

Long Term Care

Lecture for HS200 Nov 14, 2006

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What is long-term care...

and why does it matter?

- It is a set of health, personal care, and social services delivered over a sustained period of time to persons who have lost, or never acquired, some degree of functional capacity. (or, more simply)→
- The assistance that is needed to managed as independently and decently as possible when disabilities undermine capacities.

Disease vs. Impairment

Disease

- Biological, pathological process (coronary occlusion)

Impairment

- Reduced heart output due to a heart attack

Functional limitation

- Difficulty walking

Disability (incapacity)

- Inability to garden, go to church, shop independently

Measuring functional capacity-ADL

Activities of Daily Living (personal care)

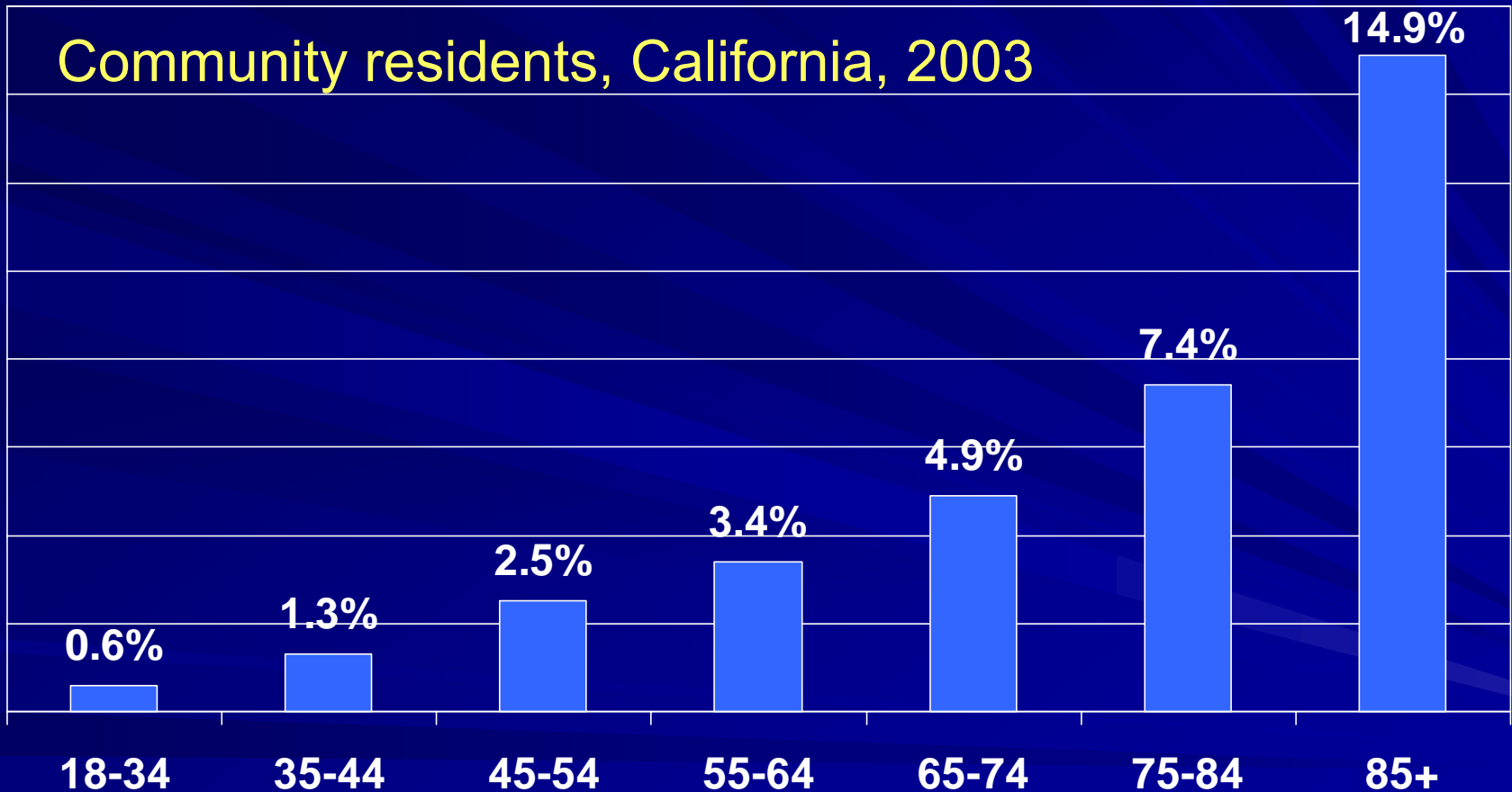
- transferring
- bathing
- dressing
- eating
- using the toilet
- walking

Measuring functional capacity-IADL

Instrumental Activities of Daily Living (home)

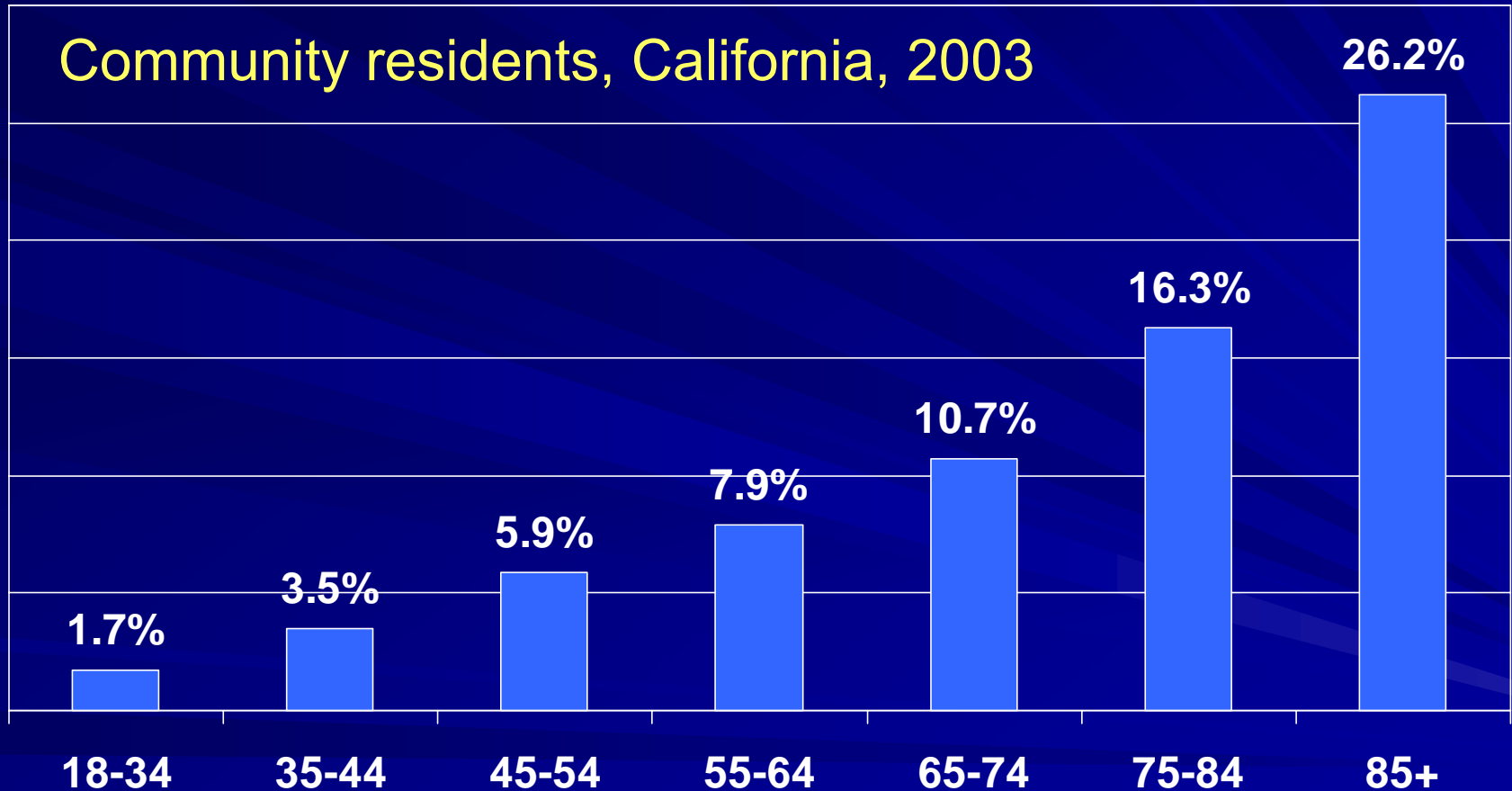
- cooking
- shopping
- paying bills
- using telephone
- light housework
- heavy housework

Needs equipment or help with ADLs because of health



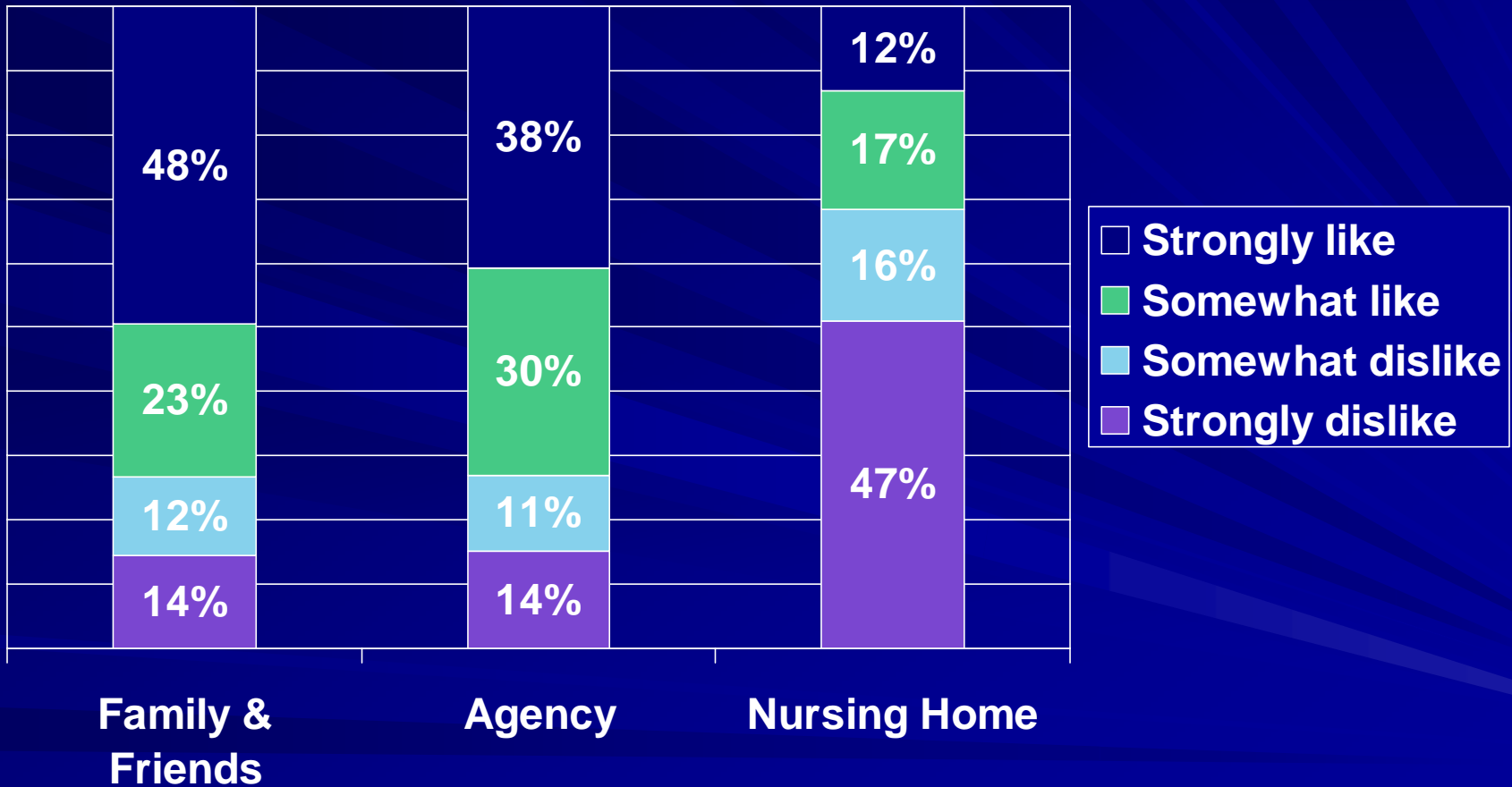
Source: California Health Interview Survey, 2003. www.chis.ucla.edu
ADLs include eating, dressing, bathing, transferring, walking & toileting

Needs equipment or help with IADLs because of health



Source: California Health Interview Survey, 2003. www.chis.ucla.edu
IADLs include cooking, shopping managing money, and cleaning

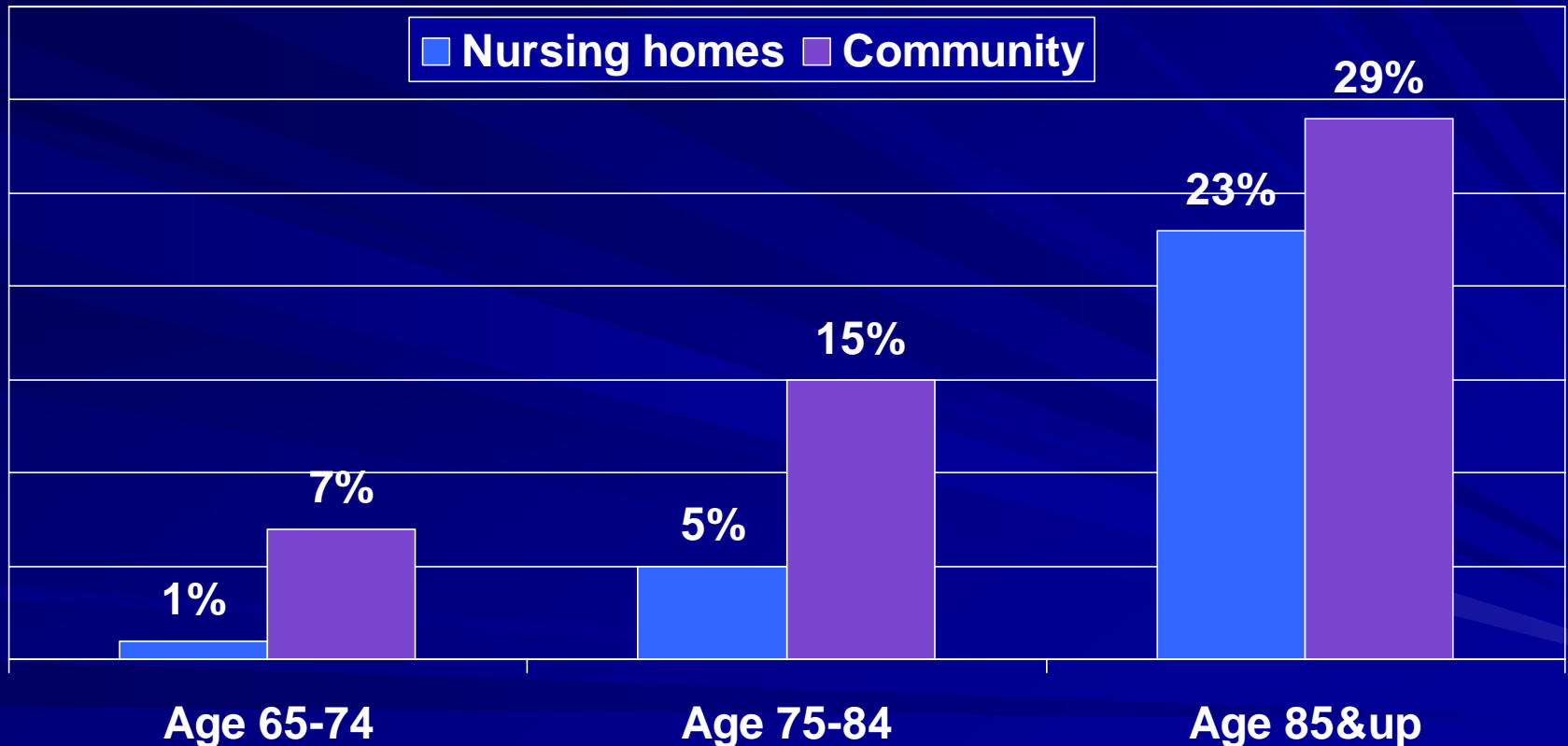
Where do they want to get help from? Persons age 50+, U.S.



Source: AARP

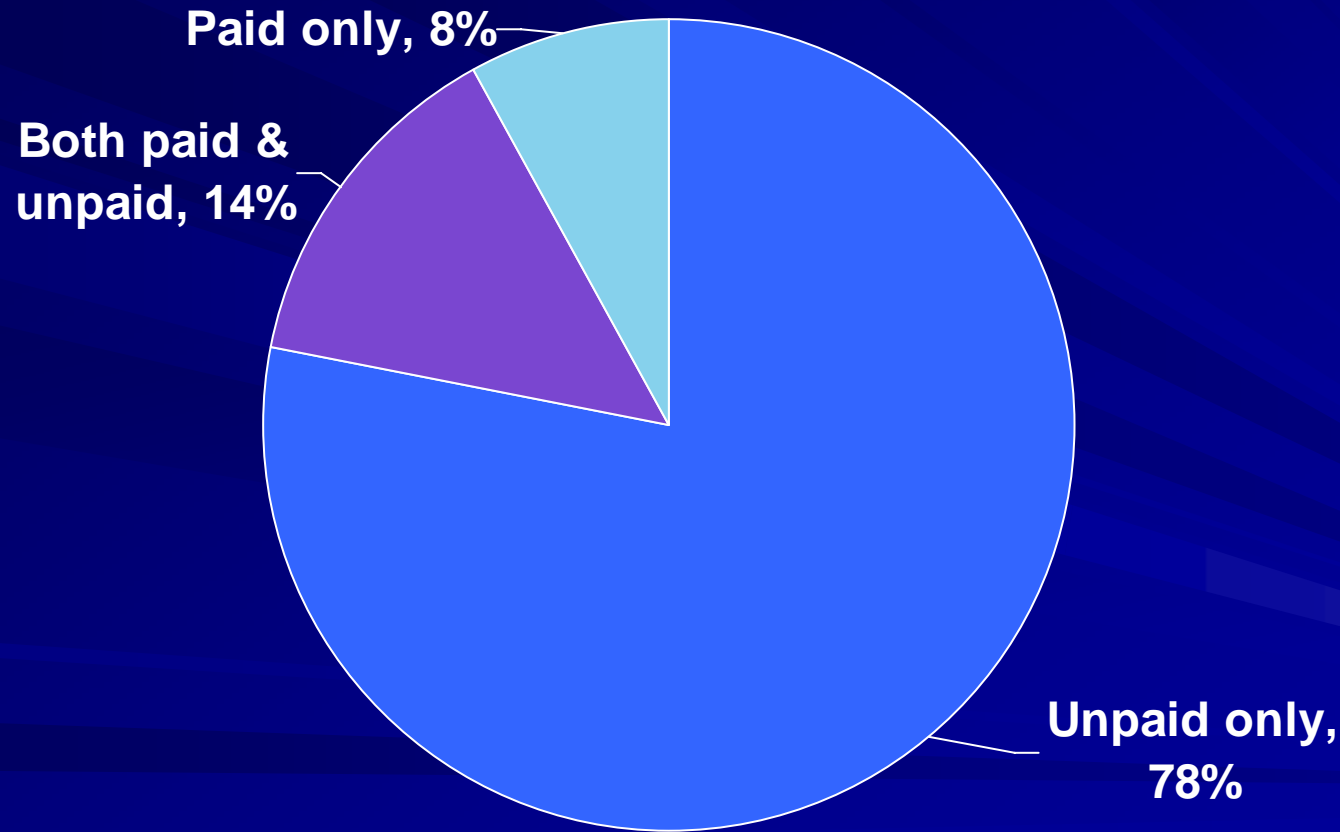
Where do they get help from?

United States



Source: CRS Testimony before U.S. Senate Committee on Finance, March 27, 2001

Most community care is from family & friends



Source: http://www.kaiseredu.org/tutorials_index.asp#Financing1

Institutional services

Nursing Homes

- Skilled care - nurses on staff

Residential care - no medical component

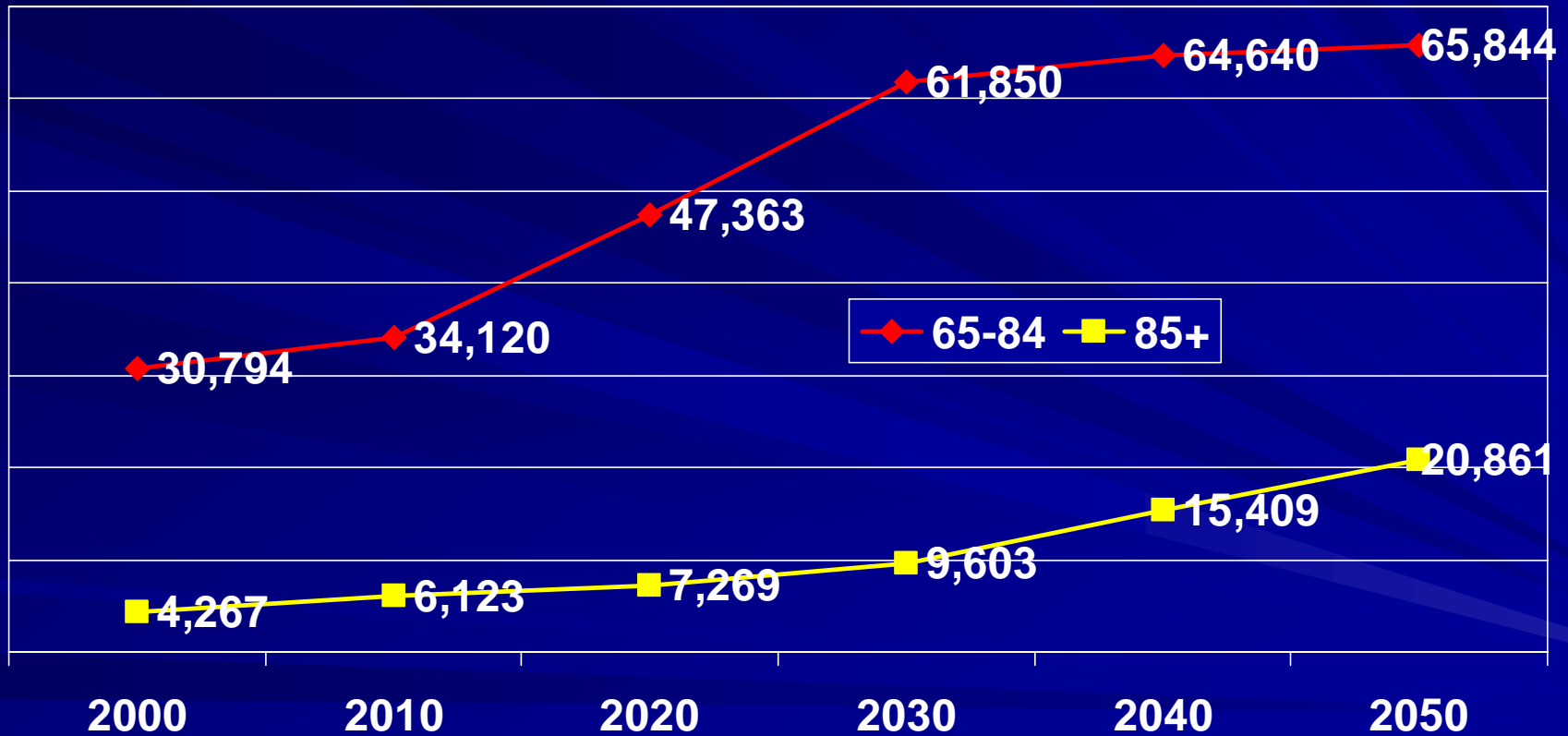
- Assisted living, continuing care retirement communities

Community services

- Adult day care : socialization, therapies (eg. PT)
- Home health care - medical
- Personal Care: Includes bathing, dressing, etc.
- Homemaker: household tasks, e.g. cleaning
- Home delivered meals
- Case management

Projected Population, U.S.

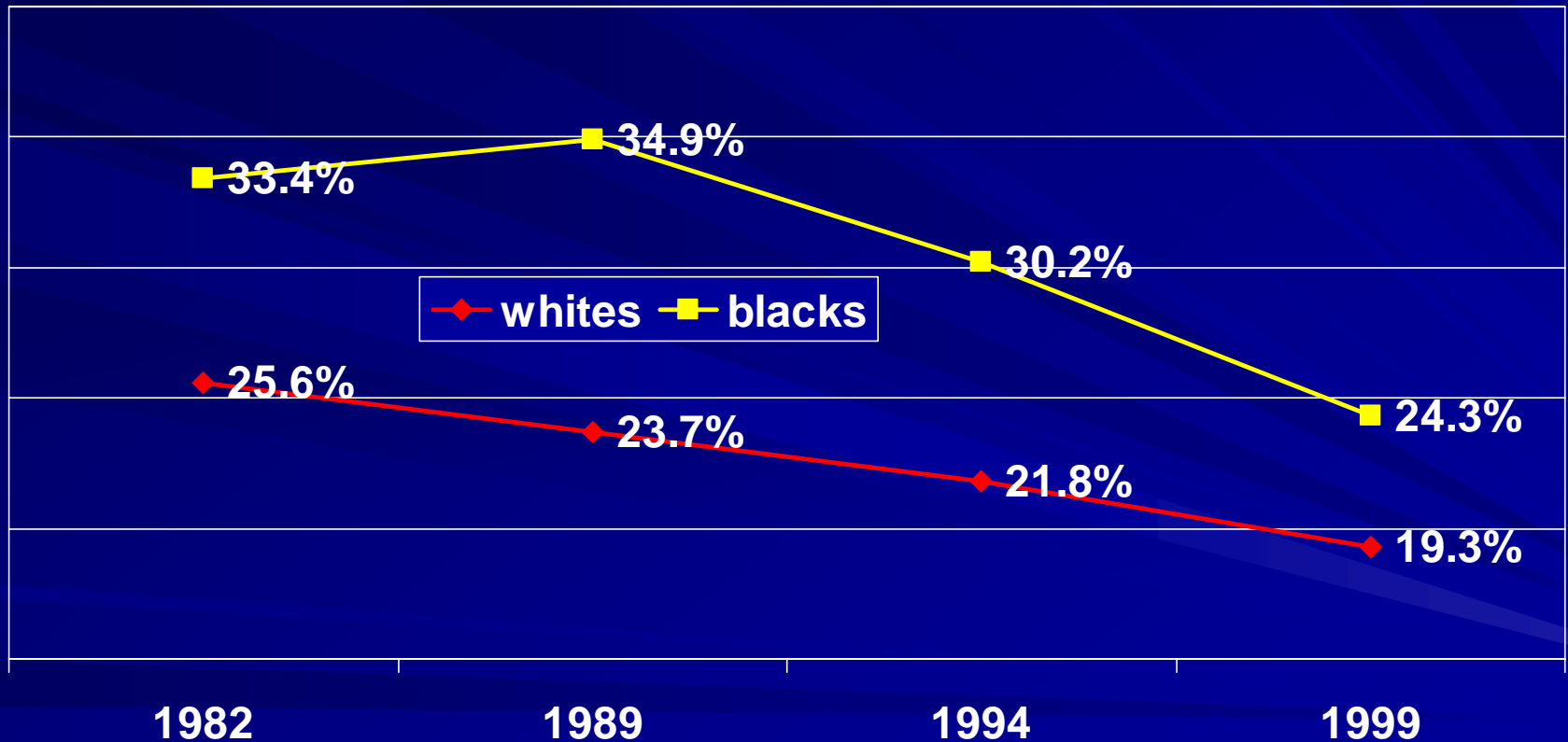
United States



Source: U.S. Census Bureau, 2004, "U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin, <http://www.census.gov/ipc/www/usinterimproj/>

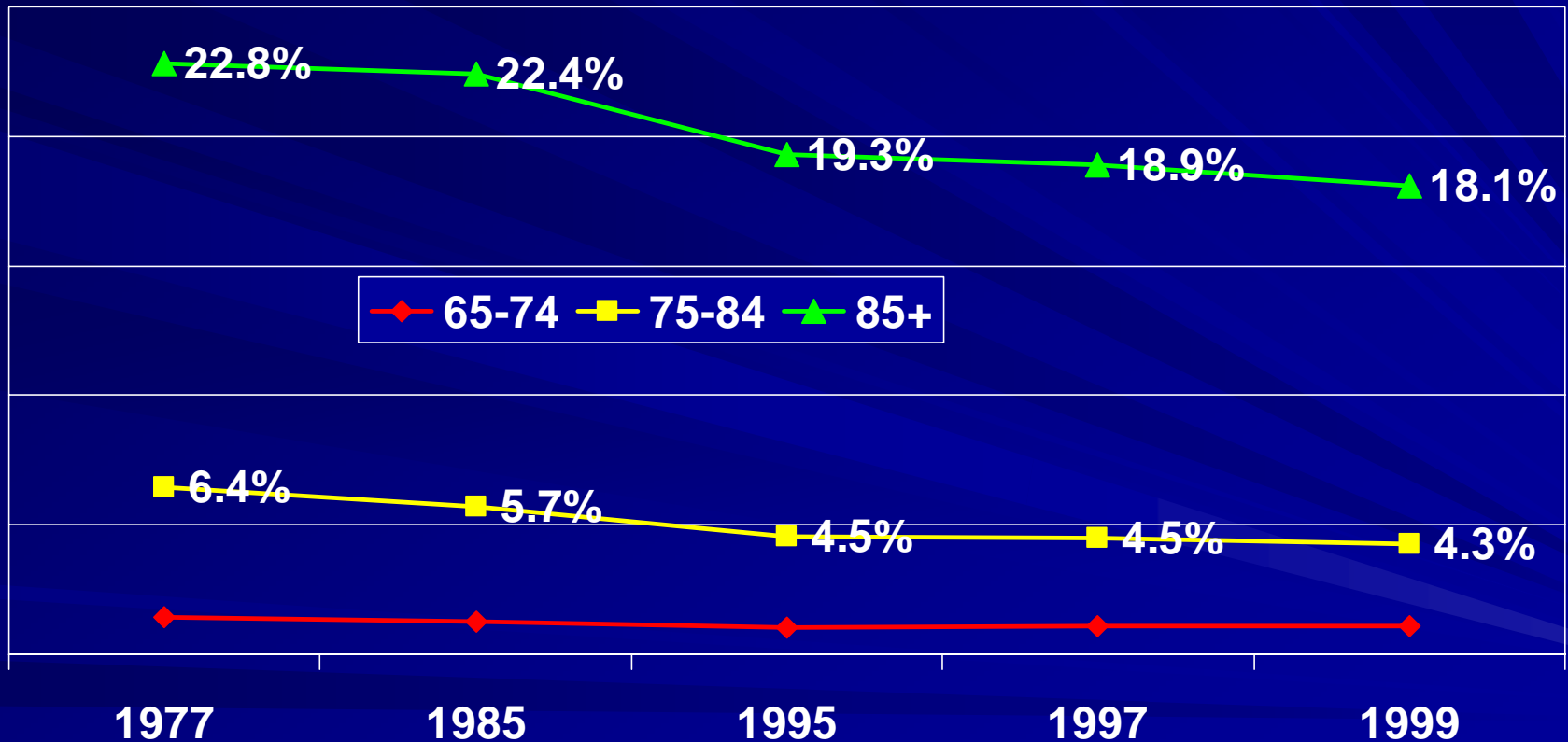
Declining disability rates

United States



Declining nursing home rates

United States



The baby boom has always caused social adjustments

- Growth in family housing in 1950s due to tax breaks
- New public schools & colleges built in 1950s-60s
- Growth of labor force to absorb new workers; tax breaks for benefits
- Future plans for social security, retirement wave

Key LTC Issues

- Quality
- Access
- Financing

Quality Focus Mostly on NHs

■ Structure

- Fire safety

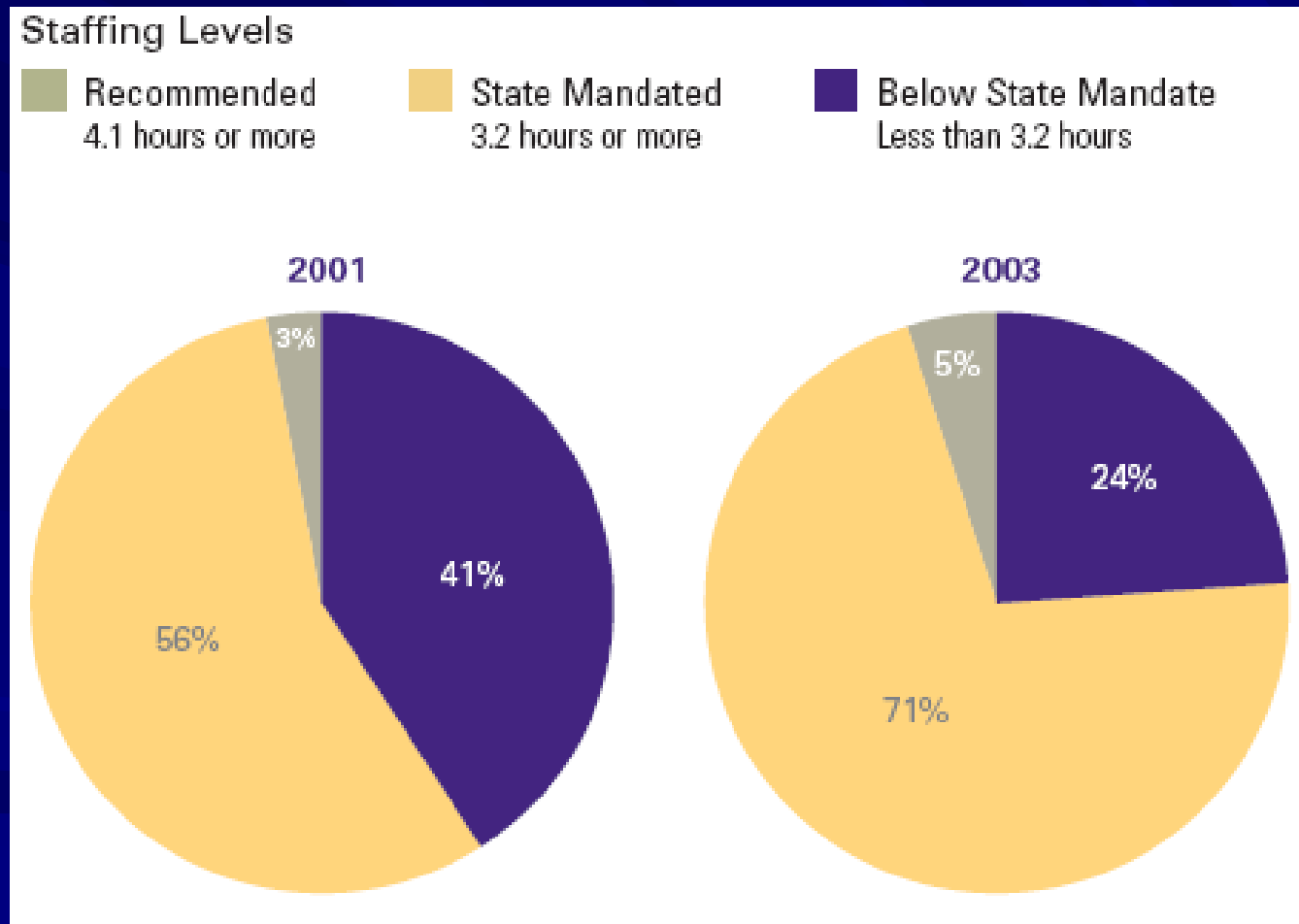
■ Process

- Hours of care

■ Outcomes

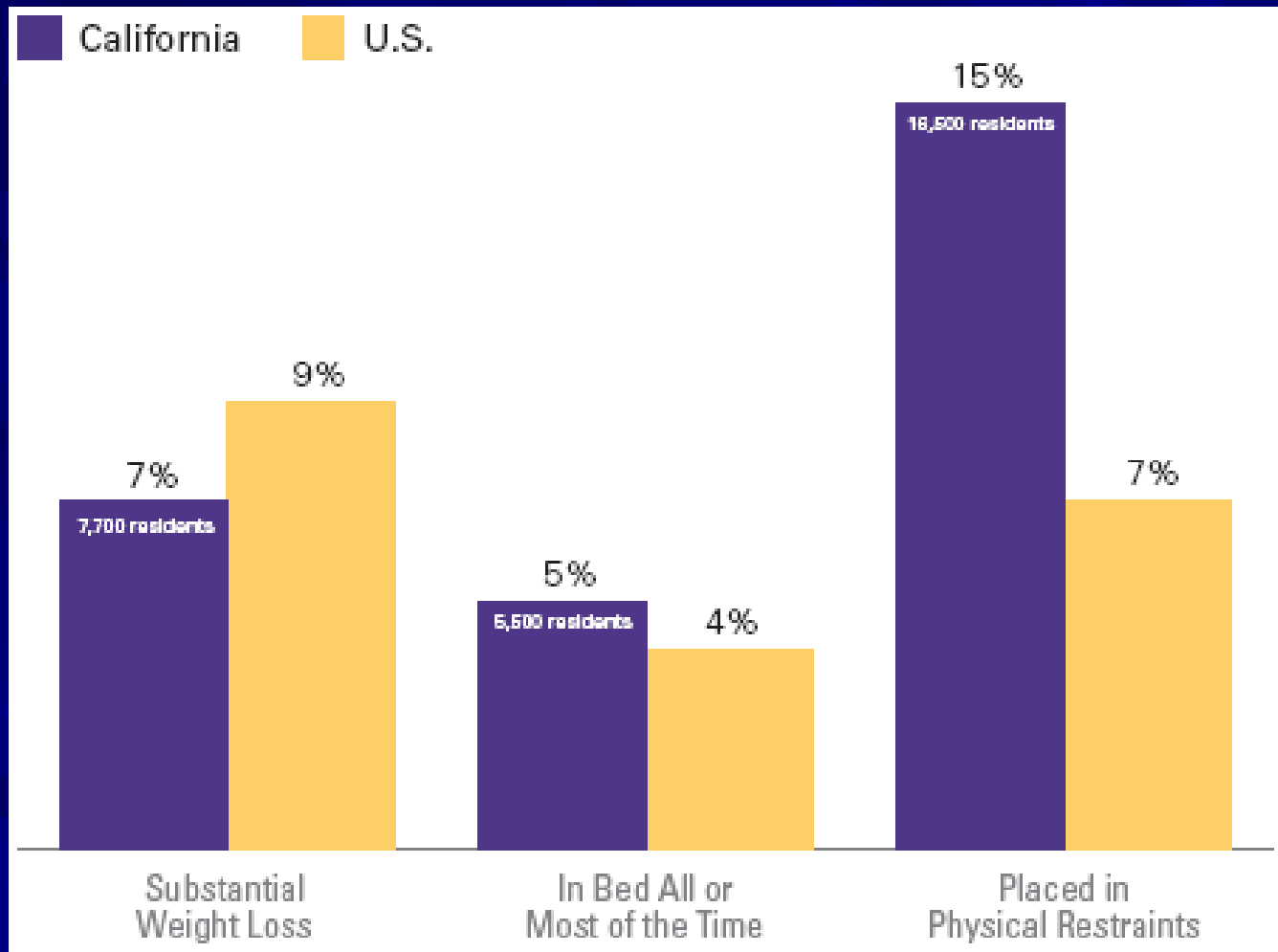
- Monitored by Minimum Data Set (MDS)

Hours of nursing/resident/day, California



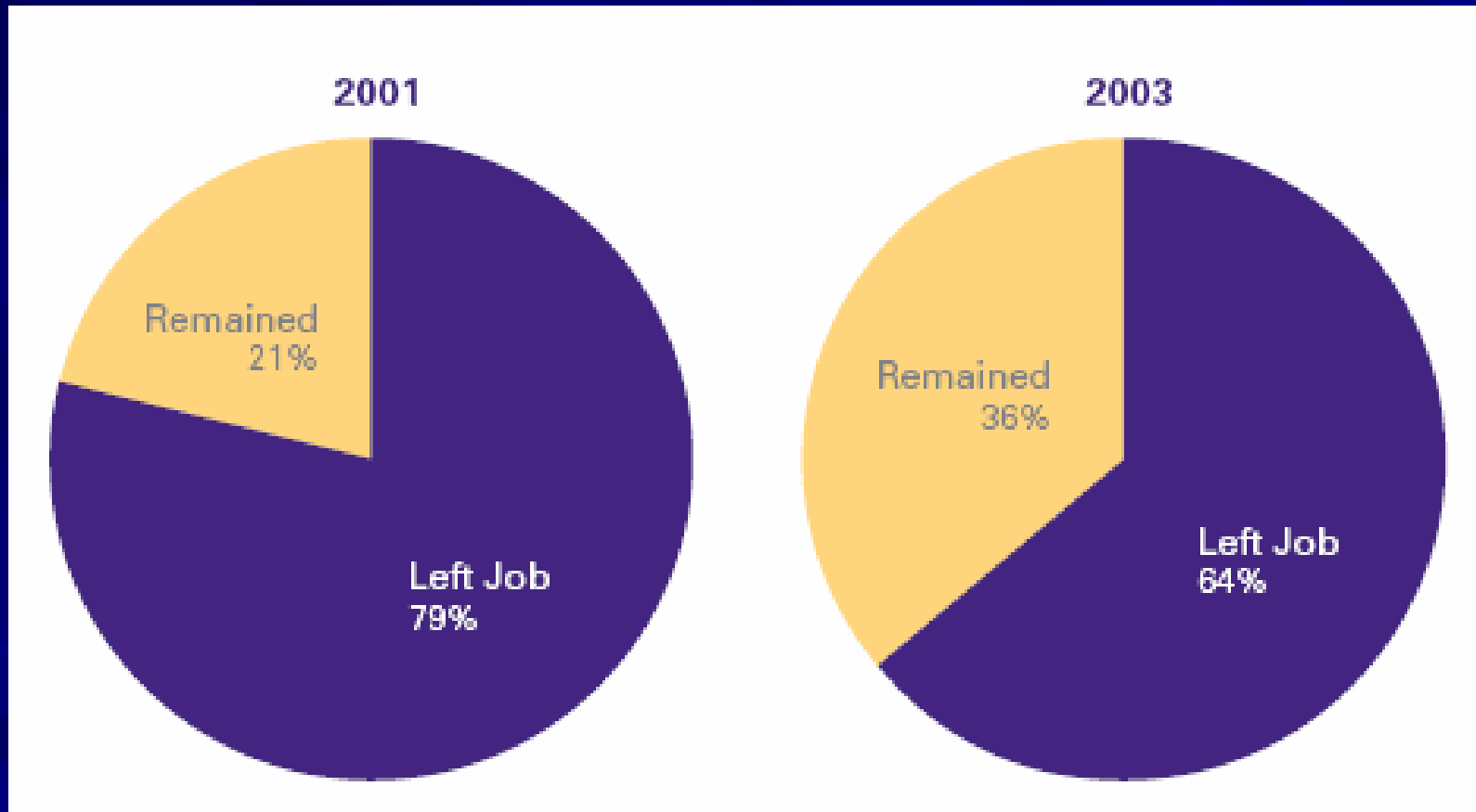
Source: California Health Care Foundation, California's Fragile Nursing Home Industry, 2005

Problems w/residents in NHs



Source: California Health Care Foundation, California's Fragile Nursing Home Industry, 2005

Average staff turnover, CA

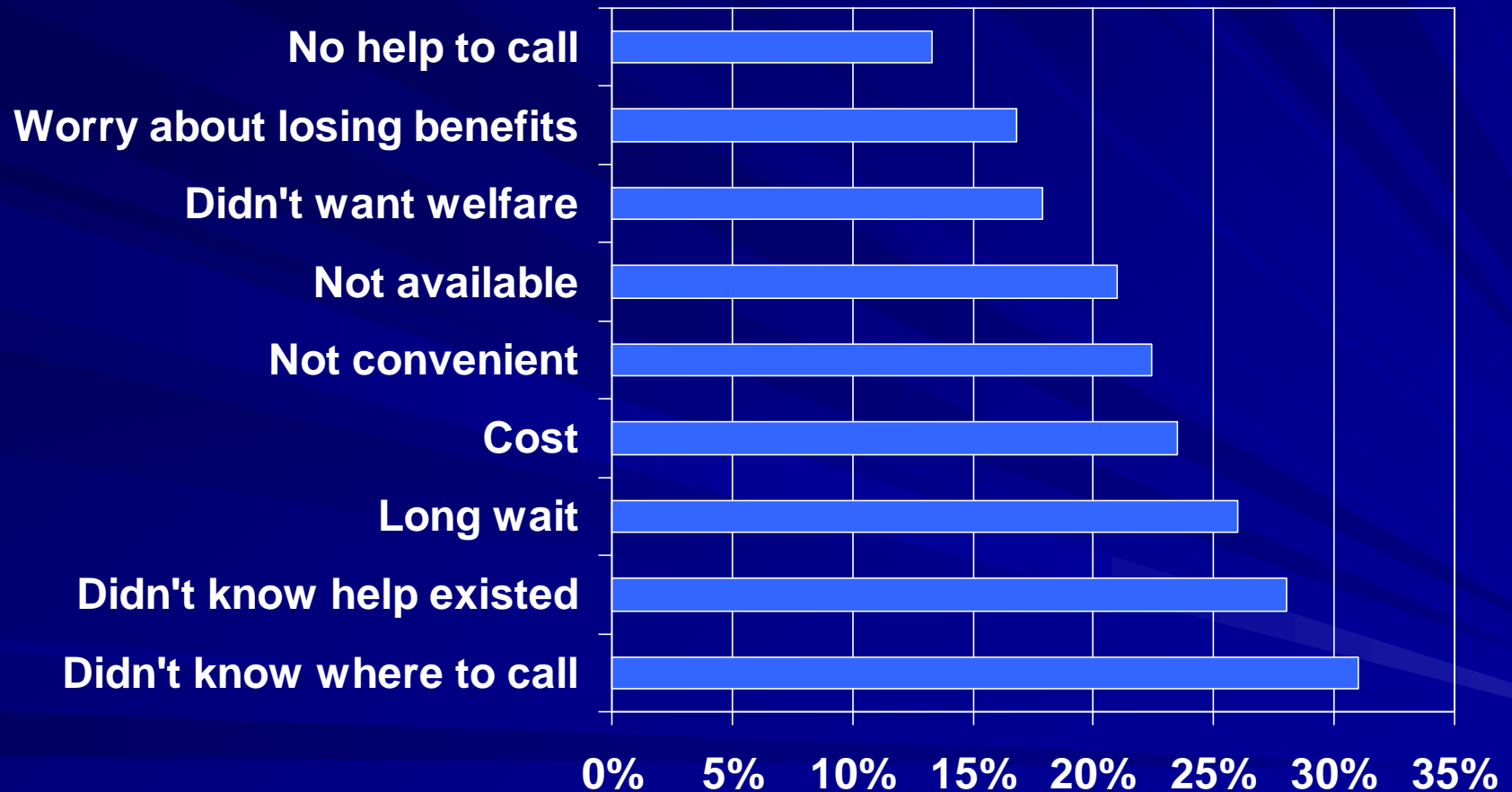


Source: California Health Care Foundation, California's Fragile Nursing Home Industry, 2005

Access issues

- Spend-down for Medi-Cal (financial barriers)
 - LTC spending drives some elders into poverty
- Coordination of services
- Knowledge of options

Community LTC barriers



Source: Survey of 376 elderly recipients of community-based LTC in East Los Angeles

Paying for Long-Term Care

Source for this section: **FINANCING LONG-TERM CARE**

Risa Elias, M.P.P., Principal Policy Analyst, the Kaiser Commission on Medicaid and the Uninsured, January 2006

http://www.kaiseredu.org/tutorials_index.asp#Financing1

How much does long-term care cost?

■ Nursing Home Care

– average annual cost is \$74,000

■ Personal Care

– average annual cost is \$9,000

■ Home Health

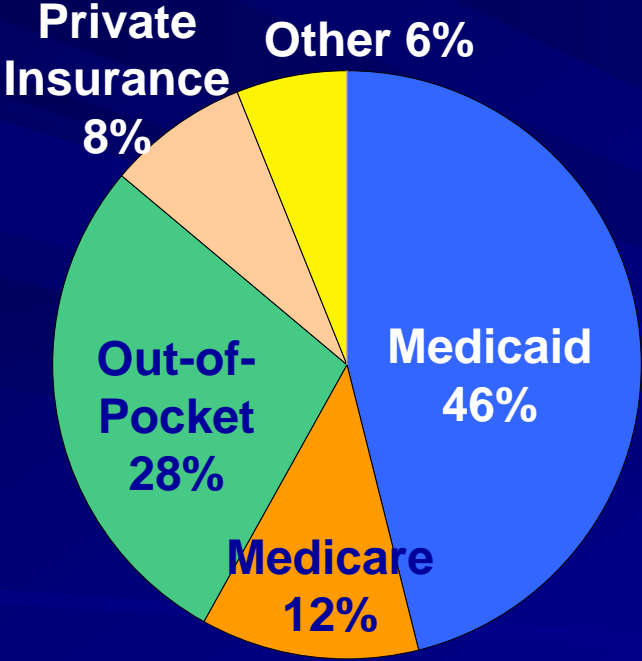
– average rate for home health aide is \$19/hour

Who pays for long-term care?

- Out-of-Pocket – self and families
- Medicaid
- Medicare
- Private LTC insurance

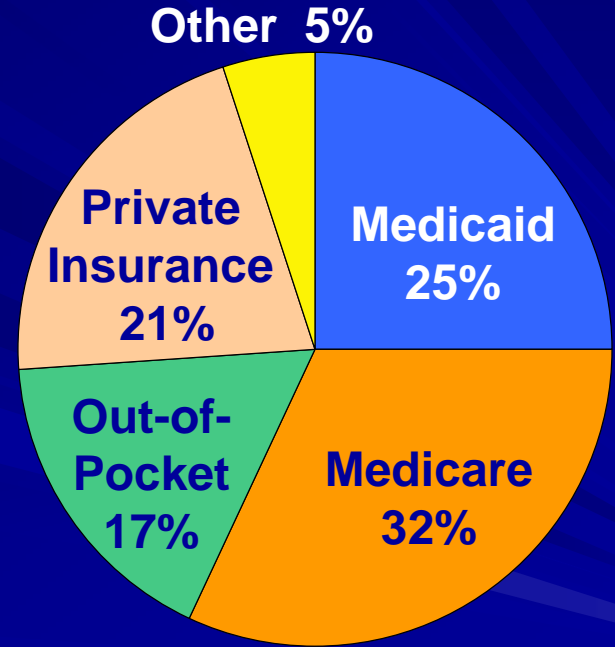
National Spending on Nursing Home and Home Health Care, 2003

Nursing Home Care



Total = \$110.8 billion

Home Health Care



Total = \$40 billion

SOURCE: CMS, National Health Accounts, 2005.



Medicare

Medicare Only Covers Limited Long-Term Care Benefits

- Medicare is the federal health insurance program for seniors and people under age 65 with permanent disabilities.
- Medicare coverage for long-term care is limited
 - home health services to beneficiaries who are homebound, need part-time skilled nursing or therapy services, and are under the care of a physician
 - provides limited nursing home care care (100 days) for those recently discharged from a hospital known as post-acute care

Medicaid

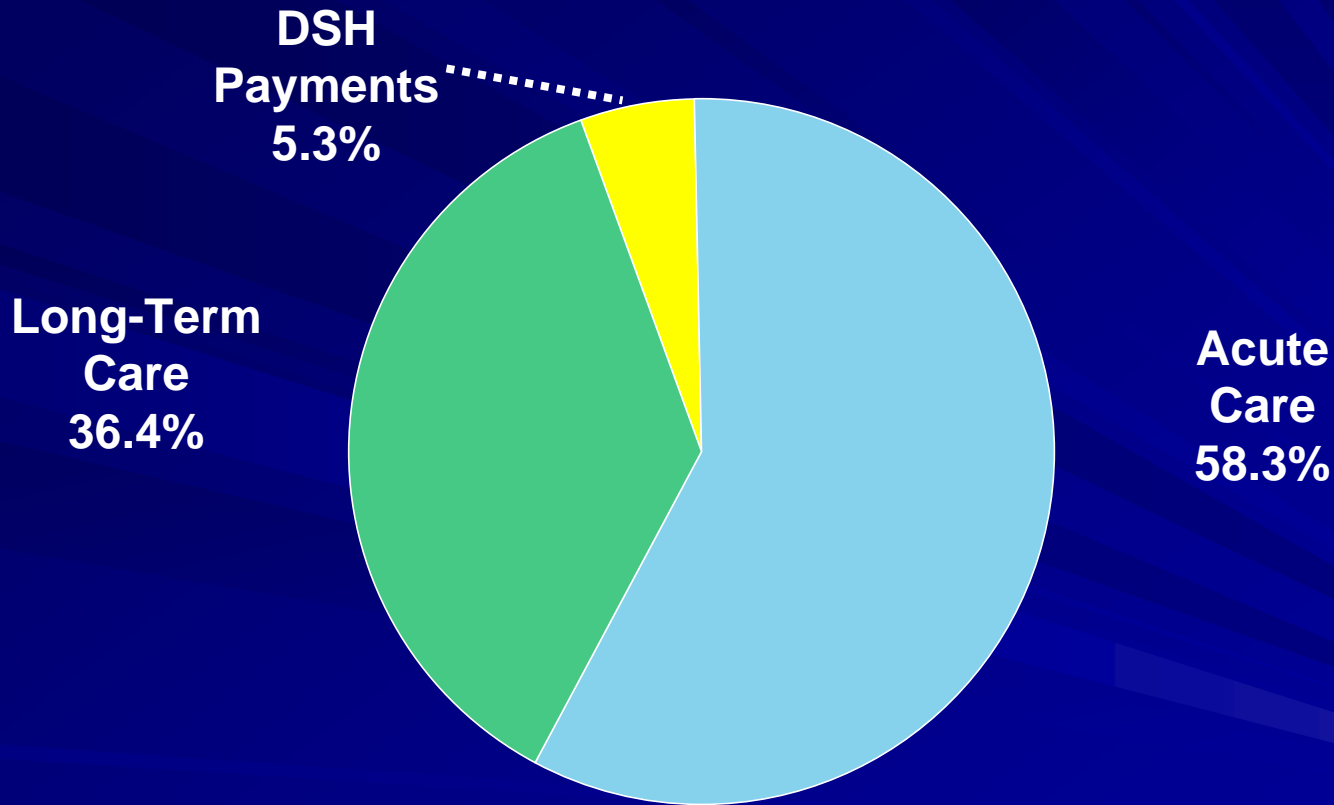
Who qualifies for Medicaid long-term care?

- Medicaid eligibility criteria is restrictive
 - Individuals need to fit into a category, such as over 65 or disabled to qualify.
 - Individuals must also have very low-incomes
 - AND limited assets (such as savings accounts) to qualify.
- Many individuals with long-term care needs are not eligible because they do not meet either financial or categorical criteria.
- For low-income Medicare beneficiaries who do qualify, Medicaid fills the gaps in Medicare coverage

Medicaid Long-term Care Benefits

- Medicaid has services that states must cover (“mandatory”) and other services for which states can choose to cover (“optional”)
- All states are required to cover nursing facility benefits; while coverage of community-based services is optional
- There are three ways state Medicaid programs provide community-based long-term care services:
 - mandatory home health services
 - optional personal care services (32 states)
 - home and community-based waiver services (254 waivers)
- Under a waiver, states can provide home and community-based services to individuals “at risk” of needing institutional care and can target specific populations such as people with developmental disabilities, people with physical disabilities, elderly persons, or persons living with HIV or AIDS.

Medicaid Expenditures by Service, 2003



Total = \$266.8 billion

Note: Due to rounding, may not sum to 100%.

SOURCE: Urban Institute estimates based on FY 2003 data from CMS (Form 64), prepared for the Kaiser Commission on Medicaid and the Uninsured, 2005.

Growth in Medicaid Home and Community-Based Expenditures



Note: Home and community-based care includes home health, personal care services and home and community-based service waivers.

Source: Burwell et al. 2005, CMS-64 data.

Private Sector

What is private long-term care insurance?

- Most private long-term care insurance plans cover nursing homes, assisted living facilities, home health care, hospice care, and respite care
 - Other common benefits: case management services, homemaker or chore services, reimbursement of bed reservations in long-term care facilities, coverage of some medical equipment, and caregiver training.
 - Coverage is typically time-limited
- Private long-term care insurance can be expensive, especially for the low-income population
 - In 2002, the average base premium for a 65 year old was \$1,337 per year.
 - Premiums get more expensive with age.
 - If policyholders are unable to pay premiums, their policies often lapse.
- Only 9 million policies have been sold; approximately 6.3 million currently in force

Conclusions

The long-term care system is expensive

- Has lots of 'no care' zones
- Is biased towards institutions

Long-term care needs to be a priority!

- Reduce chronic illness to reduce need for LTC
- Improve the environment to reduce barriers to those with impairments
- Strengthen community based and informal care
- Improve access, equity, quality, and costs of LTC services across the continuum