



**Virginia Manufacturers Association (VMA)
Policy Statement on Long Term Care Insurance
January 2004**

Re: The Joint Health Care Commission Proposal to Encourage Private Purchase of Long Term Care Insurance Coverage

The Virginia Manufacturers Association praises the members of the Virginia General Assembly Joint Health Care Commission for taking the initiative to bring the issue of private long term health care insurance to the forefront of public debate. It is our hope that the 2004 Session of the General Assembly will enact legislation that encourages individuals and employers to purchase private long term care insurance.

The current long term health care system in Virginia and the nation is no longer sufficient to cover the growing needs of an aging population that requires health services necessary by so many of our employees who are physically disabled or in the late stages of life. Whether the services they require are home based or in a nursing facility, Virginia's dependence on the Medicaid program will not have financial resources to continue providing these needs for everyone deserving these vital health care services.

We agree with the Joint Health Care Commission that the best way to meet this growing demand is through an increase in private funds that can strengthen Virginia's long term health care system. Responsible public policy that encourages employers and individuals to purchase private long term care insurance coverage will generate the needed influx of private financial resources into this important sector of Virginia health care system.

Furthermore, economic incentives for individuals to purchase healthcare and long-term care insurance will encourage behavior modification that will curb service over-utilization and government health care dependency. Conversely, penalties must also accompany these incentives for those that choose to impoverish themselves or make a conscious decision to become uninsured in order to qualify for government programs and, thus, expand the cost-shifting to the privately insured and contribute to the exponential growth in Virginia's budget spending.

For these reasons, the VMA strongly and enthusiastically supports tax credits for individuals and employers who purchase long term health care insurance plans.