Session Objectives

- Understand the concept of Long Term Care
- Explain the need and demand of Long Term Care
- Identify the users of Long Term Care services
- Discuss the cost and financing of Long term care
- Identify the facilities and providers of Long Term Care
- Discuss the challenges and future of Long Term Care

What is long Term Care (LTC)?

A person needs long Term care when he/she requires help and assistance to deal with his/her physical or emotional needs over an extended period of time.

This help may be required for many of the daily activities of living that healthy, active people take for granted.
Examples of Daily Activities Where A Person Needs Long Term Care Help

- Walking
- Bathing
- Dressing
- Using the bathroom
- Helping with incontinence
- Managing Pain
- Preventing unsafe behavior
- Preventing wandering
- Providing comfort and assurance
- Doing the laundry
- Attending to personal hygiene
- Writing letters or notes
- Attending to medical needs
- Counseling
- Feeding
- Answering the phone
- Meeting doctor’s appointments
- Providing meals
- Maintaining the household
- Shopping and running errands
- Providing transportation
- Administering medications
- Managing money
- Paying bills
- Etc...

Why People Need Long Term Care?

Long-term care help may be needed due to:
- a terminal condition,
- disability,
- illness,
- injury or the infirmity of old age.

It is estimated that at least 60% of all individuals will need extended help in one or more of the areas mentioned in previous slide during their lifetime.

How extensive is the need for LTC?

- More than half of the US population will require long term care at some point in their lives
- One out of five Americans over the age of 50 is at risk of needing long term care in the next 12 months.
- For couples 65 and over, there is a 75% likelihood that one partner will need long term care.
- 60% of people over age 75 will need long term care and need care for approximately 3 years.
- There’s a 68% probability that people age 65 and over will become disabled in at least two activities of daily living or of being cognitively impaired
Types of Long Term Care by duration

- Temporary
  - Rehabilitation from a hospital stay
  - Recovery from illness
  - Recovery from injury
  - Recovery from surgery
  - Terminal medical condition
- Ongoing LTC
  - Chronic medical conditions
  - Chronic severe pain
  - Permanent disabilities
  - Dementia
  - Ongoing need for help with activities of daily living
  - Need for supervision

Places Where LTC Can Be Provided

- In the home of the recipient
- In the home of a family member or friend of the recipient
- At an adult day services location
- In an assisted living facility (ALF) or board-and-care home
- In a hospice facility
- In a nursing home

Types of LTC by Service

Long Term Care can be:
- Skilled Care
  - Requires supervision of skilled/licensed medical person
  - To improve or maintain health or slow deterioration
- Custodial Care
  - Does not require skill/license
- Both
Formal Care versus Informal Care

Formal caregivers are volunteers or paid care providers associated with a service system. Service systems might include:
- For-profit or nonprofit nursing homes,
- Intermediate care facilities,
- Assisted living facilities (ALFs),
- Home care agencies,
- Community services,
- Hospice,
- Church or charity service groups,
- Adult day care,
- Senior centers,
- Association services,
- State aging services and so on.

Informal Care

Informal caregivers are family, friends, neighbors or church members who provide unpaid care.

Outnumber formal caregivers:
- In their absence, required funding for LTC would skyrocket or the need for LTC would go unsatisfied.
- This could represent about 20% of the total population providing part-time or full-time care for loved ones.

WHO and Why?

WHO IS RECEIVING CARE AND FOR WHAT REASON?


Why:
Number And Percentage Of Elderly Receiving Long Term Care

<table>
<thead>
<tr>
<th>Living arrangement for care recipients over age 65</th>
<th>Estimated number of long term care recipients over 65 (in millions)</th>
<th>% of total care recipients over age 65</th>
<th>% of the total population over age 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Home for the Aged</td>
<td>1.62</td>
<td>20.00%</td>
<td>4.40%</td>
</tr>
<tr>
<td>Community Housing With Care</td>
<td>1.05</td>
<td>13.00%</td>
<td>2.90%</td>
</tr>
<tr>
<td>Home Care for the Aged</td>
<td>5.40</td>
<td>66.90%</td>
<td>14.70%</td>
</tr>
<tr>
<td>Totals</td>
<td>8.07</td>
<td>100.00%</td>
<td>22.00%</td>
</tr>
</tbody>
</table>

Age 65 And Older Population = 36.7

(2005 Estimate: Census Bureau)
Long Term Care Recipients by Age

- Ages 18 to 64: 40%
- Age 65+: 57%
- Under age 18: 3%

Percent of Non-institutionalized U.S. Population With limitations of Activity Caused by Chronic Conditions

- Age 65 to 74: 60%
- Age 75+: 70%

Disability Status of Non-institutionalized U.S. Population over Age 65

- Total with No Disability: 10%
- Total with Some Disability: 65%
- Can’t leave Home: 25%
- Self Care Needs (ADL’s): 40%
- Mental Disability: 20%
- Physical Disability: 10%
- Sensory Disability: 5%
- General Disability: 3%
- Can’t Work: 1%
10/28/2008

% of Medicare enrollees age 65 and over with functional limitations by Residential Settings

Women comprise the majority of the long-term care population

Total = 1.5 million
Total = 2.5 million

Another view at the propensity to use LTC

Source: Kaiser Family Foundation analysis of Medicare Current Beneficiary Survey access to LTC data, 2006.
Socio-Economic Factors

[Bar chart showing percentage of income spent on different socio-economic factors]

Source: KFF analysis of Medicare Current Beneficiary Survey, 2006

Costs of Long Term care

- The 2006 average daily rate for a private room in a nursing home was $206
- The 2006 average daily rate for a semi-private room in a nursing home was $183
- 2007 estimated cost for a private room is over $250 per day
- By 2030, many retirees will not have enough income and assets to cover basic expenditures or any expenses related to a nursing home stay or service from a home health provider

Other relevant costs (2008 averages)

- $3,008/month for care in an Assisted Living Facility (for a one-bedroom unit)
- $29/hour for a Home Health Aide
- $18/hour for a Homemaker services
- $59/day for care in an Adult Day Health Care Center
Expected Growth in Cost

Who Pays?

Who Pays Nursing Home and Residential Care Facility Costs?

2005 data

Sources of payment for health care services for Medicare enrollees age 65 and over, by type of service, 2001

This chart was presented in a congressional hearing on April 19, 2005
Average Length of Stay Per Year (in Days)

Long-term care services are costly
Florida started a unique program to provide LTC through Managed Care organizations. The program is called, “Long Term Care Community Diversion Program” or ‘Diversion’ program. The idea is to divert potential nursing home residents to a less expensive facility like Assisted Living facility and/or community setting. The State pays a per member per month capitated revenue to the contracted HMO who in turn is responsible for the complete care of those members. This way State doesn’t have to pay per diem expense to nursing homes.

The program started as a Medicaid Waiver Pilot Project in two counties and is now operating in most of the Florida counties. The program is overseen by the Department of Elderly Affairs. The State assigns the members to HMOs and cannot be directly marketed to seniors. Members are required to be both Medicare and Medicaid eligible. The Per member per month revenue for HMOs varies from county to county and ranges between $1309 to $1742 (2008-09 cap). As of August 2008, there are 9773 members enrolled in 17 Managed Care organizations.

The services provided by HMOs include a wide variety of services like:
- Companion services,
- Home making,
- Home delivered meals,
- Escort service,
- Pest control,
- Chore service,
- Respite care,
- Financial maintenance,
- Physical therapy etc.
Incredible financial burden
Aging population means more chronic conditions