



Own Your Future

Minnesota Department of Human Services, Aging and Adult Services
December 1, 2023

Own Your Future History in Minnesota



Affordable Options for Funding LTC

Began in 2014

Encourage affordable simple solutions for middle-income households (\$50 – 150k)

Multiple options evaluated; two emerged

1. LifeStage - Innovative Affordable Hybrid Private Insurance

- Product development and pricing
- Carrier encouragement
- Successful legislative authorization (Minn. Laws 2022, chapter 79)
- One carrier picked up – not middle income

2. LTC/Medicare Supplement

- Product development/pricing
- MediGap/Medicare Advantage solutions evaluated

System Transformation to Increase Access to LTSS

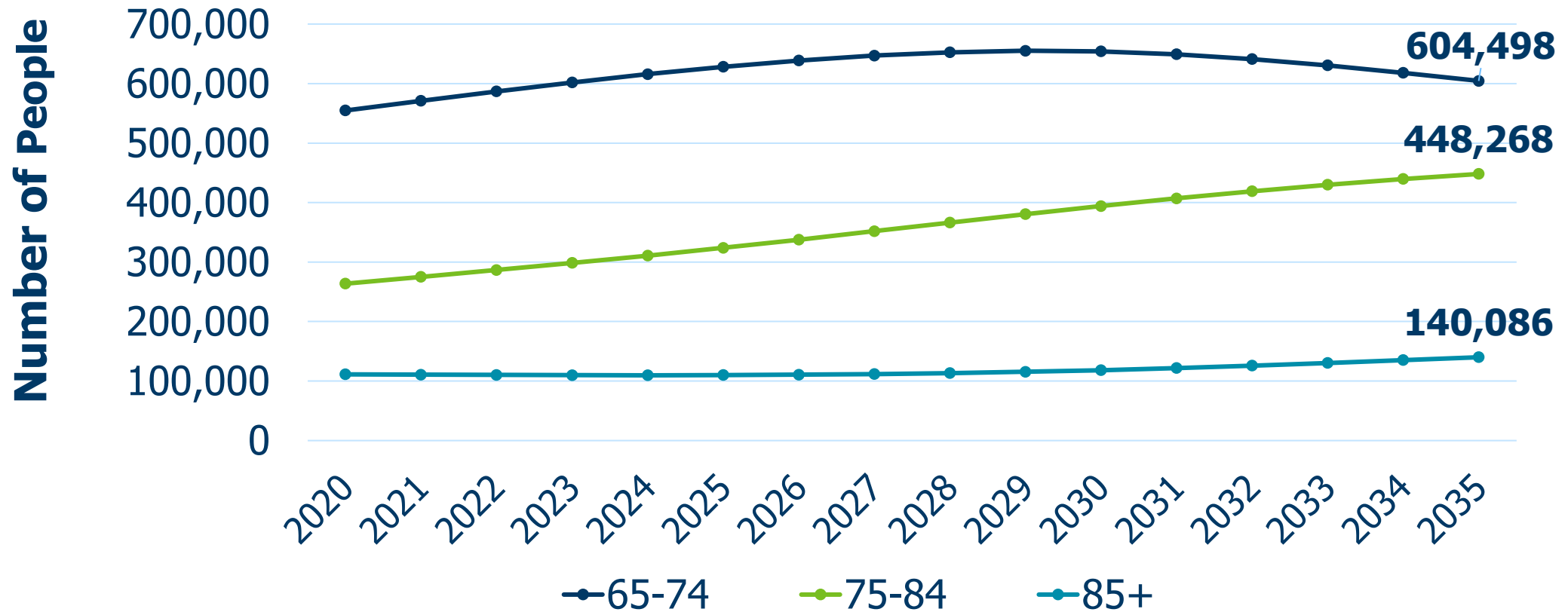
Phase 1 – Demographics and Projections for Minnesota's Older Adult Population

- Data on MN older adult population by wide range range of variables
- Current Medicaid LTSS and future projections
- Completed by University of Minnesota and Purdue University

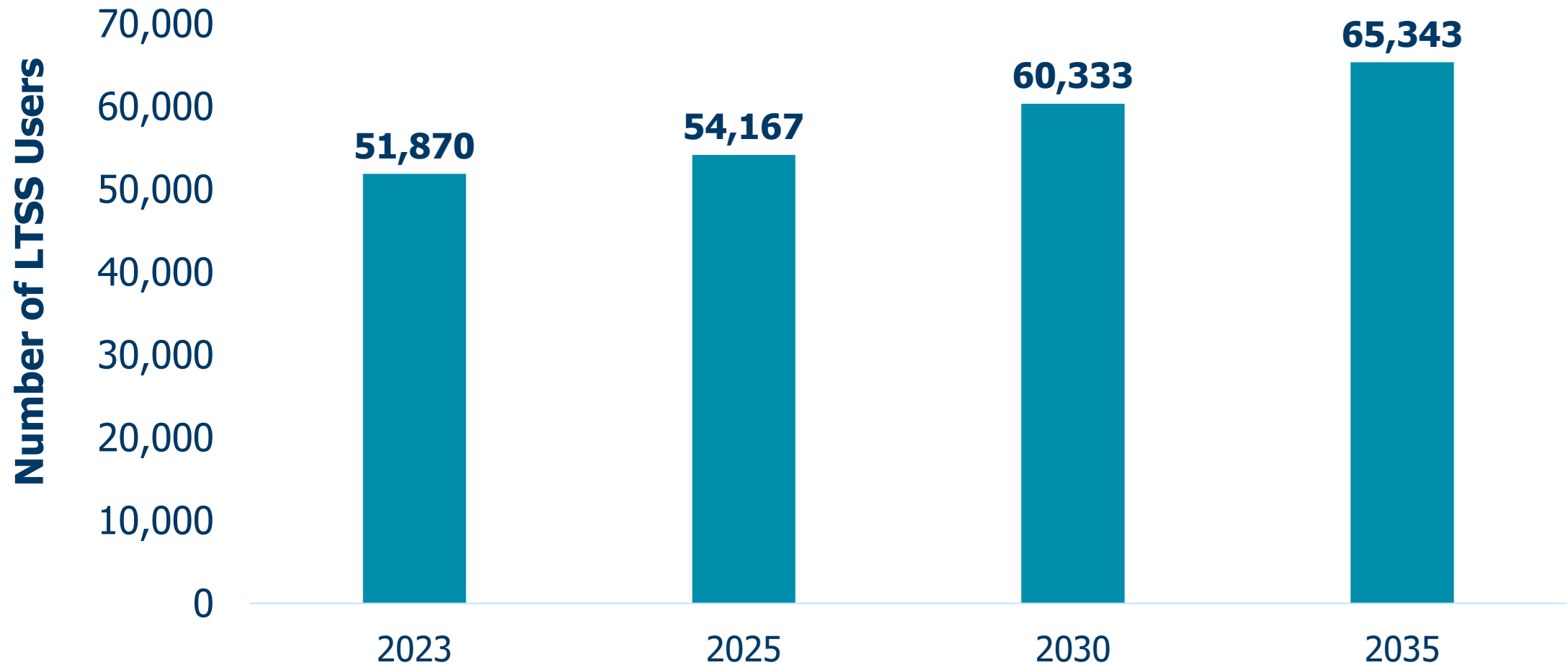
Phase 2 – LTSS Funding and Services Initiative

- Stakeholders from Minnesota, national experts, mini sessions
- Three Options emerged:
 - Care Navigation & Care Support
 - Medicare Companion Product
 - Catastrophic Lite
- Completed : FTI, Altarum and Actuarial Research Corporation

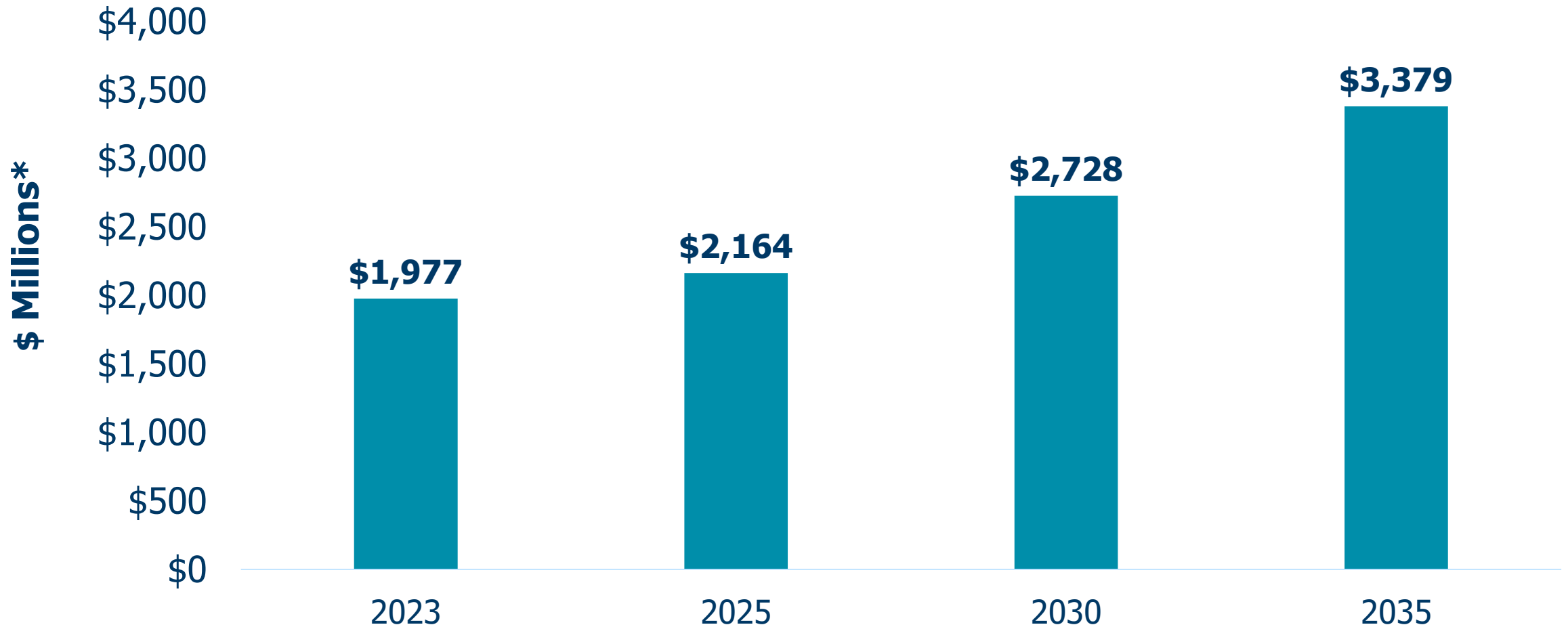
Projected Growth of Older Adults in Minnesota



Projection of Medicaid LTSS Users in Minnesota



Projection of Medicaid LTSS Costs in Minnesota



*assumes 2.5% annual inflation

State LTSS Reform: What Works?

Thoughts on “What Works” when developing LTSS reform options:

- A focus on the current gaps while enhancing the non-gaps.
- Engage with ALL stakeholders – consumers, providers, insurers, community organizations, local areas on aging, state departments, legislatures, financial advisors, employers, etc.
- Building upon what is already working well.
- “It’s not just about the funding.”
- Funding options can be robust if you look for them.
- Public/Private/Personal collaboration. No one leg of this stool can address the total LTSS needs alone!
- Seek broad support, a short and simple implementation, with few legislative or regulatory obstacles.

Current Sources of LTSS Coverage

Sources of LTSS Coverage in Minnesota, by Family Income

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			
\$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

*The distribution of total, HCBS, and NF populations by family income is based on national HRS data. These distributions have been controlled to align with the family income distribution of Minnesota. These figures are estimates that should be used to understand the general relationship between care need and family income level.

Key Study Findings from Stakeholders

Care Navigation

- Care navigation and coordination for Minnesotans is essential
- Cross-program coordination is essential to provide access to existing supportive programs
- Early interventions enhances the opportunity for wellness & prevention

Finance

- Establish creative funding streams
- Support self-funded or program funded approaches
- Provide supports and potential tax credits for Minnesotans and their caregivers
- Emphasize partnership between public and private entities
- Private industry incentives

Existing Efforts

- Promote, strengthen and enhance existing MN LTSS programs such as; the Senior Linkage Line, MSHO, Elderly Waiver, and the work of the Area Agencies on Aging
- Leverage the recently passed paid family and medical leave act (PFMLA)
- Currently, a highly fragmented system that does not meet the needs of a majority of older adults.

Education

- Engage older adults and caregivers early
- Expand education on LTSS options
- Provide a central location where educational resources and supports are made available
- Introduce LTSS finance and services earlier through employee assistance or similar programs.

Technology

- Focus on technology, accessibility, and how it may be used to address the workforce crisis
- Strengthen state, county, and local based programs with technology-based solutions

Service Specific

- Supports and funding approaches are clearly defined, accessible, and understandable
- Tailor the services and financing approaches based on individual needs and means across urban, rural, tribal, and cultural differences
- Support the LTSS workforce, including recruitment, retention, and sustainable compensation efforts

Recommendation 1: Early Intervention & Caregiving Support Initiative

The Concept:

- A publicly sponsored resource to provide care coordination and navigation support to older adults in Minnesota. It is web-based, telephonic, and have opportunities from self-directed to in-person care navigation supports.
- The goal is to provide ways to assist Minnesotans, their families, and their caregivers by providing resources to manage their LTSS needs from the initial diagnosis through higher levels of care needs such as facility-based care.
- A strong self-service portal is needed that will include educational resources to support informal caregivers, access to lists of local care providers, home modification resources, and a connection to community care and supports.
- This provides for a centralized place to support current State and County programs.
- The approach will be an "Aging in Place" marketplace where Minnesotans will use a care "quarterback" to navigate and support successful home and community-based care.

Recommendation 2: Medicare Companion Products

The Concept:

- Building upon the successful Managed LTSS (MLTSS) program in Minnesota called Managed Senior Health Options (MSHO), this approach seeks to expand coordinated care to ALL older adults by bringing MSHO-like elements “upstream”.
- In a similar way, Minnesotans would receive care through coordination between their Medicare plans and a public or private based long-term care plan.
- Can be delivered as either:
 - Market Option: Expand available insurance options by leveraging the care coordination of Medicare plans while linked to a LTSS based insurance product. Incentives may be developed to purchase, and a market may be created with carriers, employers, and advisors participating.
 - Obligatory Option: Develop a state sponsored obligatory program requiring all Minnesotans by age 65 to have at least a year of coverage. Minnesota’s older adults that are enrolled in Medicaid would automatically meet this purchase requirement. Similar market option opportunities would be created.

Recommendation 3: A Catastrophic-Lite State Based Program

The Concept:

- This obligatory program is funded by a payroll tax and provides benefits for eligible participants for up to five years of care following satisfaction of a 2-year elimination period.
- A payroll tax would be assessed on all w-2 income for those 18 and older. Eligibility would be vested for participants that contribute for at least 10 years with limited gaps allowed. Benefit eligibility would be the tax qualified definition requiring two of six ADLs or severe cognitive impairment.
- No exemption process is anticipated. Spouses of vested participants are covered.
- The goal is to reduce the impact of long-duration claims on spouses and families and to reduce the reliance on Medicaid programs.

The Reports:

<https://mn.gov/dhs/ownyourfuture/reports/>

Demographic, Social, and Economic Characteristics of the General Population of Minnesotans aged 65 and Older

ACS Final Report

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State Health Access Data Assistance Center
University of Minnesota, School of Public Health

The Own Your Future LTSS Funding and Services Initiative

Options to Increase Access to Long-
Term Care Financing, Services, and
Supports in Minnesota

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Prepared by FTI Consulting, Inc, Actuarial Research
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Thank You!

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