase in number of elderly in the next century means more heart disease, Alzheimer's disease and other chronic illnesses. In the U.S., the number of people age 65 years or older will double by 2030 (from 34.3 to 69.4 million), so that one in five Americans will be elderly. The number of people 85 years or older will grow even faster (from 4.0 to 8.4 million). One study, using optimistic assumptions about disability declines, projects that, by 2050, the number of older, disabled people will double.

- **Not just a challenge for the elderly**. One little-noticed consequences of the advances in helping premature, sick or disabled newborns survive is their ongoing need for acute and long-term care as they grow up. The number of such children has risen rapidly. [get stats] Also, millions of adults have long-term care needs because of a health conditions from birth (e.g., cerebral palsy) or a chronic illness developed as adults (e.g., early Alzheimer's, multiple sclerosis).

LONG-TERM CARE SYSTEM

- **Medicare was not designed to cover long-term care.** Long-term care costs account for nearly half (44 percent) of all uncovered, out-of-pocket health expenditures for Medicare beneficiaries. When it was created in 1965, Medicare was modeled after a typical private insurance policy and thus did not include long-term care coverage.

  Unfortunately, nearly 60 percent of all Medicare beneficiaries -- and two-thirds of people under age 65 -- do not realize that Medicare does not pay for long-term nursing home care. This means that the majority of Americans are unprepared for the financial and emotional challenges of paying for and/or providing long-term care.

- **Medicaid is already major payer for long-term care, but historically it has focus on nursing homes**. Medicaid is the largest payer of long-term care in the nation. It covers two-thirds of nursing home residents -- many of whom become eligible for this income-related program because long-term care costs impoverish them. The average nursing home costs approach $50,000 per year. About 70 percent of Medicaid payments are for nursing homes.

  The remaining 30 percent of costs are for home and community-base long-term care services. Consistent with the President's interest in reducing Medicaid's "institutional bias,"**1915©** the share of Medicaid spending going toward home and community-based services has more than doubled in the last 10 years. However, only a few states cover care in the growing number of "assisted living facilities." Assisted living facilities are becoming an important alternative to nursing homes. These 30,000 facilities typically provide 24-hour supervision; three meals a day in a group dining room; and services such as home health care and housekeeping.

- **Private insurance is relatively new, untested, and covers very few people**. Only about 4 million Americans -- 1.5 percent of all Americans -- have private long-term care insurance. In part, this reflects the newness of the coverage, the lack of widespread consistency of the insurance policies or the regulation of them, and a lack of demand. Given their cost, even if every baby boomer who could afford private insurance purchased it, less than one-third of long-term care costs would be paid for by private insurance in 2030.

- **Families and friend provide most long-term care.** Informal caregiving is a long tradition

for many Americans, and the vast majority of caregivers report it being a positive experience. Over 70 percent of the elderly with long-term care needs live with a spouse, son, daughter, or other adult. According to a new study, over 7 million Americans provide nearly 30 hours per week of assistance to elderly people with long-term care needs. [make this nonelderly]

However, the costs of such caregiving -- in time, money, and physical and emotional strain -- can be large. Two-thirds of working caregivers report experiencing conflicts that cause them to rearrange their work schedules, work fewer hours, or take an unpaid leave of absence from work. Most of the primary caregivers for the elderly are themselves older. Their average age is 60 years old, and half are older than 65. About one third described their own health as "fair to poor." This presents problems since informal caregiving often requires physical work like heavy lifting, frequent bedding changes, dressing and bathing. These stresses tend to be more severe for families of people with Alzheimer's disease. Such caregivers tend to experience greater time demands, family conflict, strain, mental and physical problems, and financial hardship.

LONG-TERM CARE INITIATIVE

Because of its complexity, no simple solution to the challenges in long-term care delivery and financing exists. Thus, this initiative includes a series of policies centered on three goals:

- **Provide immediate support and assistance for the major providers of long-term care: families and friends.** This initiative, for the first time, acknowledges and supports families who care for and house their ill or disabled relatives. It does this through a tax credit to compensate for the formal and informal costs of people with significant long-term care needs and a new Family Caregivers program that provides information, education and respite services that support and improve caregiving.

- **Educate the elderly and people with disabilities about long-term care issues and options**. Since most people who develop long-term care needs are Medicare beneficiaries, Medicare can be used to provide information to help people understand their long-term care options and navigate the system.

- **Promote directions in long-term care policy that hold promise for the twenty-first century.** To encourage employers to offer high quality, private long-term care insurance policy, the Federal government will develop a model program for its employees. Additionally, to promote innovative housing/health arrangements, grants will be given to low-income housing facilities to convert to assisted living facilities that also serve as sites for Medicaid home and community-based care services.

TAX CREDIT FOR PEOPLE WITH LONG-TERM CARE NEEDS OR THEIR CAREGIVERS

People with long-term care needs or their caregivers could receive a $1,000 tax credit beginning in 2000. This would help about 2 million people, at a cost of $5.5 billion over the five years.

- **Goal**: This policy offsets some of the paid and unpaid care long-term care costs incurred by people with chronic illness or the families with whom they live. Not only is a large proportion of long-term care costs not covered by insurance -- studies suggest that the value of informal, unpaid long-term care provided by families is worth billions of dollars.

- **Amount of the credit**: The credit is $1,000. It phases out for higher income tax payers (taxpayer with modified adjusted gross income exceeding $110,000 for couples, $75,000 for unmarried taxpayers, and $55,000 if the taxpayer is married but filing a separate return; same phase-out as the child tax credit). This credit cannot exceed the total amount of tax. However, like the child tax credit, it is refundable for taxpayers with 3 or more dependents.

  The flat $1,000 credit would be given on the basis of a certified need for long-term care rather than expenses for long-term care. This means that families and people with chronic illness or disability do not have to collect and submit receipts for paid home health or respite care. It also recognizes the costs associated with informal, family caregiving. For example, a wife whose husband has had a stroke would not have a receipt for her reduced hours at work, time spent bathing and feeding her husband and other real costs associated with care.

- **Eligibility**: Three types of people can receive this tax credit: (1) taxpayers with long-term care needs (defined below); (2) taxpayers whose spouses have long-term care needs; and (3) taxpayers with dependents with long-term care needs.

- **"Person with long-term care needs"**: For this credit, this includes:

  - People with 3 or more limitations in activities of daily living (ADL) (bathing, dressing, eating, toileting, transferring and continence management) without substantial assistance from another individual due to a condition lasting for longer than 6 months, as certified by a licensed doctor in the previous 12 months.

  - People with severe cognitive impairment who require substantial supervision to be protected from threats to their health and safety due to this condition and have difficulty with one or more ADLs or one of four major instrumental ADLs.

  - Children ages 2 through 6 who have difficulty with 2 out of 3 ADLs (eating, transferring and mobility) or are under the age of 2 and require skilled caregiver in the parents' absence or specific durable medical equipment (e.g., a respirator) for over 6 months. This definition will be studied to see how well it identifies children with long-term care needs.

- **"Caregivers"**: The current definition of dependents would be significantly expanded to include a person with long-term care needs who lives with the relative/taxpayer for at least half of the year. Dependents would not have to meet the current support test (receive more than half of their support from the taxpayer) if they meet a residency test: the potential dependent is the taxpayer's parent, grandparent, child, or grandchild and lives with the taxpayer for over half of the year (or for a full year for more distant relatives). Additionally, the current, gross income test of $2,750 would be relaxed so that most people who do not file taxes themselves would qualify (dependents cannot be taxpayers themselves). This limit is the sum of the exemption amount, the standard deduction, and the deduction for the elderly (about $8,100 for an elderly, single person, excluding Social Security income up to $30,000). Only one relative/taxpayer can count a person with long-term care needs as a dependent, although this relative/taxpayer can let another relative/taxpayer claim the credit.

  Broadening the definition of dependency is a major change that allows many more families who house and care for relatives to receive this credit. It also lets more people with long-term care needs who do not have enough income to pay taxes be claimed as dependents.

- **Who benefits**: About 2 million people would benefit from this credit. About 1.2 million of are elderly, over 500,000 are nonelderly with disabilities, and about 250,000 are children. Most people receiving the credit are caregivers and have income between $20,000 - 50,000.

- **Cost:** About $5.5 billion over the five-year budget window.

- **Examples**. The following hypothetical examples show how the tax credit would work. For many taxpayers, this credit would come in the form of a refund.

TAX CREDIT FOR PEOPLE WITH LONG-TERM CARE NEEDS					
SINGLE PERSON		**MARRIED PERSON**		**DEPENDENT**	
INCOME					
Social Security	+9,420	Social Security	+16,086	Parent's Social Sec	+9,420
Pensions	+13,765	Pensions	+14,370	Son's Income	+46,000
Interest	+1,000	Interest	+1,000		
Total Income	***24,185***	***Total Income***	***31,956***	***Total Income***	***55,420***
Adj. Gross Income	**14,765**	**Adj. Gross Income**	**15,870**	**Adj. Gross Income**	**46,000**
TAX LIABILITY					
Exemption	-2,750	Exemption	-5,500	Exemption	-8,250
Standard Deduction	-4,300	Standard Deduction	-7,200	Standard Deduction	-7,200
Elderly Deduction	-1,050	Elderly Deduction	-1,700	Elderly Deduction	
Taxable Income	***6,665***	***Taxable Income***	***1,470***	***Taxable Income***	***30,550***
Old Tax Liability	**1,000**	**Old Tax Liability**	**221**	**Old Tax Liability**	**4,583**
LTC Credit	-1,000	LTC Credit	-1,000	LTC Credit	-1,000
				Child Tax Credit	-500
New Tax Liability	**0**	**New Tax Liability**	**0**	**New Tax Liability**	**3,083**

NEW FAMILY CAREGIVER SUPPORT PROGRAM

A new National Family Caregivers Support Program would support families who provide long-term care to elderly relatives with chronic illnesses or disabilities through state and local area agencies on aging. This $125 million program would help approximately 250,000 families.

- **Goal**: This policy provides support for families who care for relatives with chronic illness in hope of making it possible for seniors with long-term care needs to remain out of hospitals and nursing homes. Recent studies have found that services like respite care can relieve caregiver stress and delay nursing home entry, and that counseling and support for families of Alzheimer's disease patients can delay institionalization for as long as a year.

- **Eligibility**: Families -- especially low-income families -- who provide care to elderly relatives with limitations in activities of daily living would be eligible for services.

- **Services provided**: Funding would be used to help families that take care of elderly relatives with significant long-term care needs. This assistance would include:

  - Connecting families with information on caregiver resources and local services (e.g., detailed information on the condition affecting their relative; names and numbers of local home care and respite services);

  - Providing counseling, training and peer support to teach families how to face the challenges of caregiving (e.g., how to bath people who have had strokes; what exercises work best for people with severe arthritis; how to cook meals for people with diabetes; how to manage the stress of caregiving);

  - Providing and paying for respite care (e.g., attendants so that the caregiver can shop or leave the house for other reasons, adult day care centers, and temporary care in an assisted living facility or nursing home).

  Additionally, a competitive grant would test innovative interventions (e.g., use of computer information for distant caregivers) and/or subgroups of caregivers (e.g., minority caregivers).

- **Administration:** All state agencies on aging would receive a grant for distribution to local area agencies on aging. These Federal, Administration on Aging grants would be matched by the states and states could not reduce their current spending on such services. States would develop a sliding fee scale consistent with its other programs.

- **Who benefits**: Altogether about 250,000 families could be served by this program.

- ***Examples***: The following programs served as models for this new, nationwide program:

  - **Washington**: Washington State Aging and Adult Services Administration established a program in 1989 to provide assistance to family caregivers. Through its area agencies on aging, it offers respite services to 2,000 families annually. An additional 3,200 families receive caregiver training. Respite services are prioritized based on the caregiver's vulnerability, intensity of care provided by family members, and presence of other family and or community supports.

  - **Wisconsin**. Since 1986, Wisconsin Bureau on Aging has allocated funds to county offices on aging, which decide on the types and amounts of assistance to provide to families caring for individuals diagnosed with Alzheimer's disease or a related disorder. Covered services are primarily respite care, provided in the home or in adult day care. In addition, assistive devices, caregiver training, and peer group supports can be financed. As with the Washington State program, families pay fees based on income. About two-thirds of funds are spent for respite care for 1,000 families. Another 4,600 families receive caregiver training and peer group supports.

  - **California:** Its Department of Mental Health developed a program in 1985 to provide caregiver support services through eleven agencies statewide. These agencies target families caring for persons with Alzheimer's disease, Parkinson's disease, stroke, and traumatic brain injury. Services include needs assessment, information and referral, family consultation and training, support groups, and respite care. Compared to other caregiver programs, California prioritizes family consultations (i.e., advice, problem solving, and emotional support) somewhat equally with respite care. About 25 percent of families served received full assessments for care planning and stress management.

- **Cost**: The total funding is $125 million in FY 2000, most of which would be distributed among all states, and a small part of which would be used for the competitive grant program. Additionally, 2 percent of funds would be set aside for an evaluation of these efforts -- in an effort to identify what works and doesn't work so that future efforts are best targeted.

LONG-TERM CARE INFORMATION CAMPAIGN FOR MEDICARE BENEFICIARIES

Information on long-term care coverage, options, and how to navigate the system would be provided through Medicare. All 39 million Medicare beneficiaries would receive this information through this $15 million initiative.

- **Goal**: This policy provides information on long-term care to Medicare beneficiaries -- who comprise most of the people who have or will develop long-term care needs. Since nearly 60 percent of beneficiaries do not realize that Medicare does not cover most long-term care, this information is critical to educating them about their coverage and directing them to financing and delivery systems.

- **Information provided**: In consultation with long-term care, disability and aging experts, a set of simple, specific information would be developed. It would include: a description of what long-term care Medicare does and does not cover; how to find out about Medicaid long-term care coverage; what to look for in a private long-term care insurance policy; how to access home and community-based care; and other consumer information.

- **Information dissemination**: This initiative would incorporate long-term care information into several of the multiple ways Medicare has of communicating with its beneficiaries. For example, beginning in 1999, the annual Medicare handbook will be sent to all beneficiaries to tell them about their local health plan choices. Preliminary results from this year's test of the handbook suggest that beneficiaries do read extra information (information on low-income protections was included and a large number of calls were made as a result).

- **Who benefits**: All 32 million seniors and 7 million people with disabilities who receive Medicare would receive this information. Since a large proportion of people with long-term care needs are elderly or adults with disabilities, Medicare is an extremely efficient way to target such people. A large portion of the country's long-term care needs are met through individual out-of-pocket payments and informal family caregiving. A Medicare education initiative could help these people find some relief for their long-term care burden.

- **Cost**: $15 million in FY 2000.

OFFERING PRIVATE LONG-TERM CARE INSURANCE TO FEDERAL EMPLOYEES

The proposal would allow the Office of Personnel Management (OPM) to offer its employees and annuitants the option to purchase high-quality private long-term care insurance policies. The cost of administration of this benefit would be small and an estimated 300,000 people would participate.

- **Goal**: This policy would: (a) educate Federal employees and annuitants about long-term care options; (b) improve the quality and purchase of private policies; and (c) serve as a model for other employers interested in offering long-term care insurance to employees. This is one in a series of policies in which the Federal government has taken a leadership role in a major policy initiative and as a major employer.

- **Eligibility**: Federal active workers, annuitants, and spouses could purchase the long-term care policies offered by OPM.

  In its first year, OPM would run an education campaign to educate possible participants about long-term care insurance. In the second year, it would hold an open enrollment for all Federal employees, annuitants, and spouses. After this, new employees could enroll at the group rate and current employees could enroll with underwritten rates.

- **Types of insurance policies would be offered**: OPM would set qualifications for group long-term care insurers that want to participate in this program. At a minimum, insurers must be licensed under state law, compliant with the Health Insurance Portability and Accountability Act standards, meet the National Association of Insurance Commissioners' standards, and offer guaranteed renewability of their policies. It could also build in a basic benefit package (e.g., has a minimum benefit level; inflation protection; contingent nonforfeiture). This gives employees the security of knowing that they are purchasing sound policies.

  OPM would select one or more contractors to offer these policies. It would standardize plan options so that people interested in these policies can make informed choices. For example, it could include a "basic" plan plus several "enhanced" policies that include more generous coverage for a day in the nursing home or a more flexibility "disability" type of benefit that can be used for whatever type of service the beneficiary needs.

- **How much do participants pay**: Premiums would be payed for through payroll deductions. Each employee's agencies would send the premiums to the insurers. There would be no trust fund or Federal government contribution.

- **Cost**: The administrative costs would be about $40 million over 5 years.

Long-Term Care Event

Briefing prepared by Sarah Bianchi
Event Time: Monday, January 4, 1999
8:15-9:05am

EVENT

You are participating in an event at the Triple "R" (Respite, Recreation, and Recognition) Adult Day Care Program in Sacramento, CA, and then in the White House via satellite to highlight the lives of family caregivers and the Administration's four new initiatives to improve long-term care services and accessibility and the lives of caregivers.

LOGISTICS

-- You and Mrs. Gore talk with 3 family caregivers at the Triple "R" Program.

-- President Clinton calls on you from White House via satellite.

-- You and Mrs. Gore speak with the President.

-- President Clinton remarks.

-- You conclude satellite communication and depart.

YOUR ROLE AND CONTRIBUTION

This event provides an opportunity to highlight the tremendous struggles of family caregivers in caring for their relatives and the Administration's new initiatives to ease their burdens and improve the conditions of long-term care.

ATTACHMENTS

- Background on Administration's new long-term care initiatives
- Background on California's statewide system of Caregiver Resource Centers and the Triple "R" (Respite, Recreation, and Recognition) Adult Day Care Center.