June 23, 2021

The Honorable Bob Casey  The Honorable Tim Scott
Chairman  Ranking Member
Special Committee on Aging  Special Committee on Aging
U.S. Senate  U.S. Senate
G31 Dirksen Senate Office Building  G31 Dirksen Senate Office Building
Washington, DC 20510  Washington, DC 20510

Dear Chairman Casey and Ranking Member Scott:

AARP, on behalf of our 38 million members and all older Americans nationwide appreciates the opportunity to submit a written statement for the hearing on “21st Century Caregiving: Supporting Workers, Family Caregivers, Seniors and People with Disabilities.” We believe that this is the beginning of a long-overdue conversation on improving long-term care needs that the pandemic exposed as terribly inadequate.

Long-term care is a critical need that can define the quality of life for any one of us and will be increasingly sought after in the coming years. It is important to recognize that every individual’s needs and circumstances are different, and there is a broad range of caregiving that happens in this country. That is why AARP urges greater support for family caregivers, expanding access to home and community-based services (HCBS), and securing a 21st century workforce to provide care for older adults and people with disabilities.

Families in search of long-term care services now enter a world that is confusing, costly, frightening, under-regulated, and lacking in transparency. Too often, individuals and their loved ones must desperately cobble together a patchwork of care and services they need. Too often, families feel forced into institutional settings, while individuals who end up in nursing homes often yearn to stay in their homes near family and friends. This system is failing American families and it is failing American taxpayers.

The current piecemeal system needs an overhaul. President Biden made a number of proposals in this area last year, including a tax credit for family caregivers, and investments in HCBS and the paid workforce. This creates an opportunity for a bipartisan debate and work on a major policy issue that calls out for progress on both sides of the aisle.
Supporting Family Caregivers — Credit for Caring Act

Family caregivers are the backbone of the care system in this country, and there should be no discussion of the care economy that leaves out the 48 million Americans who are providing care to loved ones. They help make it possible for older adults, people with disabilities, and veterans to live independently in their homes and communities. Family caregivers are all ages, races, and ethnicities and cut across all segments of our population. This is physically, emotionally, and financially challenging work family members and others are providing, often without pay.

An AARP report found that family caregivers are spending, on average, nearly 20 percent of their income on caregiving expenses, or nearly $7,000 every year. They are providing about $470 billion annually in unpaid care to loved ones. On this point, AARP wishes to be crystal clear: if families were not shouldering these caregiving responsibilities, taxpayers would be on the hook for much more costly nursing home care and unnecessary hospital stays.

That is why AARP strongly supports the bipartisan, bicameral Credit for Caring Act (S. 1670/H.R. 3321) introduced by Senators Ernst (R-IA), Bennet (D-CO), Capito (R-WV), and Warren (D-MA). This legislation is a top priority for AARP. We urge Congress to enact this legislation this year. The Credit for Caring Act would provide an up to $5,000 non-refundable federal tax credit for eligible working family caregivers to help address the financial challenges of caregiving. Last year, President Biden also proposed a $5,000 family caregiver tax credit modeled off of the Credit for Caring Act.

The bill would help working family caregivers offset the cost of some caregiving expenses such as a home care aide, adult day services, home modifications, assistive technology, respite care, transportation, or other supports that help them and their loved ones. The amount of the credit would be 30 percent of the qualified expenses paid or incurred by the family caregiver above $2,000, up to a maximum credit amount of $5,000. The tax credit would phase out at higher income levels. The bill, unlike the existing child and dependent care credit, would help family caregivers who care for non-dependents or who do not live with the person they are assisting. Eligible family caregivers caring for loved ones of all ages could receive the credit if the care recipient meets certain functional or cognitive limitations or other requirements certified by a licensed health care practitioner.

Family caregivers also cannot dedicate the time needed to care for loved ones without workplace flexibility and paid family leave. More than a dozen states have already moved ahead with their own paid leave systems. Some employers are beginning to support workers who provide care at home with benefits like flex-time and health counseling. In one survey, 75 percent of corporate benefit managers agreed that “being a more caregiving-friendly workplace would attract and retain talent.”

Home and Community-Based Services

AARP has long advocated at the federal and state level for enabling older adults to live in their homes and communities. The COVID-19 pandemic has clearly shown the dangers too often faced by older Americans in institutional care. It is long past time for Congress to address
Medicaid’s institutional bias and to greatly expand investments and access to HCBS, which allows older adults to live where they want to – in their homes and communities. Investing in HCBS infrastructure will reduce the need to build more institutions that are expensive for consumers and for public budgets.

It is also important to help individuals transition out of institutions into the community, as under the Money Follows the Person Rebalancing Demonstration Program, which AARP supports extending and making permanent. We also support making permanent financial protections for the spouses of individuals receiving Medicaid HCBS. It is vital to support and enable older adults to live in their homes and communities, whether in Medicaid or beyond. It is also more cost-effective. On average, Medicaid can serve about three people in their homes and communities for the cost of one person in a nursing home.

**Paid Workforce**

Direct care workers provide the bulk of paid long-term care. These workers hold a variety of job titles, including personal care assistants, home care aides, home health aides, and certified nursing assistants (CNAs). They work in diverse settings, including private homes, adult day centers, nursing homes, assisted living residences and other residential care settings.

Now more than ever, we need more direct care workers, as there is already a shortage that will only grow as the population ages. A shortage of skilled workers makes life difficult for individuals and families searching for quality care, and there is an urgent need to develop an adequate workforce to care for older adults and provide long-term services and supports (LTSS). Direct care workers play a critical role in the success of states’ LTSS systems, but low wages, few benefits, poor working conditions, and few advancement opportunities have led to dangerous staffing shortages. Many care workers are forced to work multiple jobs in multiple facilities just to make ends meet. As we have seen during the COVID-19 crisis, when coupled with an infectious disease outbreak, the status quo is a deadly mix.

Unbelievably, many of these direct care workers lack basic benefits such as paid sick or family leave. During the pandemic, there were numerous reports of staff being forced to work while sick, or not having access to paid time off, to care for themselves or loved ones. Policymakers should not, therefore, have been surprised when those facilities became ground zero for the pandemic, as workers and residents got sick and died at an alarming rate. The workforce challenges in long term care are a serious threat to the safety of older Americans who receive that care, and Congress must make staffing issues a priority. It is important to support this workforce through adequate pay and other compensation, paid leave, recruitment, training, and retention.

If COVID-19 has shown us anything, it is this: our country’s long-term care system is broken, and it is killing older Americans. We know that the pandemic has dramatized the system’s poor treatment of the neediest and most vulnerable, with older adults and communities of color often experiencing the worst outcomes. We have seen utter devastation in our nation’s long-term care facilities. Investments in family caregiver support, HCBS, and the direct care workforce are critical to ensuring more families have access to quality services and supports.
Quality long-term care should be within the reach of any American who needs it, whatever their age or income. We urge you to recognize the full spectrum of long-term care in this country. AARP looks forward to working with you and the Administration to help ensure these important investments to help older adults and people with disabilities live in their homes and communities. If you have any questions, please feel free to contact me or have your staff contact Rhonda Richards at rrichards@aarp.org

Sincerely,

Bill Sweeney
Senior Vice President
Government Affairs