Finding Long-Term Solutions for Long-Term Care

BY IDA COSSIDT-GLESNER

The U.S. population is aging. Since the beginning of the 20th century, the percentage of Americans over 65 has more than tripled, increasing from 4.1% in 1900 to 15.2% in 2016. The trend is expected to continue with older adults outnumbering children by 2034.

Roughly half of Americans over 65 are predicted to need long-term services and supports (LTSS), which include a range of medical and personal care services. Medicaid accounts for more than half of LTSS spending and is the primary payer of these services in nursing homes, hospitals, hospice facilities and home- and community-based services. As Medicaid is funded through public dollars, lawmakers are highly attuned to both the needs of their older constituents and to the financial impact of LTSS on state budgets. To address high costs and ensure quality of care, states, the federal government and health systems employ a range of prevention, treatment and coverage strategies.

Federal Action

Studies suggest that home and community-based services (HCBS) are more cost effective in delivering LTSS than institutional-based care. However, as institutional-based care is a covered Medicaid benefit and HCBS is optional, states must obtain federally approved waivers to deliver LTSS care via HCBS. Through more than 300 HCBS waiver programs in the U.S., states are designing and administering LTSS programs unique to their own needs and context.

The Centers for Medicare and Medicaid Services (CMS) issued a 2014 rule that directs states receiving Medicaid funding for HCBS to meet certain requirements for where these services are delivered. These requirements aim to improve quality, encourage community integration and offer more choices for these services. For example, the rule requires that the person-centered planning process be directed by the individual receiving the services. After an extension of the deadline, states now have until March 17, 2023 to comply.

Did You Know?

• For the first time in the nation’s history, older adults are expected to outnumber children by 2034.
• Roughly half of Americans over 65 are predicted to need long-term services and supports, more than half of which are paid for by Medicaid.
• Five states have established Master Plans for Aging, which frame a long-term, comprehensive approach to support the state’s aging population.
State Action

To create efficient LTSS systems, many states first assess their current systems. Policymakers may use various sources in their assessments, including state data, experts from their state agencies, state advocacy groups, and external tools such as the 2020 LTSS State Scorecard. It is produced by AARP’s Public Policy Institute and supported by The Commonwealth Fund and The SCAN Foundation, and provides comparable state data, measures progress and identifies areas for improvement across five dimensions, including:

- Affordability of and access to services
- Choice of service settings and providers
- Quality of life and quality of care
- Support for family caregivers
- Effective transitions between care settings and medical facilities

Affordability and Access

Long-term services and supports tend to be expensive for many Americans. Nursing home care costs approximately $8,000 a month, and HCBS costs around $4,300 a month.

Purchasing insurance is one option to prepare for long-term care costs. Washington became the first state to pass legislation developing a public long-term care insurance program in 2019. The program provides a lifetime benefit of $36,500 per enrollee for certain medical, personal, and social services. Oklahoma and Idaho have statutorily established long-term care partnership programs to encourage individuals to purchase long-term care insurance. The laws also broaden the qualifications for coverage under Medicaid. Idaho’s statute also offers counseling when planning for long-term care.

Choice of Setting and Provider

The majority of Americans prefer to live in their homes and communities as long as possible. To meet this demand, states have been redirecting a greater portion of Medicaid spending away from institutional care toward home and community-based services. New Mexico, for example, now directs 73.5% of its Medicaid LTSS spending toward HCBS via Medicaid waivers.

The Texas Legislature initiated STAR+PLUS as the state’s Medicaid-managed LTSS program for people who have disabilities or are age 65 or older; 17,000 people now direct their own care. The Texas statute directs the Health and Human Services Commission to use the most cost-effective option for the delivery of basic attendant and habilitation services, such as dressing and bathing, for individuals with disabilities.

Quality of Life and Quality of Care

States have made various improvements in long-term care settings to ensure residents are happy, comfortable and staying as healthy as possible. To ensure quality of care for nursing home residents, certain indicators such as bed sores and use of antipsychotic medications are assessed. New Jersey is the only state to require nursing homes to use pressure redistribution mattresses to reduce the occurrence of bed sores. States have also sought to reduce the use of antipsychotic medications to sedate long-term care patients. Between 2013 and 2018, Texas achieved the largest reduction in the use of antipsychotic medication through collaboration between the Texas Health and Human Services Commission and nursing homes throughout the state.

Support for Family Caregivers

One in five Americans, or 43.5 million, provide more than 23 hours of unpaid care a week to family members or friends. Consequently, many caregivers strive to balance full- or part-time work with their caregiving duties. Some states have looked to protect caregivers who take time off to care for a family member. Delaware, for example, protects caregivers from workplace discrimination based on family responsibilities in certain cases.

Medicaid’s self-directed service option, also known as consumer-directed care, allows people to play key roles in creating and managing their own care plans. Eligible individuals can employ family or friends as caregivers as long as the care recipient meets their state’s eligibility and income requirements, which vary across states. All 50 states and D.C. offer some level of self-directed Medicaid services for long-term care.

Effective Transitions

To help effectively manage the cost of LTSS and ensure positive experiences for enrollees, some policymakers may look to ease transitions between institutional settings and community-based settings. The federal Money Follows the Person demonstration project offers grants to help states rebalance their Medicaid long-term care systems by helping individuals move from institutions back into community-based services. Forty-one states and D.C. have received funds to operate these programs. In September 2020, CMS announced a supplemental funding opportunity available to the 33 states that are currently operating such programs.

Master Plan for Aging

With the demand for services rising among an aging population, lawmakers are considering comprehensive approaches to support the diverse needs of the aging population. Five states have established Master Plans for Aging, which aim to support various aspects of aging across health, human services, housing, transportation, consumer affairs, and employment and income security.