

THE POST'S VIEW

# Opinion Long-term care needs a long-term solution

By the [Editorial Board](#)

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OF PRESIDENT Biden's \$2 trillion American Jobs Plan proposal, roughly one-fifth is for home and community-based long-term care for the elderly and people with disabilities. It's an impressive expression of commitment to this enormous and, for an aging population, growing need. He's asking to spend \$400 billion over the next eight years, on top of the current \$71 billion Medicaid budget for such services. The covid-19 pandemic, and its death toll among elderly nursing home residents and their caregivers, has underscored the urgency.

Much depends on precisely how Medicaid would spend all of that new money (which would be in addition to a \$12 billion one-year add-on already included in Mr. Biden's \$1.9 trillion American Rescue Plan). However, the White House's nearly detail-free statements so far leave Congress to fill in the policy blanks. Given the vast array of interest groups that will want to weigh in — from union home-care workers that might benefit to traditional nursing homes that might not — the bargaining could get complicated. Nursing homes depend heavily on Medicaid funding, and they have been losing both patients and dollars lately, so it seems likely they'll insist on getting a piece of the pie before the legislation passes, if it does.

Mr. Biden's plan could bolster the innovative program known as Money Follows the Person, which uses Medicaid money to pay for in-home alternatives to institutional care. It is set to expire in 2023. Although it helped more than 101,000 people between its inception in 2008 to the end of 2019, there were 1.2 million nursing care facility residents in 2019 alone, and since stable housing, owned or rented, is a prerequisite, there are probably limits to how many more could take advantage of even a fully funded and permanently authorized version.

Substantial as its dollar figures are, Mr. Biden's proposal still works within the existing Medicaid-based system for funding long-term services and supports — as opposed to transforming it. A more innovative vision would treat funding for long-term care as a matter of insurance. It's hard to make money insuring people against the risk that they will need years of expensive care, so the private sector has managed to cover only 7.5 million people so far, and in a limited way at that.

Social insurance is the most humane, efficient alternative, as some of the United States' rapidly aging peer nations have concluded. Admittedly, that is an even heavier legislative lift, as the failure of President Barack Obama's attempt at a federal long-term insurance program, the Class Act, demonstrated. The Class Act's weakness was that it was voluntary, not funded through mandatory contributions, as are Medicare and Social Security. Five years ago, the Long-Term Care Financing Collaborative, a nongovernmental expert panel, offered a proposal to protect against catastrophic costs of long-term services and supports in the final years of life. About half of seniors will require such help, typically for two years each, at a cost of \$140,000, the panel estimated. Under the proposal, individual savings would buttress insurance benefits, and care would occur in the most appropriate home-based or institutional setting. The United States is aging, and will be for decades. Sooner rather than later, public policy must adapt.

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