

Long-Term Services and Supports: An Overview

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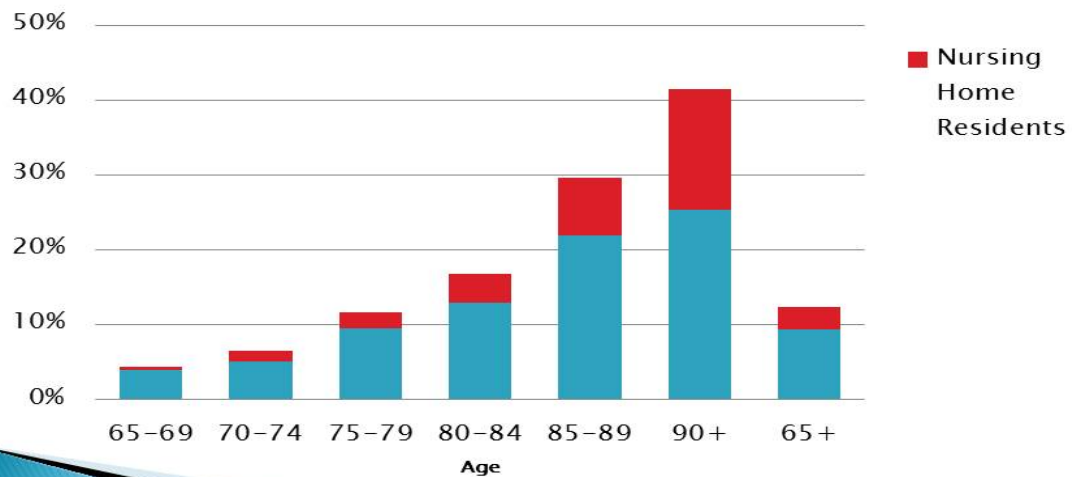
Office of Disability, Aging, and Long-Term Care Policy
Office of the Assistant Secretary for Planning and Evaluation

Long-Term Services and Supports

- ▶ aka “long-term care”
- ▶ Assistance with routine daily activities provided to people with functional limitations because of physical, cognitive or mental disability
- ▶ Measured with ADLs and IADLs
- ▶ Most prevalent among 65+ population, but not exclusive
- ▶ LTSS includes services like personal care, homemaker services meal assistance, transportation assistance, case management, etc.

Who uses LTSS?

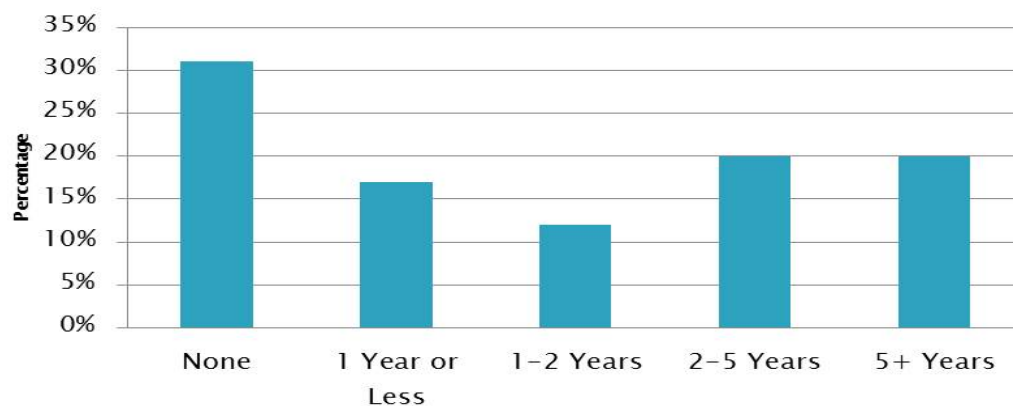
Age-Specific Prevalence of Chronic Disability and Nursing Home Residence of the Elderly



Source: 2011 National Health and Aging Trends Study

Likelihood of needing LTSS

Persons Turning 65 in 2005



Source: Kemper, Komisar and Alexih (2005)

Who provides LTSS?



- ▶ 95% of people get help from family and friends
- ▶ 65% rely exclusively on family and friends
- ▶ Only 1 / 3 use formal (paid) services and very few (5%) only use paid services
- ▶ As needs increase, paid care is more likely to be added

Source: 2011 National Study of Caregiving; Supplement to the National Health and Aging Trends Study

Informal caregivers

- ▶ Estimated 17.9 million caregivers providing 1.3 billion unpaid hours annually
- ▶ Most chronically disabled older adults have at least 2 people providing care– increases with disability level
- ▶ More likely to be women (62%)
- ▶ Half are middle-aged (45–64)
- ▶ 29% daughters, 21.2% spouses, 18% sons, 22% other relatives like grandchildren and daughters–in-law
- ▶ Average 75 hours of help per month– but lots of variability

Source: 2011 National Study of Caregiving; Supplement to the National Health and Aging Trends Study

Impacts of informal caregiving

- ▶ Almost 70% of caregivers report substantial positive aspects of caregiving
- ▶ 15% of caregivers report significant negative aspects like financial difficulties, stress, or physical strain– higher among dementia caregivers
- ▶ Caregiver stress associated with poor health and increased likelihood of nursing home placement for care recipient

Source: 2011 National Study of Caregiving; Supplement to the National Health and Aging Trends Study

LTSS settings

- ▶ Provided in home, community settings, residential settings (assisted living), or nursing homes.
- ▶ Nursing facilities
 - Compensatory, rehabilitative, psychosocial and social services to residents.
 - Regulated by states with federal rules because payment sources are largely Medicare and Medicaid
 - 2012: 1.4 million residents
- ▶ Residential care
 - 24 hour supervision, assistance with ADLs, but not skilled nursing
 - Regulated at state level– payment sources are mostly private pay and some Medicaid
 - 2012: 713,300 residents

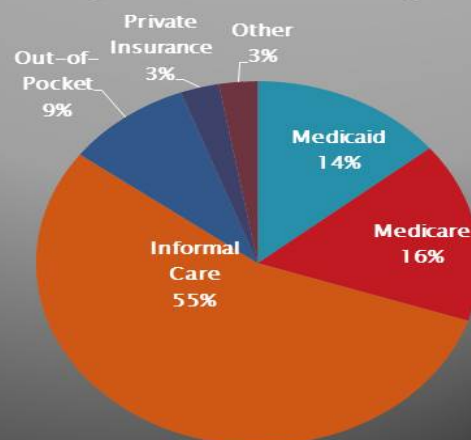
Paid workforce

- ▶ Direct care workers– staff who deliver formal LTSS
- ▶ Include nurse aides and home health aides
- ▶ Estimated 1.9 million direct care workers
- ▶ Demanding profession with low wages and limited benefits
- ▶ Challenges with recruitment and retention

Sources of LTSS payments

- ▶ In 2011, expenditures estimated at \$425 billion.
 - \$291 billion care in home and community
 - \$134 billion institutional care

Figure 2. Percentage Share of Spending on Long-Term Care for the Elderly, 2011



Source: Congressional Budget Office, 2013

Financing

- ▶ Medicare*
- ▶ Medicaid
- ▶ Private out-of-pocket and long-term care insurance

Clarifying Medicare and LTSS

- ▶ Medicare designed to cover post-acute care
- ▶ Medicare does cover limited services
 - Up to 100 days in a skilled nursing or rehabilitation facility after a hospitalization
 - Home-health to the homebound meeting certain need requirements (recertified every 60 days)¹
- ▶ But Medicare does not cover most long-term services and supports!

¹ <http://www.medicare.gov/Pubs/pdf/10969.pdf>

Medicaid

- ▶ Health care coverage for the poor and LTSS for disabled persons with limited financial resources
- ▶ Many older Americans with income and assets above poverty “spend down” their resources by paying out-of-pocket for LTSS
- ▶ Nursing home care is a required benefit
- ▶ States can choose to cover home and community-based services (HCBS) through “waivers,” but states can also limit number and type of beneficiaries who receive these services
- ▶ Medicaid financed by states and federal government; roughly 50:50

Out-of-pocket costs

- ▶ Average annual costs
 - Nursing home: \$85,235 single occupancy, \$78,110 double occupancy
 - Assisted living: \$41,724
 - Home care: \$20/hr
 - 10hrs/week=\$11,400
 - 8hrs/day=\$58,240



Long-term care insurance

- ▶ Policies mostly purchased by middle-aged and older adults
 - Healthy enough to pass underwriting
 - Higher than average incomes
- ▶ 7.7 million policies in force
- ▶ Insurance payments account for 3.3% of spending on LTSS annually

The Aging Network

- ▶ Under Older Americans Act (OAA) through the Administration on Aging (part of ACL)
- ▶ Formula grant funding to states, distributed to network of regional Area Agencies on Aging (AAAs) or Aging and Disability Resource Centers (ADRCs) to provide LTSS
- ▶ Provide information & referral, HCBS, caregiver supports, congregate and home-delivered meals
- ▶ Funding levels in FY2014:
 - HCBS: \$347 million
 - Meals: \$811 million
 - Caregiver supports: \$146 million

Recent trends and developments

- ▶ 1999: Supreme Court Olmstead decision
- ▶ CLASS Act and Long-Term Care Commission
- ▶ Planning for LTSS
- ▶ HCBS Quality Measurement
- ▶ Potential for technological solutions

Questions???