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Insurance and Real Estate Committee
Public Hearing
Tuesday, February 18, 2014

Written Testimony of Laurie Julian, Director of Public Policy, Alzheimer's Association, CT Chapter (The Association).

Senator Crisco, Representative Menga and distinguished members of the Committee on Insurance and Real Estate, on behalf of the Alzheimer's Association, CT Chapter, thank you for allowing me to submit testimony on several bills that are before you today.

The Alzheimer's Association is a donor supported, non-profit organization serving the needs of families, health care professionals and those individuals who are affected with Alzheimer's disease and related dementias. The Association provides information and resources, support groups, education and training, and a 24 hour, 7 day a week Helpline.

The Chapter submits comment on the following bills:

S.B. 12 (Raised) An Act Establishing a Tax Credit for Long-Term Care Insurance Premium Payments

The need for assistance with daily living increases with age. Alzheimer's patients and individuals with dementia are high users of health and long-term care and as the disease progresses 24/7 care is required. In fact, Alzheimer's disease is the most expensive malady. Dementia care costs are significant and are often a burden to families providing unpaid care. Caring for people with Alzheimer's disease also strains health care and long-term care systems. As the number grows, which is projected to escalate rapidly in the next two decades, the disease will place a major strain on these systems as well as on Medicare and Medicaid, major funders of this care.

Few individuals with Alzheimer's disease and other dementias have sufficient long-term care insurance or can afford to pay out-of-pocket for long-term care services as long as the services are needed. One of the biggest challenges for people living with Alzheimer's disease and their caregivers is the financial burden of care. People living with Alzheimer's disease often rely heavily on government programs such as Medicare and Medicaid to mitigate these costs. Unfortunately, too often Medicare and Medicaid are inadequate, and

the overwhelming costs of this disease exceed available personal funds, leaving families affected by Alzheimer's in the difficult position of struggling to balance care for their loved ones without impoverishing themselves.

Private health and long-term care insurance policies funded only about 7 percent of total long-term care spending in 2009. The private long-term care insurance market has decreased substantially since 2010, with major insurance carriers exiting the market or substantially increasing premiums, making policies unaffordable for many individuals.

Allowing a tax deduction for premiums on a long-term care policy may provide an incentive to purchase long term care insurance which is often cost prohibitive and an unaffordable option. Since the repeal of the CLASS provision of the Affordable Care Act, which would of provided a voluntary incentive for the purchase of long-term care insurance, other options should be available to encourage saving for assistance with daily living supports to remain in the community and diminish the reliance on state funding of long-term care.

This is in accord with the recent Task Force on Alzheimer's disease and Dementia recommendation to amend the state tax code to provide a deduction or credit for tax filers for the premiums paid for a private long-term care insurance policy.

<http://www.cga.ct.gov/coa/pdfs/AlzheimersTF/AlzheimersTaskForceFINALREPORT.pdf>

The Association also supports *S.B. 9, An Act Requiring Certain Disclosures for Long-Term Care Insurance Policies* and *S.B. 13 an Act Requiring Public Comment for Certain Long-term Care Insurance Policy Rate Increase Requests* to the extent these bills increase access to long-term care at reasonable and affordable costs.

Thank you for the opportunity to submit this testimony. Please feel free to contact me at Ljulian@alz.org, or (860) 828-2828.