



October 22, 2020

The Honorable Patrick Toomey
United States Senate
248 Russell Senate Office Building
Washington, DC 20510

Dear Senator Toomey,

On behalf of the American Seniors Housing Association (ASHA), I'd like to commend you for your leadership in addressing the challenging issues associated with financing the long-term care needs in this country.

ASHA is the leading organization of over 550 companies involved in the operation, development, investment, and financing of the entire spectrum of seniors housing – independent living, assisted living, memory care, and Continuing Care Retirement Communities (CCRCs). Our member companies largely serve a private pay model of senior living. The average age of a resident in an assisted living community is 85 and generally needs help with basic tasks of everyday life, such as bathing, eating and housekeeping. Further, it is estimated that 40% of residents living in our communities have some level of dementia. The peace of mind that exists for residents and family members who know they have the support they need cannot be overstated. However, this peace of mind does not exist for those seniors in need of long-term care but cannot afford it. Therefore, it is critical that policymakers put this issue on the front burner, engage stakeholders and advance meaningful policies.

As we all know, the population is growing older and living longer. Our members are keenly aware of the dearth of long-term care financing options available to seniors today. It is discouraging that most Americans mistakenly believe Medicare will pay for their long-term care needs and therefore don't plan or simply cannot plan for what can be a significant cost at a time when income is limited. Medicare in its current form does not pay for senior living and Medicaid is reserved for low-income senior residents. Long term care insurance can play an important role in financing senior living but consumer demand is low. Our estimates indicate that less than 10% of residents living in senior living communities have a long-term care insurance benefit.

S. 4820, the Long-Term Care Affordability Act, which allows individuals to access their retirement accounts in a tax favored manner to pay for long-term care insurance policies is a sound way to encourage people to plan for this care rather than face these needs at a later stage financially unprepared. With an increased population of seniors over 65, there is a corresponding increased risk of chronic diseases or functional limitations and need for supportive services or nursing care. It is estimated that more than 52% of adults over the age of 65 will need some type of long-term care services in their lifetimes, including those who are living with Alzheimer's which has become one of the most expensive diseases in the US and growing.

While the demand for seniors housing will increase sharply in the years ahead, we must take steps to ensure the greatest number of people can afford the care and the setting they need. Having a long-term care insurance policy in place is one way to do that. And so, any federal policy options aimed to improve the landscape for long term care financing, are encouraged and supported by ASHA.

Thank you for introducing S. 4820, the Long-Term Care Affordability Act. We look forward to working with you and your team to advance this legislation. If you have questions, please reach out to Jeanne McGlynn Delgado at jeanne@seniorshousing.org.

Sincerely,

A handwritten signature in black ink, appearing to read "David Schless". The signature is fluid and cursive, with a small circular mark to the left of the first letter.

David Schless
President
American Seniors Housing Association