

**Statement of Sen. Herb Kohl**  
**Chairman, U.S. Senate Special Committee on Aging**  
**“The Future of Long-Term Care: Saving Money by Serving Seniors”**  
**April 18, 2012**

Good afternoon and thanks for being here.

Today we are looking at the question of how best to provide and finance long-term care services for the millions of Americans who need them while balancing our debt, deficits and our overall financial picture. As we look ahead, we’re going to have to do more with less – we all know that. In fact, we must find better and more efficient ways to provide care because the money simply will not be there. So today we’re here to talk about some of the ways to save money without doing material damage to long-term care.

The cost of long-term services– more than \$300 billion a year – are already massive for both taxpayers and families. Left unchecked, this burden will continue to grow as our rapidly aging population requires more long-term care. Medicaid alone projects \$1.9 trillion in long term care costs over the next 10 years with an annual average cost increase of 6.6%. And, we are seeing similar increasing cost trends for Medicare and in some sectors of the long-term care insurance industry.

Unfortunately, there is no easy answer. While our two largest publicly-financed health care programs, Medicaid and Medicare, currently pay for the bulk of long-term care, they are limited in scope. And, private long-term care insurance has the potential to play a larger role, but the market is facing challenges, and some consumers have been skeptical that purchasing a policy is both worth the cost and represents a secure and sound investment.

To help us meet this challenge, our witnesses will discuss some promising strategies for improving services while at the same time restraining costs. Particularly, I look forward to hearing about the savings we would achieve by reducing unnecessary hospitalizations; by delaying or avoiding institutionalization; and, by increasing the use of home and community-based services. As we will hear today, these solutions have already achieved some success and could be expanded across the country.

As we work to develop policies that enable seniors of all incomes to plan for and access long-term care, we will need the best ideas, and we will need to work together in a bipartisan manner. We look forward to hearing today’s testimony and ideas from our witnesses.