Protecting Consumers and Medicaid from Catastrophic Long-Term Care Costs

June 2020

OVERVIEW

By adopting the NAIC's Guaranty Fund Model Act provisions, states can strengthen the structure of guaranty funds to reduce consumer risks and minimize liabilities to Medicaid resulting from long-term care insurance (LTCi) insolvencies. States can further address risk by considering policy options to strengthen long-term care financing outside of the Medicaid program.

LTCi is a financial product that promises over 7 million policyholders benefit payments for long-term services and supports (LTSS)—such as home and community-based services—should they experience a high need for these services. LTCi plays an important role in protecting individuals against the risk of spending their income and assets on expensive LTSS, and relying on Medicaid. However, the current LTCi environment threatens these protections for policyholders.

With support from the Anthem Public Policy Institute, ATI Advisory—a research and advisory firm focused on healthcare and aging—researched and identified the implications for Medicaid of increasing the stability of the funding pools that protect private long-term care insurance policyholders against carrier insolvencies.

Topics

- Evolution of private LTCi
- LTCi industry challenges and responses
- Challenges for Medicaid
- Public and private solutions moving forward

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