



Long Term Care in the New York Health Act (NYHA)

The Realities of Single Payer’s estimate of \$42.7 Billion in new taxes to cover long-term care in the New York Health Act is based on RAND’s estimates. On p.55 of their report, RAND estimates that long-term care costs will grow by \$18-22 Billion each year when included as a covered benefit under the NYHA. Total long-term care spending would be \$60.1 Billion in 2022, \$67.2 Billion in 2026 and \$77.2 Billion in 2031. We calculated the required new taxes by subtracting the current available tax revenue (Medicaid and Medicare Long Term Care Expenditures) from RAND’s estimate.*

For a number of reasons, we believe this is an extremely conservative estimate. For example, the estimate does not take into account any in-migration to New York. Additionally, for long-term care costs, RAND included nursing home and home health care, but only a portion of the other comprehensive array of long-term care benefits available under the Medicaid program (e.g., assisted living program, home and vehicle modifications).

	NYHA with Long-Term Care Benefits		
	2022	2026	2031
Long-term care expenditures, billions**	60.1	67.2	77.2
Tax-Supported LTC Expenditures***	27.7	30.6	34.5
New Taxes required	32.4	36.6	42.7

* For some reason RAND did not provide an estimate of how including the long-term care benefit would increase payroll taxes, but only shows what an increase to the non-payroll tax would be.

**The RAND analysis (Table 5.12, p.55) estimates NYHA with Long-Term Care Benefits expenditures (costs) at \$60.1 billion in 2022, rising to \$77.2 Billion in 2031.

*** RAND utilizes National Health Expenditure (NHE) data to determine available public resources (Medicaid and Medicare) to pay for the estimated expenditures. We added the same projected inflation factors utilized by RAND: 3% until NYHA implementation in 2022, then 2.4% inflation thereafter. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsResidence.html>

RAND estimated the New York Health Act would require \$210 Billion in new taxes when fully implemented.¹ Add the taxes for long-term care, and that is \$252.7 Billion annually.

¹ https://www.rand.org/pubs/research_reports/RR2424.html