

STATEMENT OF SENATOR OLYMPIA SNOWE

I would like to express my appreciation to the Chairman and Ranking Member of the Special Committee on Aging, Senators Breaux and Craig, and to the Chair and Ranking Member of the HELP Subcommittee on Aging, Senators Mikulski and Hutchinson, for holding this hearing and bringing attention to the dual challenges women face when it comes to long-term care. Women not only have to worry about their own long-term care arrangements, they are also the predominant caregivers for their family members.

The fact is, long term care is a women=s issue. First of all, these issues affect women the most, as women are the primary recipients of long-term care. Two-thirds of home care consumers are women, and women are three-fourths of all nursing home residents over age 65. More than 80 percent of family caregivers for chronically ill seniors are women and the average woman can expect to spend 17 years caring for a child and 18 years caring for an elderly parent. Women also make up more than 90 percent of paid long-term care workers in the U.S.

Long-term care issues have been of critical interest to me throughout my tenure in Congress. As the Co-Chair of the Congressional Caucus on Women=s Issues for ten years and as a member of the House Select Committee on Aging, I focused on issues affecting the health and economic equity of women. In fact, Senator Wyden and I served together on the Select Committee on Aging and have worked together on issues ranging from long-term care, to funding for Alzheimer=s disease and osteoporosis research.

Improving the availability and quality of care for patients with Alzheimer=s disease has been a priority for me. In 1984, my efforts resulted in a requirement for the Administration on Aging to place a priority on grant applications from students who specialize providing care for Alzheimer=s patients. In 1987, I introduced the Alzheimer=s Disease Coordination Act, which was included in the Older American Amendments of 1987.

Another concern of mine has been the quality of care that long-term care patients receive, and in 1987, I introduced the Long-Term Care Patients' Rights Act, which was included in the Budget Reconciliation Act. As a result, states are now required to inform people of their rights when they become a patient in long-term care facility. And, my good friend Senator Mikulski and I both worked on the spousal impoverishment issue in 1987. One of the very few provisions of the Medicare Catastrophic Coverage Act that Congress did not repeal in 1989.

More recently, my focus has turned to providing tax credits to family caregivers to reduce the financial burden of caring for a loved one at home, and providing additional federal support for respite care services. As a member of the House in 1986, I introduced the first resolution to designate National Family Caregivers Week with Senator Glenn, who was a member of the Senate Aging Committee, in an effort to bring attention to the needs of our family caregivers.

My interest in increased funding and emphasis on Alzheimer's disease resulting in the Alzheimer's Disease and Related Dementias Research Amendments, which was signed into law in the 102nd Congress. I was also successful in expanding the Older Americans Act to provide supportive services for family caregivers. These services, which caregivers can now receive today, include training, access to support groups, respite care and information and referral for other related services. Through my efforts the Older Americans Act also now provides improved services to protect the rights of older individuals who are in a guardianship.

To make long-term care policies more affordable, I have worked to improve the tax deductibility of long-term care insurance policies and introduced legislation to accomplish make this a reality. In 1996, as part of the Health Insurance Portability and Accountability Act, Congress expanded

the tax treatment of long-term care policies so that they are treated the same as other health care insurance coverage expenses. I was also successful in ensuring that long-term care policies that offer per diem benefits, which offer a set dollar amount each day for services, are treated the same as policies that provide reimbursement for specific long-term care services.

Today, we need to refocus and reinvigorate our efforts on long-term care. The challenges will only grow more difficult, and it has been nearly ten years since Congress took a comprehensive look at long-term care during the health care reform debate. When Americans were beginning their love affair with the automobile in 1900, there were three million people in the U.S. over age 65 and the average life expectancy was 47. Today, there are 35 million people over age 65 and the average life expectancy is 79 for women and 74 for men. Between now and 2050, the number of people over age 65 will more than double to 82 million seniors -- 1 in 5 Americans -- 56 percent of whom will be women.

And, the number of people afflicted with Alzheimer's disease now will almost double by 2020 to seven million - with 70 percent receiving care at home. The number of patient's with Alzheimer's disease will double again to 14 million, reaching epidemic proportions, by the year 2050 unless scientists discover preventive therapy or a cure. We are in a race against time, a race against the aging of the Baby Boomers and the diseases of aging, and a race to find solutions to a pending national crisis in long-term care.

We used to think about the retirement of the Baby Boomers as if it were a far off event like the arrival of the 21st century. Now, here we are, with only ten more years before the first Baby Boomers retire, which is the leading edge of a large storm front of Baby Boomers who will follow them into retirement. This issue won't just go away, and there is no simple one-size-fits-all solution.

What must drive our effort is the reality that while Congress debates the issue, thousands of family caregivers have stepped forward to take care of their loved ones. These family caregivers—mostly women—are caring for chronically ill family members or those with disabilities on a 24/7 basis because they want them to be able to stay at home in a loving and caring environment. More than 26% of all adults in the U.S. have taken care of a loved one or close friend during the last year. With Alzheimer's disease alone, there are more than 5 million families caring for their loved ones—three times more than in 1987—and, almost 4 in 10 have been providing that care for more than five years. The average caregiver provides care for eight years, and one-third provide care for ten years or more. Family caregivers put aside vacations and hobbies, have less time to spend with other families members, pass up job promotions, incur substantial out-of-pocket expenses, and many suffer from physical and mental health problems as a result of their caregiving. And, at some point, the caregiver deserves a break, a respite, from their compassionate commitment.

When Senator John Glenn and I introduced the first legislation on Family Caregivers in 1986, we did so in order to bring attention to the important work they do and the crucial role they play in the nation's long-term care system. And we have made some progress. Two years ago, Congress established the National Family Caregiver Support Program as part of the Older Americans Act reauthorization. States can use these funds to provide respite care in the home, or in an adult day care center, or even over a weekend in a nursing home or assisted living facility.

But we need to do more. And one key area where we can help right now is to change the tax code to provide assistance with respite care costs. Family caregivers not only take care of their loved ones, but in fact they save us a lot of money. If federal, state, and local governments were suddenly faced with providing this care through paid home care staff, they would have to find an additional \$196 billion each year in their budgets. One key area where we can help right now is to change the tax code to provide assistance with respite care

costs. We should take an important step toward lessening the financial and emotional cost of Alzheimer's disease by providing relief to patients and their families. Legislation that I have introduced would permit families to deduct the cost of home care and adult day and respite care from their federal income taxes, if care is provided to a dependent suffering from Alzheimer's disease.

We also should expand the dependent care tax credit to apply to respite care costs. I have introduced a bill to accomplish this and in so doing also restore the original intent of the credit to provide the largest possible benefit for low-income individuals by expanding the credit and making it refundable. My legislation would increase the percentage of work-related dependent care costs that qualify for the tax credit from 30 percent to 50 percent for families earning \$15,000 or less, and phase the credit down to a 20 percent tax credit for those earning \$45,000 or more annually. The dependent care tax credit was created in 1976 to help low- and moderate-income families alleviate the burden of employment-related dependent care. We need to update the credit so it reflects today's world.

Respite care, while important, is just the tip of the long-term care iceberg. In order to address the serious and growing long term care challenges, we owe it to current and future generations of women and their families to make long-term care our priority.

We should take steps to ensure the long-term care that seniors receive today is of the highest quality. We need to have effective regulatory and enforcement procedures and more focused attention on those providers with a history of compliance problems and poor quality care. We need to examine Medicaid funding for long term care services, and we need to permanently eliminate the 15% cut in home health care payments.

Next, we need to look at longer-term solutions that will benefit future generations of retirees. We should provide tax incentives for people of all ages, but especially younger people, to purchase long term care insurance. Then, we need to support a national campaign to get the message out that people need to consider purchasing long-term care insurance and invest in the security of knowing you will be cared for when you need long term care.

Finally, I believe we need to take a *comprehensive* look at long-term care issues because a piecemeal approach, by definition, will leave important issues unaddressed.

This should be our nation's long-term care agenda, and I would like to thank you again for holding this hearing and calling attention to these important issues and how they affect women. These issues will not go away, but will only become more difficult to address as time goes on. I sincerely hope this hearing can generate a new spirit of interest and cooperation encouraging us to work together to move these important issues forward. Thank you.