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Microcosm of Economic Concerns in 2011

by Bruce A. Stahl



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The articles in this issue of *Long-Term Care News* represent some of the same issues that many in 2011 think were characteristic of the U.S. economy. The articles reflect excessive regulation, excessive spending, and an attempt to align available cash with liabilities.

Alignment of cash with liabilities. Of course many have been concerned about the government spending now with the intent of paying for it later. Although LTC insurance risk managers have much different reasons for a mismatch of liabilities and the ability to pay them, Jim Stoltzfus and Angelika Feng identify investment strategies that may help LTC insurance managers address the intrinsic differences between the timing of LTC liabilities and the timing of asset maturities.

Excessive spending. We have included testimony provided to the U.S. House Subcommittee on Health Care, et al regarding the topic, "Examining Abuses of Medicaid Eligibility Rules." Most of our readers probably already understand that Medicaid is often erroneously understood to be an entitlement program rather than a need-based program. Yet this particular testimony came from Janice Eulau, a 36-year-long employee of the Department of Social Services in Suffolk County, New York. Her testimony is clear and succinct. Also it included a number of attachments which we did not include in the newsletter, but if you are interested, you may go the House website to obtain your own copy:

http://oversight.house.gov/index.php?option=com_content&view=article&id=1445%3A9-21-2011-qexamining-abuses-of-medicaid-eligibility-rulesq&catid=35&Itemid=40

Excessive regulation. We have included a letter that the American Academy of Actuaries and the SOA LTCI Section jointly sent to the U.S. Department of Health and Human Services with regard to its plan to apply the prohibitions of the Genetic Information Nondiscrimination Act on LTC insurance. The letter provides an example of why the prohibitions would actually hurt the industry and be costly to the government.

As always, our intent is to provide you with information that is helpful to you and that challenges your thinking about topics related to the long-term care industry. We hope you find these articles informative and helpful and we thank the authors for their contributions. If you have any questions or comments, please send them our way. ■

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