



Minnesota Department of **Human Services**

March 23, 2016

House Aging & Long-Term Care Policy Committee
Representative Joe Schomacker, Chair
Chair Schomacker & Committee Members –

House File 3350 (Anderson), which you will hear in committee today, is a critical first step in creating policy solutions needed to pay for the growing demand for long-term services and supports. I am currently in Washington, D.C. speaking at a conference on this very topic and regretfully cannot attend today's hearing but offer the following as written testimony for your consideration.

As we all know, in the next several years, we will reach a milestone where the population of adults over age 65 will have doubled and outnumber school-age children. This will begin a permanent demographic shift in our state and in our nation. More than half of people over 65 are expected to need long-term care as they age. While the vast majority of long-term care has been provided by unpaid family caregivers, with smaller families and most women working full-time outside the home, this resource is significantly stretched. Because long-term care is expensive (the \$57,000 average annual cost of long-term care is roughly the same as the \$59,000 median household income in Minnesota), we must come up with innovative ways for people to pay for these expenses.

Minnesota is an excellent position to lead on this issue. AARP and partners have twice consecutively ranked Minnesota #1 in the nation in our delivery of service and supports for older Minnesotans. We have innovated and redesigned services to help older adults remain in their homes as they age, which is what most prefer. Our Minnesota Own Your Future initiative, started in 2012, has been studying what types of financial products could help middle-income families be prepared for their later years. We have been in conversation with sponsors of three recent national reports on financing long-term services. The upshot of these studies is that long-term care is prohibitively expensive for most American and that financing alternatives are urgently needed to lessen negative impacts on government budgets, personal savings, personal choice and quality of care.

HF3350 would bring a model that reflects Minnesota's unique characteristics, including having the second-highest life expectancy of any state, high workforce participation by women, and high levels of education. This study would give you as Minnesota policy makers and others better information on solutions and the cost of options in our state.

I applaud Representative Anderson on his efforts to bring this topic to the committee. I am committed to continuing Minnesota's efforts to lead in the area of innovation in our long-term care system. I look forward to meeting with you all in the future on this important work.

Kind regards,

Loren Colman
Assistant Commissioner
Continuing Care for Older Adults Administration