



## Legislative Task Force on Aging – Own Your Future Presentation July 25, 2024

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# Purpose of Own Your Future (OYF)

## Initiative

- Educate Minnesotans of the importance of planning now to identify personal and financial options to meet their future long-term needs
- Increase the number of Minnesotans who have taken action to address and provide for their future long-term needs

## Public-Private Sector Stakeholder Group

- Develop policy reform initiatives for financing long-term care needs
- Members inform their respective fields on the work of Own Your Future

## Department of Human Services – Aging and Adult Services Division

- Provide unbiased resources for planning for future long-term services and supports (LTSS) care needs
- Monitor & developing full spectrum of services & supports along continuum

## Department of Commerce - Insurance Division

- Approves insurance products for sale by private insurance companies
- Advise on legislation in areas of insurance innovation



# OYF - 3 phases of work



# OYF 2.0: Affordable Product Options - LifeStage

- MN legislation in 2022 clarified approvability of middle market life insurance / LTC combo products
- Version developed by Own Your Future: “LifeStage”
  - Term life insurance during earlier years converts to LTC in later years
- Lower premium rates than current LTC products
  - The earlier LTC is purchased, the less expensive the premium rates
  - Term life aspect encourages early purchases (bought when new house or child)
- Commerce is working with other states
  - If they approve, insurance companies will be more willing to develop the product

# OYF 3.0: LTC System Transformation – study goals

## Current and Future Utilization and Medicaid Payments (Demographic study)

- 65+ demographic baselines
- Medicaid current usage and costs
- Future Medicaid usage and cost projections

## Own Your Future LTSS Funding and Services Initiative (Transformative Study)

- Primary objectives & goals:
  - **Improve access** to LTSS for Minnesotans who typically do not qualify for Medicaid,
  - Examine and evaluate **integrated** LTSS funding options, and
  - **Transform** the LTC funding system
- Middle-income analysis and gaps – “The Red Box”
- Stakeholder and expert consultant input
- 3 recommendations

# OYF 3.0: reports & authors

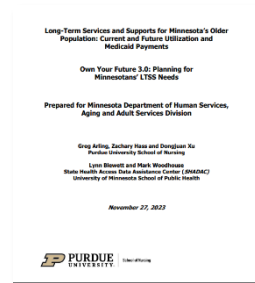
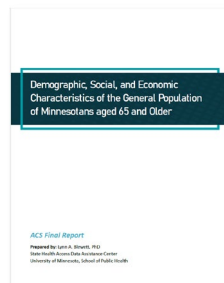
## Demographic Study

1. [Demographic, Social, and Economic Characteristics of the General Population of Minnesotans aged 65 and older](#)

-State Health Access Data Assistance Center (SHADAC)

2. [LTSS for Minnesota's Older Population: Current and Future Utilization and Medicaid Payments](#)

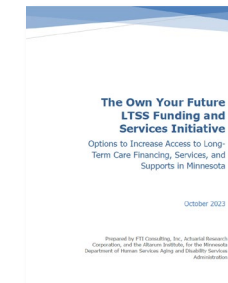
-Purdue University School of Nursing



## Transformative Study

3. [LTSS Funding and Services Initiative Study](#)

-FTI Consulting, Inc, Actuarial Research Corporation, and Altarum Institute



# Key findings: Demographic Study

## Key findings include:

- The population of Minnesotans aged 65 and older is projected at 1 million in 2023 and it will increase to 1.2 million in 2035
- Growth will be driven by those aged 75-84 (+50%), and those 85 and older(+28%). These two age groups have an increased propensity for needing LTSS
- This growth is **projected to increase Medicaid utilization by over 25% by 2035**



# Key findings: Transformative Study

*Generalized sources of LTSS coverage in Minnesota, by Family Income 65+*

Family Income	Percent of Age 65+ Pop	Medicaid Programs	Alternative Care	OAA*	Out-Of-Pocket	Private Insurance
<\$10,000	5%	X				
\$10,000-24,999	20%	X	X	X		
\$25,000-49,999	25%	X	X	X	X	
\$50,000-74,999	19%		X	X	X	
\$75,000-99,999	11%			X	X	
\$100,000-\$124,999	8%				X	X
\$125,000-\$149,999	3%				X	X
>=\$150,000	9%				X	X

- Approximately 2/3s of older Minnesotans are middle income (\$25-\$125K annual income)
- While there are programs that help some (MA waivers and OAA), for the most part their LTSS needs are underserved

\*OAA = Programs and services funded through Older Americans Act

## Minnesota stakeholders

- 25 stakeholders; 5 sessions
- Connection to Minnesota (live or work here)
- Create alternative LTSS funding options; ultimate decision-makers

## Advisory, consultant and expert panelists

- 44 advisory, consultant and expert panelists; 15 sessions
- Local and national representatives
- Inform stakeholders of current landscape; provide feedback and guidance on plan proposals

# Stakeholder essentials for solutions

- Incorporate care navigation and coordination
- Build off and strengthen successful Minnesota programs such as Minnesota Senior Health Options and Senior LinkAge Line
- Public/private collaboration - “neither can do it alone”
- Financial and non-financial support for caregivers
- Central, well-publicized location for education, support and resources
- Technology approaches that are accessible and effective for all older adults
- Flexible supports and funding that are accessible and useable for all older Minnesotans irrespective of geographic, demographic and cultural differences

# Potential solutions

<b>Recommendation 1: Care Navigation &amp; Support Services</b>	<b>Recommendation 2: Medicare Companion Product</b>	<b>Recommendation 3: A Catastrophic-Lite State Based Program</b>
<p>A state developed and centralized care navigation and support structure for all older adults. The purpose would be to leverage existing services, provide strong awareness and education, and support Minnesotans and their caregivers.</p>	<p>A new insurance product that coordinates and funds care needs emerging in retirement. The program would coordinate care for both acute care through Medicare and LTSS needs with a complementary LTSS-based product.</p>	<p>An obligatory state insurance program that would provide funds to help pay for long-lasting, long-term care expenses for five years after a two-year elimination period. The focus would be on home and community-based services, but funds would be available for facility care as well.</p>

# Stakeholder rankings of potential solutions

- At the end of this process, stakeholders rated the 3 recommendations by potential for improvement over the current LTSS access and funding system using a predetermined list of essential criteria objectives.
- **Stakeholders strongly favored Recommendation 1 – care navigation and support services\***
  - Supports that allow family, friends and neighbors to deliver care
  - Provides front-end care (no waiting period)
  - Available to all older Minnesotans with a care need (everyone can benefit)

\*Full rankings of each recommendation can be found in the Transformative Study, page 127

# Additional recommendations

## Increase affordable product options for middle-income

- Share information about LifeStage product with other states
- Allow the sale of limited duration care policies in Minnesota
  - Limited duration policies, also known as short-term care insurance, cover cost associated with an incident of limited duration
  - Policyholders design their own coverage, having options for benefit levels and durations
  - Can be utilized by those who are not eligible for long-term care coverage

# Thank You!

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