



Minnesota Department of **Human Services**

**DHS Initiative:**  
2015 Legislative Session

## **Promoting innovation in long-term care purchasing, financing**

The world is experiencing a demographic shift, which means by 2020 Minnesota will have more people over age 65 than school-age children. People are living longer and most will need long-term services and supports as they age.

Right now the traditional ways of paying for long-term services and supports will not be adequate for people to make the most of their later years. Increasing numbers of older people and others have not included in their retirement planning ways to pay for the services they'll need, and are at risk of ending up without the means to age in the places and ways they want. This will also lead to unsustainable increases in future state budgets as we try and care for these individuals to the best of our ability.

To get ahead of this potential crisis the state needs to explore new ways of purchasing and financing long-term care.

Own Your Future, an ongoing initiative of the Dayton administration, encourages individuals to create a plan for their long-term care, including how to pay for it. Own Your Future has found that about a third of Minnesotans do not know how they would pay for long-term care. A report by the Own Your Future advisory panel recommends finding incentives for people to use private long-term care financing options. This would help reduce the growth of public expenditures for long-term care.

To help prepare for the age wave the governor is proposing budget items to support and incentivize innovation in Minnesota's long term care system as well as develop more long term options for Minnesotans to better prepare for and make the most of their later years.

### **Legislative proposals:**

To promote innovation in long-term care purchasing and financing, Gov. Mark Dayton advanced these budget proposals for the fiscal year 2016-2017 biennium:

- Supporting innovation in home and community-based settings
- Development of a Long Term Care Advisory Center
- Development of a life-stage insurance product.

*DHS Communications: January 2015*