



## NEWS RELEASE

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### **Health Care Opinion Leaders: Long-Term Care Financing Should Be Shared by Government and Individuals**

#### **A Majority Supports Long-Term Care Benefit for Medicare; Pay-for-Performance Favored as Effective Way to Improve Quality**

New York City, December 29, 2005—Financing the nation’s long-term care needs should be a responsibility shared equally by government and individuals, agrees a majority of respondents (61%) to the latest Commonwealth Fund [Health Care Opinion Leaders survey](#). A wide majority—80 percent—of the 246 respondents to the online survey also favors adding a long-term care benefit to Medicare, financed by a premium, to address the growing cost of such services.

“In the near future, our nation faces the daunting challenge of meeting the needs of growing numbers of older Americans—including baby boomers nearing retirement age—for nursing home, home health, and assisted living care,” said Commonwealth Fund President Karen Davis. “Health care leaders support strategies to spread these costs widely, rather than place the entire burden on individuals or families.”

When asked about policies to finance long-term care costs, in addition to adding a long-term care benefit to Medicare, majorities of respondents said they favor providing tax incentives for individuals to purchase private long-term care insurance (75% in favor), transferring responsibility for Medicaid long-term care from states to the federal government (68%), allowing tax-favored medical savings accounts to purchase long-term care insurance (63%), and tightening rules and state enforcement of Medicaid asset transfer restrictions (61%). More leaders oppose (47%) than favor (40%) vouchers for elderly and disabled Medicaid beneficiaries to purchase their own long-term care services.

Financing approaches that did not receive strong support included expecting adult children to contribute in part to their parents’ long-term care costs (47% in favor), placing responsibility solely on the government (41%), expecting employers to contribute to their employees’ long-term care costs (33%), and requiring individuals to pay for all or most of their long-term care (26%).

When asked about effective ways to assure and improve the quality of long-term care, about two-thirds of respondents said that pay-for-performance (66%), consumer report cards (66%), and state enforcement against low-quality providers (65%) were effective approaches. Majorities also thought increased payment rates to long-term care providers (59%) and establishment of staffing requirements for nursing homes (57%) could improve quality. Slightly fewer than half (45%) said Medicare Quality Improvement Organizations (QIOs) were effective in improving nursing home quality.

Only about one-quarter (27%) of respondents were familiar with the “culture change” or “resident-centered care” movement in nursing home care, despite the fact that work on culture change has now been included by the Centers for Medicare and Medicaid Services (CMS) in the eighth scope of work for QIOs.

In a commentary on the survey findings, "Financing Health Care for an Aging Population," John Derr, Vice President of Special Programs for American Health Care Association/National Center for Assisted Living, describes the current financing system for long-term care as "broken," and outlines what he thinks would be needed to build a viable elder health care system, including financial incentives to upgrade facilities and invest in health information technology, and turning the system for evaluating nursing homes from one based on penalties to one based on partnership-building on the positive results from the Centers for Medicare and Medicaid Services' quality improvement organizations.

In another commentary, "The U.S. Long Term Care System—Ripe for Reform," former U.S. Senator David Durenberger, currently Senior Health Policy Fellow at the University of St. Thomas in Minneapolis, and Chair of the National Institute of Health Policy, says that in addition to financing reform of long-term care, "we must also establish national standards on quality and access, which incorporate the expectations of all stakeholders, including providers, regulators, but most importantly, consumers and their families." He adds that "we can accomplish this goal through greater use of information technologies and flexible care options that address the needs of the individual consumer."

The online survey of experts, representing a range of health care sectors and diverse perspectives, is the sixth in a series conducted by Harris Interactive® for the Commonwealth Fund, designed to highlight leaders’ perspectives on the most important and timely health policy issues facing the nation. This survey focused on the nation’s long-term care needs.

Results from the survey on long-term care are posted on the Fund’s website, along with a year-end review of highlights from all six surveys conducted over the past year. “These expert opinions provide a guide to a pragmatic strategy for change, with broad support across all sectors of society and the health care industry,” said Davis.

**Methodology:** The online survey was conducted by Harris Interactive® between November 9th, 2005 and December 5th, 2005. The survey was delivered via e-mail to a panel of 1287 opinion leaders in health policy and innovators in health care delivery and finance; 246 responded. The sample was developed jointly by The Commonwealth Fund and Harris Interactive by identifying experts across different health care industries and professional sectors with a range of perspectives, and then asking them to nominate others within and outside their own fields whom they would consider to be leaders and innovators in the health care industry. The data were not weighted and are representative of the opinion leaders and innovators surveyed. The overall results have a sampling error of plus or minus 6 percentage points at the 95 percent confidence level. This online sample is not a probability sample.

**The Commonwealth Fund is a private foundation that supports independent research on health and social issues and makes grants to improve health care policy and practice.**