

Long-Term Care



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**Disabled, Aging, and Long-Term Care Programs
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What is long-term care?

- Services and supports needed when ability to care for self has been reduced by a chronic illness, disability, or aging
- Services may address special health challenges or assistance with daily activities

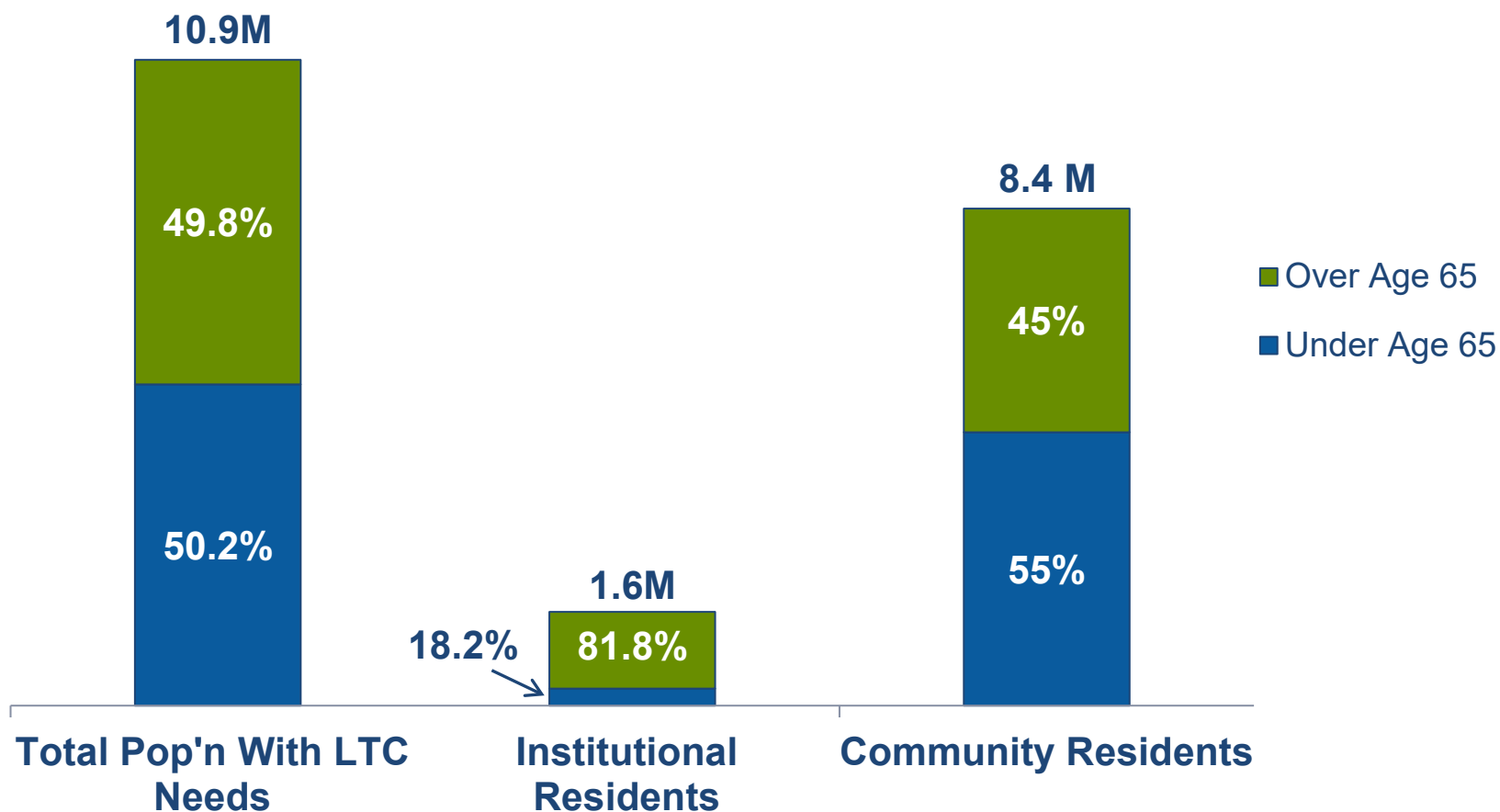


Long-term care settings

- Often provided in home and community by family members and friends
- Paid home and community-based care
 - Family and friends
 - Para-professionals
 - Home health
 - Personal care
- Residential care Facilities (Assisted Living)
- Care in Institutions
 - Nursing Home
 - Skilled Nursing Facility (SNF)
 - Intermediate Care Facility for the Intellectually Disabled (ICF/ID)



People With Long Term Care Needs



Source: Kaye et al. (2010) Long-Term Care: Who Gets It, Who Provides It, Who Pays, And How Much. *Health Affairs*, 29:1, 11-21.

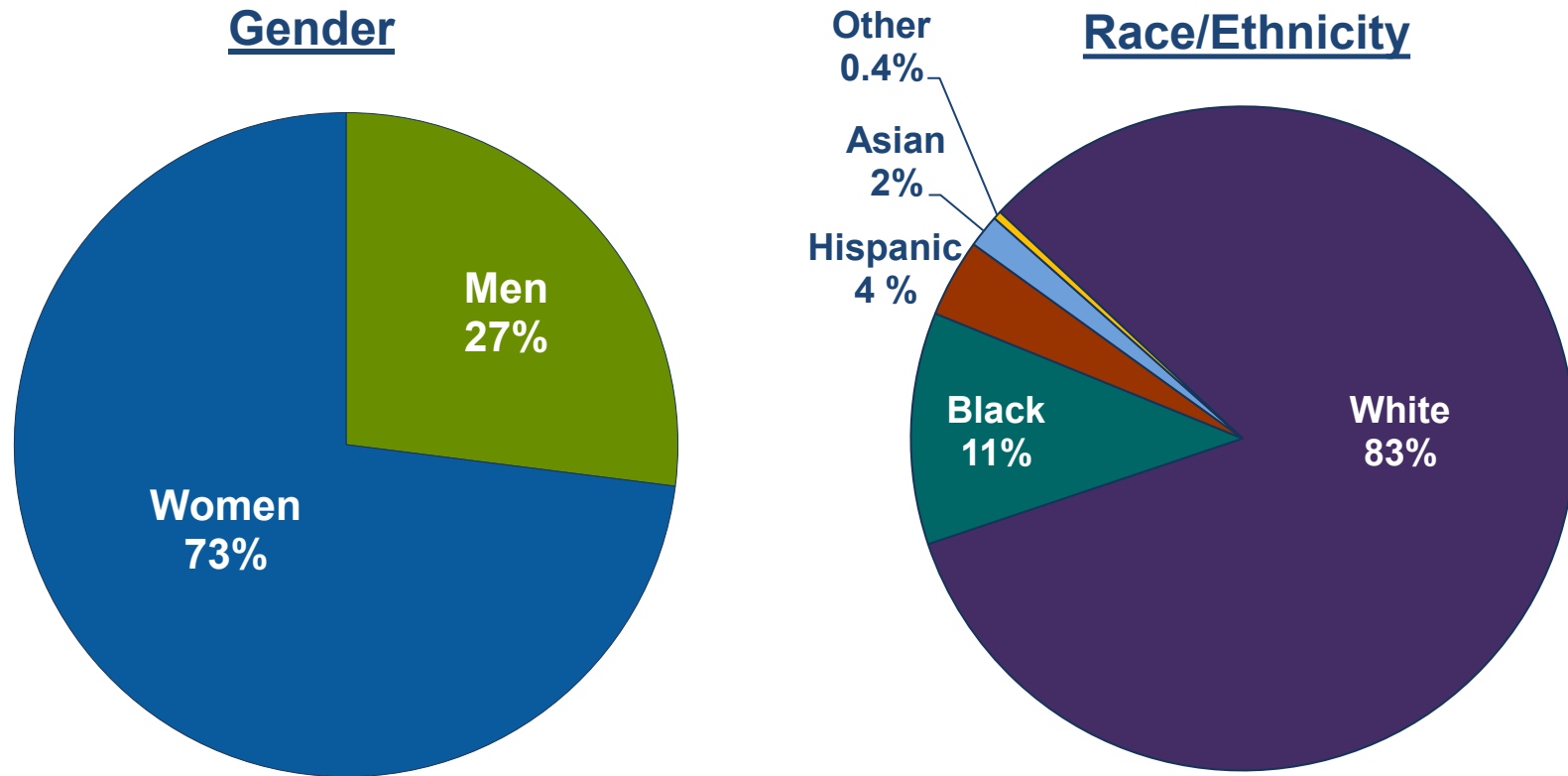
Note: Data from 2007 American Community Survey (ACS) and the 2005 Survey of Income and Program Participation (SIPP)

Long-Term Care Population is Diverse and Has a Wide Array of Needs

- Persons with intellectual and developmental disabilities
- Persons with mental illness
- Persons with spinal cord injuries and traumatic brain injuries
- Persons with Alzheimer's disease and dementia
- Children with special health care needs
- Elderly persons who need assistance with one or more activities of daily living (ADLs)



Demographics of Nursing Home Population



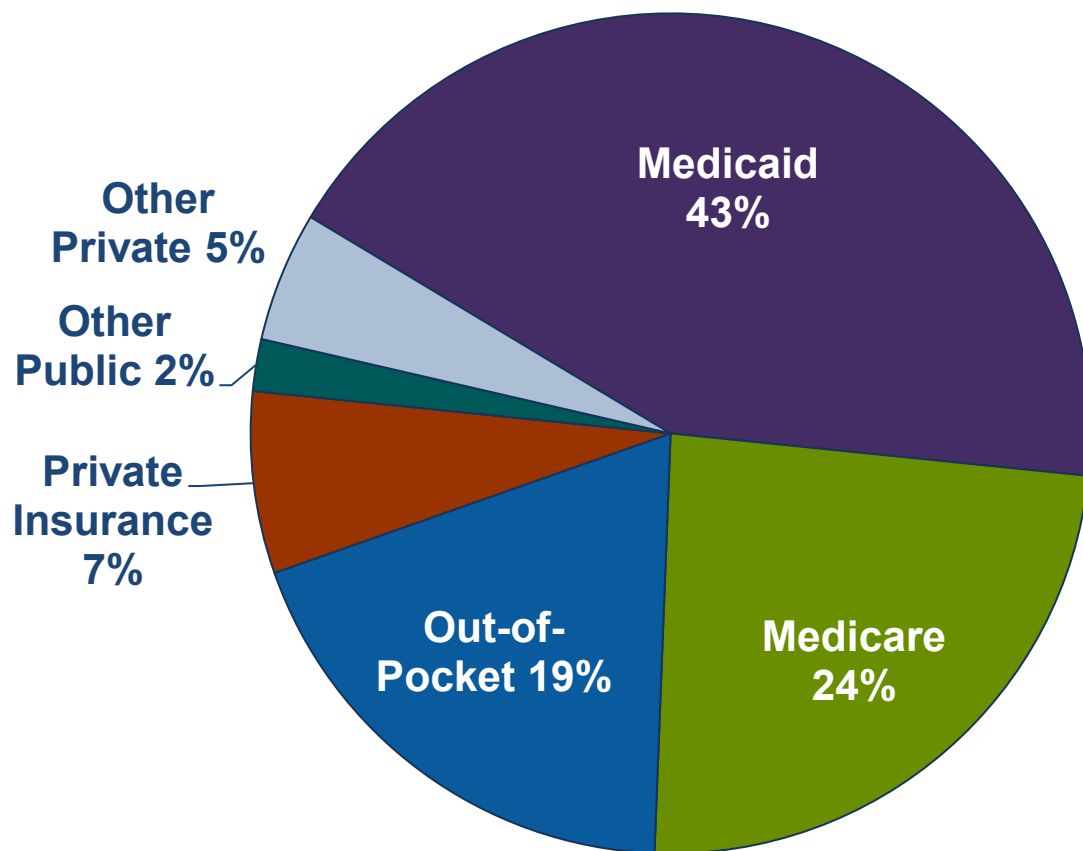
Total Nursing Home Residents 65 and Older in 2008: 1.2 Million

Long-term Care Can Be Expensive

- Nursing Home Care
 - Average annual cost is \$75,000
- Home and community-based services care
 - Personal Care
 - Average annual cost is \$11,000
 - Home Health
 - Average rate for home health aide is \$21/hour



Medicaid pays for the majority of long-term care services



Total Long-Term Care Expenditures in 2009 = \$240 Billion

Note: Total LTC expenditures includes spending on nursing home, home health services, and home and community-based waiver services. All home and community-based waiver services are attributed to Medicaid. Total excludes residential care facilities for intellectual and developmental disabilities, mental health, or substance abuse.

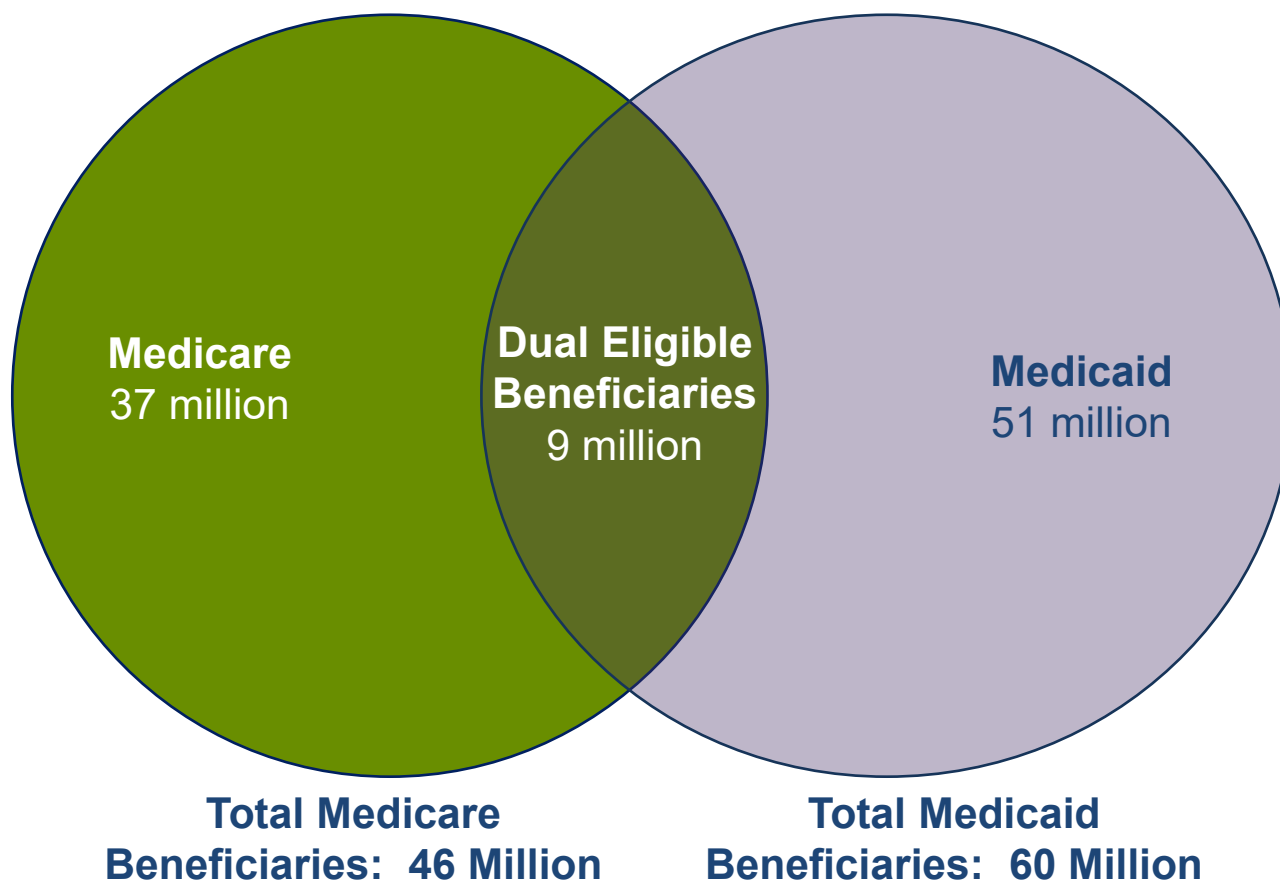
Source: KCMU estimates based on CMS National Health Accounts data, 2009.

Who Qualifies for Medicaid Long-Term Care?

- Current Medicaid eligibility criteria:
 - Individuals need to fit into a category, such as 65 and older or disabled to qualify
 - AND must also have very low-incomes
 - AND limited assets (such as savings accounts) to qualify
 - Those with high medical bills may qualify for Medicaid medically needy coverage by “spending down” to state specified eligibility levels
- Many individuals with long-term care needs are not eligible because they do not meet either financial or categorical criteria

Who are the Dual Eligibles?

Dual eligible beneficiaries comprised 20% of the Medicare population and 15% of the Medicaid population in 2008

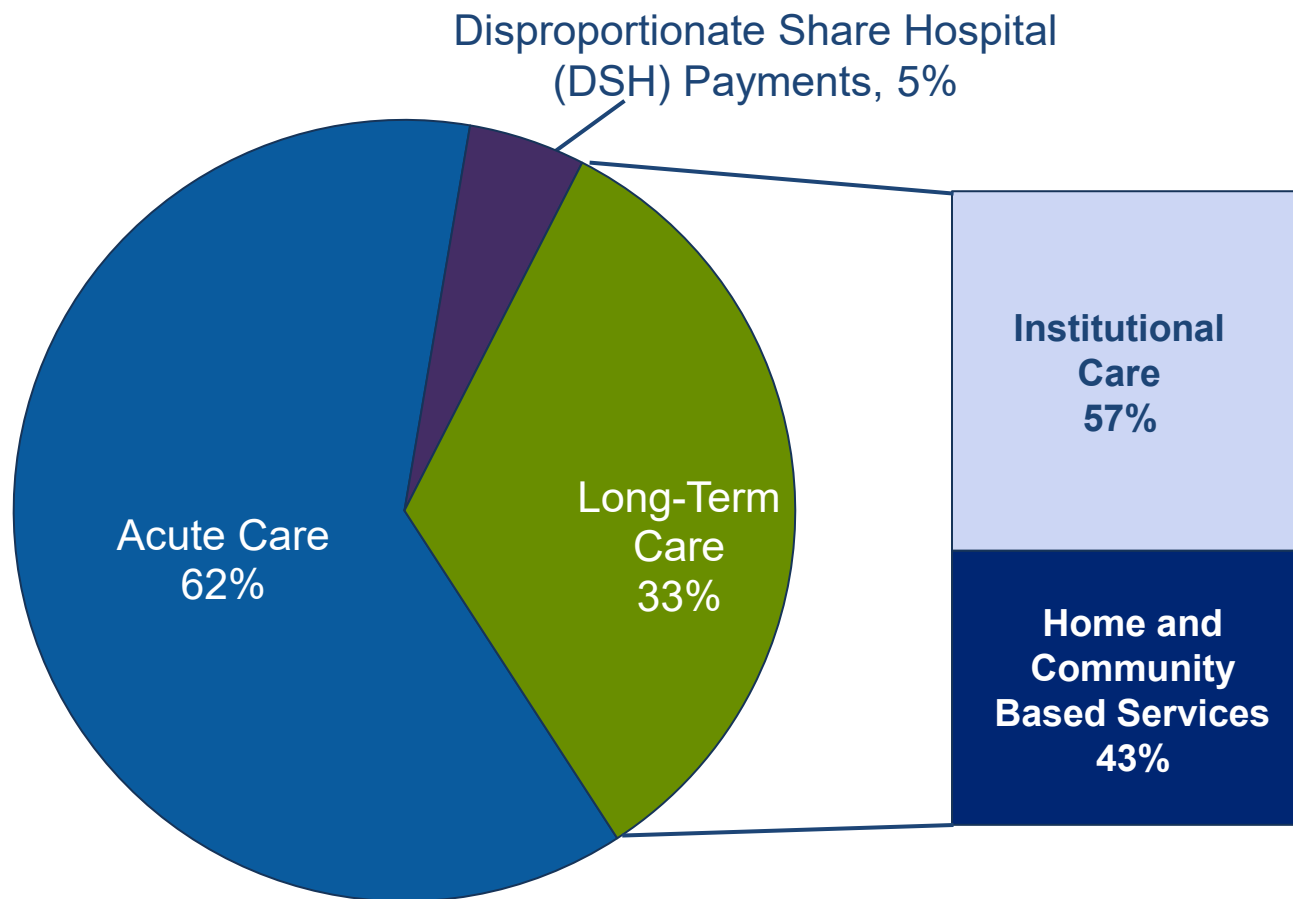


Source: Kaiser Family Foundation analysis of the Medicare Current Beneficiary Survey 2008, and Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on data from FY2008 MSIS and CMS Form-64.

Medicaid Long-Term Care Benefits

- All states are federally required to cover nursing facility benefits
- Coverage of community-based services can be provided at state option
- Three pathways for Medicaid coverage of home and community-based care
 - Mandatory home health services;
 - Optional personal care services; and
 - Home and community-based waiver services
- States may provide home and community-based services to individuals “at risk” of needing institutional care if they get special permission from the Federal government, call a “waiver”
- States can develop programs that target specific populations such as people with development disabilities, elderly, or persons with HIV/AIDS

Medicaid Spending on Long-Term Care



**Total Medicaid Expenditures:
\$366.5 Billion**

**Medicaid Expenditures on
Long-Term Care: \$122 Billion**

Note: Excludes administrative spending, adjustments and payments to the territories.

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

Medicare Spending on Long-term Care

- Medicare coverage for long-term care is limited
 - Covers home health services if homebound or in need of skilled nursing therapy
 - Covers nursing home stay, but only for 100 days after hospital discharge (“post-acute” care)
- Some services, such as personal care, are not covered



What is private long-term care insurance?

- Approximately 8 million private long-term care policies are currently in force
- Most private long-term care insurance plans cover portion of nursing homes, assisted living facilities, home health care, hospice care, and respite care
 - Other common benefits: case management services, homemaker or chore services, caregiver training, coverage of some medical equipment, and reimbursement of bed reservations in long-term care facilities
 - Coverage is typically time-limited, requiring beneficiaries to estimate the amount of time that services will be needed
- Private long-term care insurance can be expensive, especially for the low-income population
 - In 2007, the average premium was \$2,207 per year.
 - Premium charges rise with age

Family caregiving is essential for many to continue living at home

- The economic value of informal caregiving was estimated to be \$450 billion in 2009
- Two-thirds of family caregivers are women
- Caregivers work 18 hours per week on average with unpaid care
- Assist daily activities with (doctor's appointments, paying bills) and more intensive care (bathing, medications, etc.)
- Half of caregivers must make adjustments to their work schedules to provide care



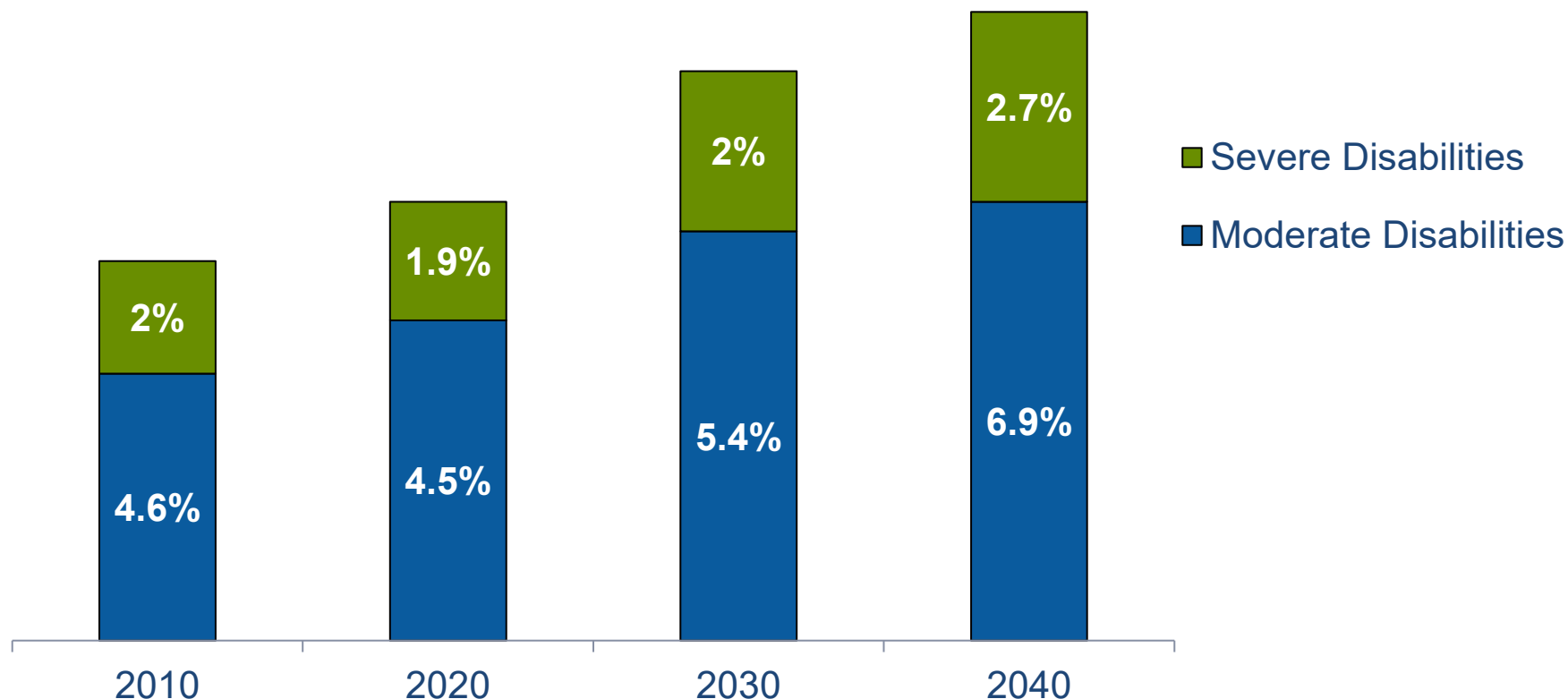
Quality of Care and Access to Long-term Care

- Concerns about long-term care quality
 - Institutional: improvements but concerns remain about facilities, standards and enforcement
 - Home and community-based services: workforce training, pay, measuring client satisfaction and appropriateness of services delivered
- Beneficiaries are often unaware of services offered or are unable to access them
 - Geographic and social isolation
 - Difficulty navigating formal and informal aging services network



The Need for Long-Term Care Will Grow

Frail Adults, Age 65 and Older as a Percentage of the Population Ages 25-64, 2000-2040



Note: Estimates are based on intermediate disability growth scenario. The analysis defines frailty as having and ADL or IADL limitations. People are classified as having moderate disabilities if they have two or fewer ADL limitations and severe disabilities if they report 3 or more ADL limitations.

Source: Johnson RW, Toohey D, and Wiener JM. 2007 Meeting the Long-Term Care Needs of the Baby Boomers: How Changing Families Will Affect Paid Helpers and Institutions. Urban Institute.

http://www.urban.org/UploadedPDF/311451_Meeting_Care.pdf

Conclusion

- Currently, there is no national system of long-term care insurance – individuals must first rely on their own resources and then primarily on Medicaid
- Medicaid is the primary payer for long-term care services
- Gradual shift from nursing home to home and community-based services
- Medicare plays a limited role and families play a critical role in providing and paying for care
- Private sector options are still limited and often costly
- Few policy options currently available to address long-term care needs and costs

Resources

- [Kaiser Family Foundation](#)
- [SCAN Foundation](#)
- [AARP Public Policy Institute](#)
- [National Senior Citizens Law Center](#)
- [National Clearinghouse for Long Term Care Information](#)
- [U.S. Administration for Community Living](#)
- [National Academy for State Health Policy](#)
- [Georgetown University, Health Policy Institute, Long-Term Care Financing Project](#)