



## Issue Summary

# Long-Term Care Insurance

NAHU encourages consumers to purchase private long-term care (LTC) insurance. Private coverage guarantees consumers the greatest possible degree of choice when it comes to their long-term health care needs. By 2020, one in every six Americans is expected to be over the age of 65. It is essential to pass legislation that will encourage the purchase of LTC insurance, by providing employees with an opportunity to purchase group LTC policies and allowing families with a chronically ill family member the ability to offset some costs through a caregiver tax credit.

NAHU believes government incentives that encourage the purchase of private LTC insurance will reduce Medicaid expenditures at both the state and federal levels of government.

NAHU is encouraged by the jointly funded [Long-Term Care Consumer Awareness Campaign Project](#) sponsored by the Centers for Medicare and Medicaid Services (CMS) and the U.S. Department of Health and Human Services (DHHS).

NAHU encourages Congress to take action on long-term care during the 109<sup>th</sup> session, and will work with members to achieve these goals:

- Premiums paid for tax-qualified LTC insurance policies should be deductible directly from gross income.
- Premiums paid for tax-qualified LTC insurance offered through employer-sponsored plans should be available through Section 125 cafeteria plans.
- Federal barriers to the establishment of state LTC partnerships should be removed to provide strong incentives for the purchase of a basic and affordable level of LTC insurance for individuals of moderate income.
- LTC insurance benefits from either tax-qualified or non-tax-qualified policies should be received by the insured without income tax liability.
- The 90-day certification requirement should be eliminated from the requirements of tax-qualified LTC insurance.