NCSL

Long-Term Services and Supports: Case Studies from Four States

Health

National Conference of State Legislatures | APRIL 2018

Long-Term Services and Supports: Case Studies from Four States

BY SAMANTHA SCOTTI

The National Conference of State Legislatures is the bipartisan organization dedicated to serving the lawmakers and staffs of the nation's 50 states, its commonwealths and territories.

NCSL provides research, technical assistance and opportunities for policymakers to exchange ideas on the most pressing state issues, and is an effective and respected advocate for the interests of the states in the American federal system. Its objectives are:

- Improve the quality and effectiveness of state legislatures
- Promote policy innovation and communication among state legislatures
- Ensure state legislatures a strong, cohesive voice in the federal system

The conference operates from offices in Denver, Colorado and Washington, D.C.

Background

Every day, 10,000 Americans turn 65 years old[1] and estimates suggest that roughly half of this group will need some form of long-term services and supports (LTSS) during their lifetime.[2] Longer lifespans, particularly for aging baby boomers, contribute to an extraordinary demand for LTSS for older adults and people with disabilities or chronic illness. This is also an issue for younger generations, including millennials and Generation X, both as today's caregivers and tomorrow's care receivers.

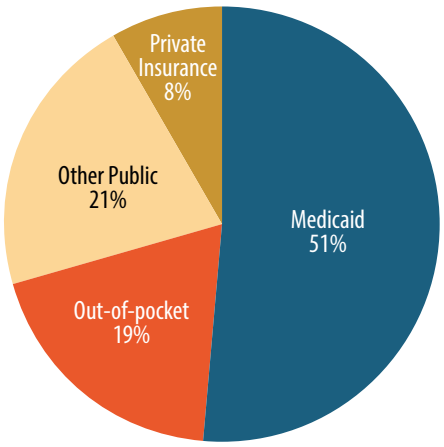
Long-term services and supports include a broad range of day-to-day assistance needed by people with chronic health conditions and challenges with daily living activities—for example, dressing, bathing, housework, money management and transportation. Services are provided in the home or in institutional settings such as nursing homes, supportive housing or assisted living facilities. People who require LTSS represent a diverse group, including those older than 65 and younger adults with different types of physical, cognitive and mental disabilities, as well as children who are medically fragile.

Demand for these services is projected to grow in the coming years—as are the associated costs, which are often paid for by public dollars. Medicaid, the largest single payer of long-term services and supports across age groups, accounts for about half of all LTSS spending.[3] Studies suggest that home- and community-based services (HCBS) are cost-effective compared to institutional care.[4] To qualify for Medicaid HCBS, individuals must meet a state's criteria for an institutional level of care. Medicaid spending on HCBS outpaced spending on institutional long-term care for the first time in 2013 and continues to increase. In fact, 55 percent of Medicaid spending on LTSS was for home- and community-based services in 2015.[5]

In addition, unpaid caregivers, such as family or friends, provide a significant amount of care, often filling in the care gaps. In 2013, approximately 40 million Americans provided care to adults with varying levels of needs, translating to a value of an estimated $470 billion in unpaid LTSS.[6]

Long-term Services and Supports by Payer, 2013

Source: Medicaid and Long-Term Services and Supports: A Primer, Kaiser Family Foundation, Dec. 2015.



This report discusses the experiences of four states as they aim to improve systems of long-term care.

Picking Up the Pace of Change

With changing demographics and rising costs, states are looking to control costs while improving long-term services and supports for older adults, people with disabilities and family caregivers.

The LTSS State Scorecard—a tool created by AARP Public Policy Institute, The Commonwealth Fund and The SCAN Foundation—aims to "pick up the pace" of improving long-term services and supports by providing comparable state data to benchmark performance, measure progress and identify areas for improvement. The scorecard reports on five dimensions identified as key factors measuring high-performing LTSS systems: 1) affordability and access, 2) choice of setting and provider, 3) quality of life and quality of care, 4) support for family caregivers, and 5) effective transitions. The chart on page 2 indicates how all 50 states were organized across the five dimensions.

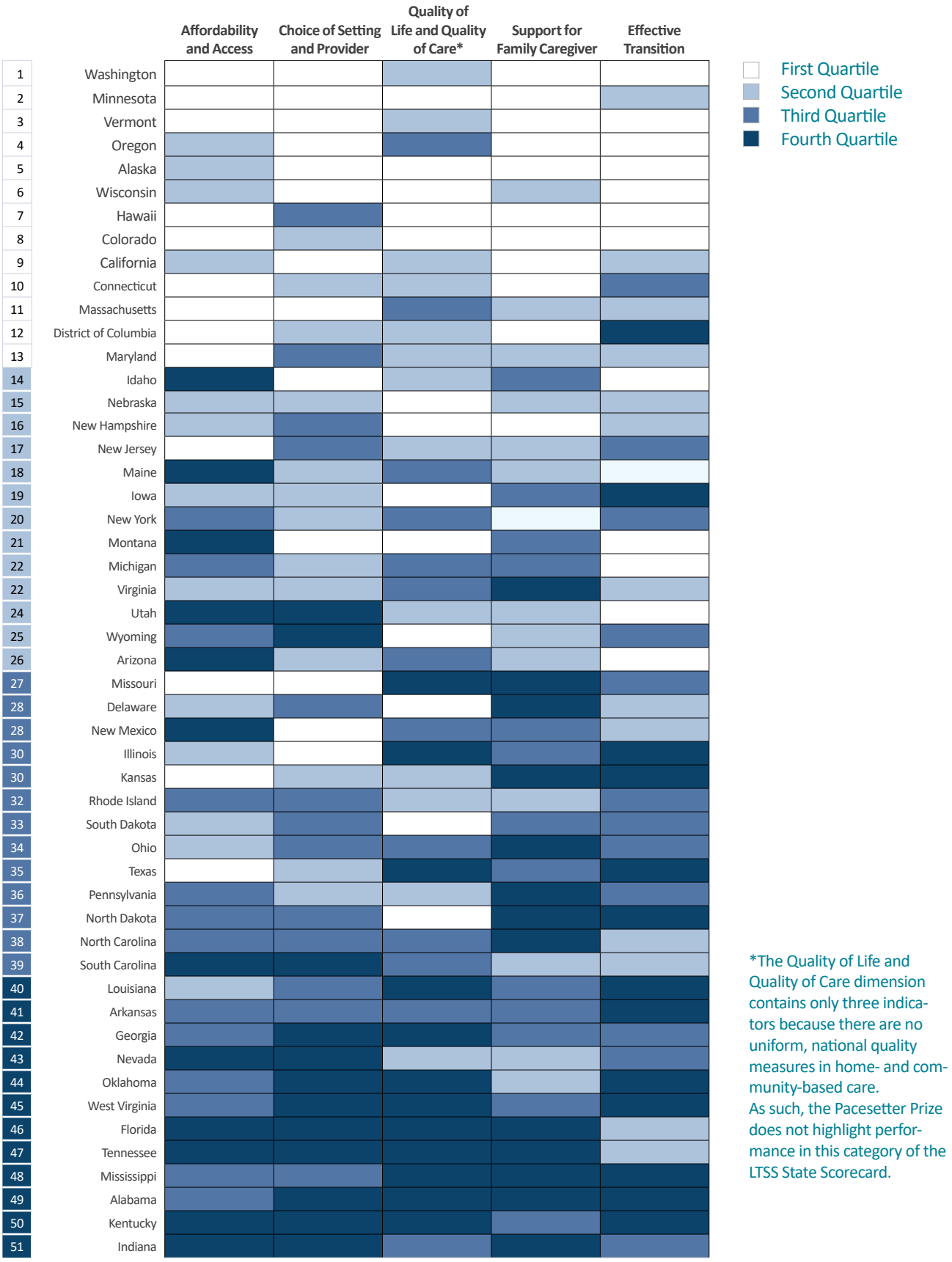
Pacesetter Prize

The SCAN Foundation created the Pacesetter Prize in 2017 to identify states making significant progress in improving LTSS. Using data from the scorecard, four states were recognized across these dimensions:

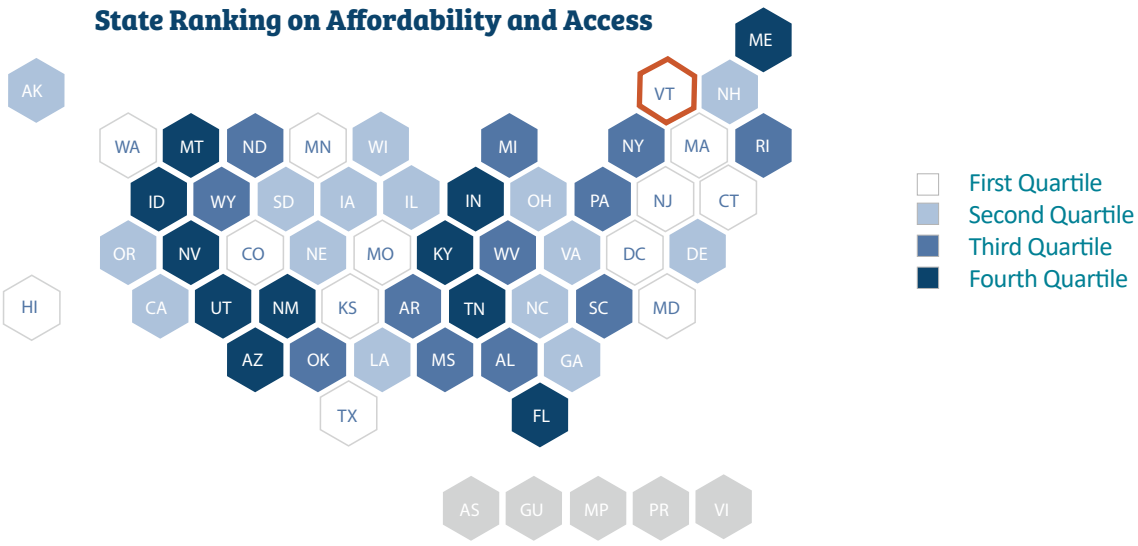
- Affordability and access: Vermont
- Choice of setting and provider: Wisconsin
- Support for family caregivers: Minnesota
- Effective transitions between care settings and providers: New York

This prize recognizes states that are actively building a high-quality infrastructure for older adults, people with disabilities and family caregivers, and helps states learn best practices from each other.

2017 State Scorecard Summary of Long-term Services and Supports System Performance Across Dimensions



*The Quality of Life and Quality of Care dimension contains only three indicators because there are no uniform, national quality measures in home- and community-based care. As such, the Pacesetter Prize does not highlight performance in this category of the LTSS State Scorecard.



Affordability and Access: **Vermont**

The scorecard dimension of Affordability and Access measures three key concepts: how affordable services are for people with moderate and higher incomes; the effectiveness of the safety net for people with low incomes; and the ease with which consumers can find needed support.

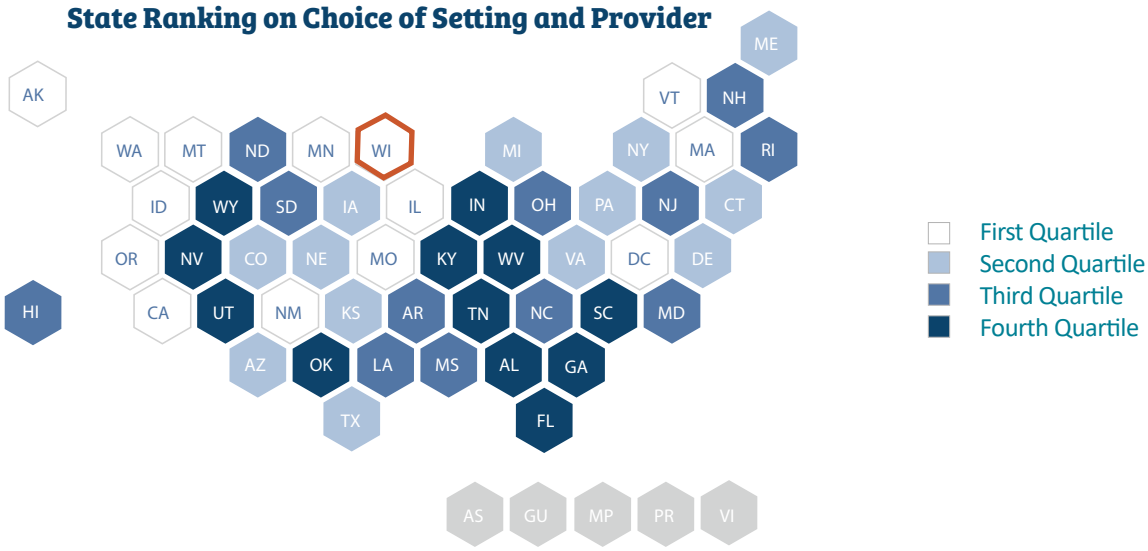
The costs of long-term services and supports vary based on where one lives, the level and type of care needed, and other factors. In 2017, the median annual costs for long-term care varied from $18,200 for adult day health care to $97,455 for private-room nursing home care. The cost for the same level of care varies considerably among states. For example, the annual cost for a semi-private nursing home room ranges from $53,655 in Oklahoma to $132,907 in New York.[7]

The high cost of LTSS exceeds what most people can afford. And while many will need such support at some point, a relatively small number of Americans have purchased long-term care insurance, often due to the cost of such plans.[8] Out of 86 million people older than 55, approximately 7 million Americans are covered by these insurance policies.[9] Public payers fund the majority of LTSS costs, though Medicare covers primarily medical care—not most of the personal care needed. Medicaid covers LTSS, but only once an individual's income and assets are low enough to meet the state's eligibility criteria (which often means people have spent down their savings before they can qualify).

The SCAN Foundation awarded the Pacesetter Prize for Affordability and Access to Vermont, which increased its rank from No. 19 in 2011 to No. 3 in 2017 for exhibiting significant improvement in these areas.

Vermont delivers long-term services and supports through its Choices for Care program, administered by the Department of Disabilities, Aging and Independent Living under the authority of an 1115 Medicaid demonstration waiver. The Choices for Care program provides LTSS in a variety of settings (e.g., home, family member's home, nursing facility) to Medicaid-eligible older adults and younger adults with physical disabilities who need the level of care provided in nursing homes. Given the cost-effectiveness of home- and community-based services, Vermont sought to rebalance institutional-based services with HCBS to a 50-50 ratio and recently surpassed that goal. The state has decreased the number of higher-need Medicaid enrollees in nursing facilities, with 46 percent living in nursing homes in 2017, down 1 percent from 2015.[10] Vermont's Department of Disabilities, Aging and Independent Living chose to reinvest savings to expand access to home and adult day services for people with more moderate needs who are not eligible for nursing home care.[11]

Vermont's improvements in delivering LTSS, including its cost savings, are accompanied by an increase in access to services. Since 2011, no waiting list for home- and community-based services exists for people with high needs who qualify for a nursing-home level of care.[12]



Choice of Setting and Provider: **Wisconsin**

The scorecard dimension, Choice of Setting and Provider, measures how a state's person-centered approach allows for consumer choice and control, with attention to delivering home- and community-based services under Medicaid programs.

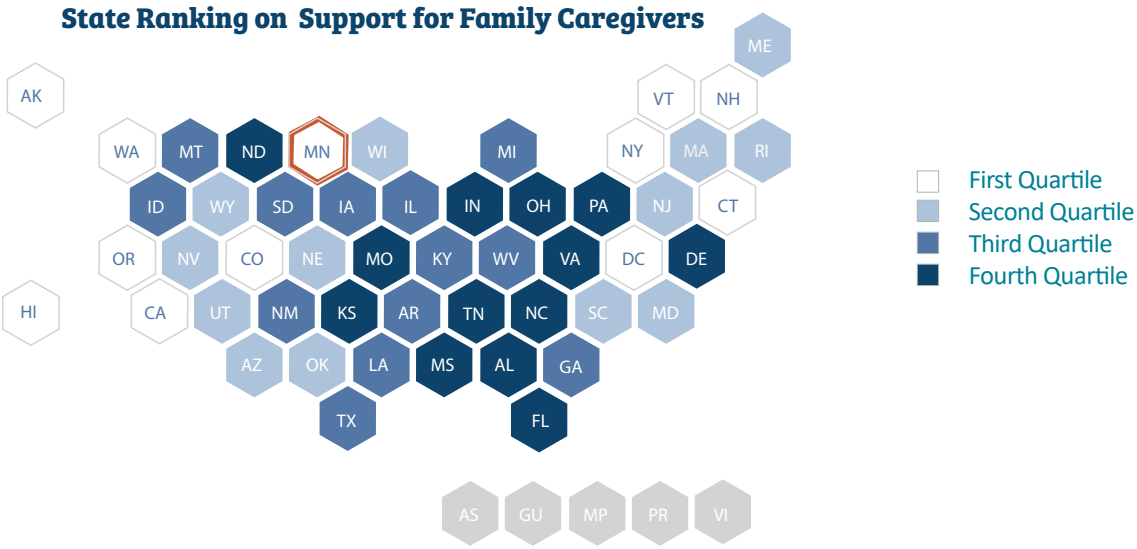
Older adults and people with disabilities who use long-term services and supports often prefer to receive care in their communities. Since passage of the Americans with Disabilities Act in 1990, people with disabilities have lived increasingly more integrated lives in their communities. Historically, states relied primarily on institutions and nursing homes to try to meet the needs of people with intellectual and developmental disabilities. Federal laws, court actions and consumer advocacy prompted states to support more people living in the community, a more cost-effective option. The cost of funding one person in a nursing home can support three people using home- and community-based services.[13] Driven by cost savings and consumer choice, recent trends show states rebalancing the proportion of HCBS in relation to institutional care. State Medicaid programs help support this trend by offering self-directed care as an LTSS option.

The SCAN Foundation awarded the Pacesetter Prize for Choice of Setting and Provider to Wisconsin. The state supports consumer choice through several innovative programs, including the Family Care and IRIS (Include, Respect, I Self-Direct) programs.[14] These Medicaid waiver programs provide eligible individuals with HCBS in an effort to avoid using costly institutions.

The Family Care program delivers long-term services and supports through managed care, which provides a capitated payment model (a per-patient monthly payment rather than a set fee for each health service). This aims to control costs while improving the quality of services. The managed care organizations that deliver this benefit work with Wisconsin's Aging and Disability Resource Centers to ensure that enrollees have a team to coordinate the various services they may need. Eligible individuals may choose between the Family Care Program or IRIS, a self-directed model that allows them the flexibility to use their predetermined LTSS budget to select the services they need.[15] Wisconsin is in the final stages of expanding the Family Care and IRIS programs statewide, which, once fully implemented, will eliminate all remaining waiting lists for HCBS. Both programs allow those with LTSS needs to self-direct their care and live more independently.

Wisconsin also strives to support individuals currently in institutions who would like to live in community settings. Its Connections to Community Living, within the Department of Health Services, has several initiatives to support this goal, including using federal Medicaid dollars to hire community living specialists. These specialists connect nursing homes that have high numbers of Medicaid-funded residents with resources to relocate to community living.[16] Similarly, the Connections to Community Living initiative began working with nursing homes to implement a referral system. The nursing homes must assess their residents and refer those interested to a designated local agency to discuss relocating into the community.[17]

Recognizing the importance of affordable housing to support community living for people with LTSS needs, the department also works with the Wisconsin Housing and Economic Development Authority to expand the use of the low-income housing tax credit.[18]



Support for Family Caregivers: **Minnesota**

The scorecard dimension of Support for Family Caregivers looks at various policies that aim to ease the financial, physical and emotional burden placed on unpaid family members. They support family or friends who are aging or have disabilities, assisting with daily tasks such as eating, bathing, dressing or other common tasks. These caregivers are often a relative, partner or child of the person who needs care. Nationally, about 40 million caregivers provided unpaid care to adults with long-term care needs at an estimated value of $470 billion, roughly six times Medicaid HCBS costs.[19] Six in 10 caregivers are employed, with a median household income of $54,700.[20] A majority report the need to make workplace accommodations to fulfill caregiving responsibilities. Caregivers for individuals with more complex care needs must often dedicate more hours to care and are less likely to be employed.

The SCAN Foundation awarded the Pacesetter Prize for Support for Family Caregivers to Minnesota, recognizing recent progress on various policies supporting family caregivers. The Minnesota Board on Aging administers state and federal funds and works with the state area agencies on aging to coordinate services to older adults and their caregivers.[21] The board's Senior LinkAge Line has proven a valuable tool for caregivers in addition to older adults, connecting caregivers to services such as personalized assessments, dementia-capable coaching, respite care support and consultations.[22] This is particularly important as more than eight out of 10 caregivers reported that they could use additional information or help on caregiving topics.[23]

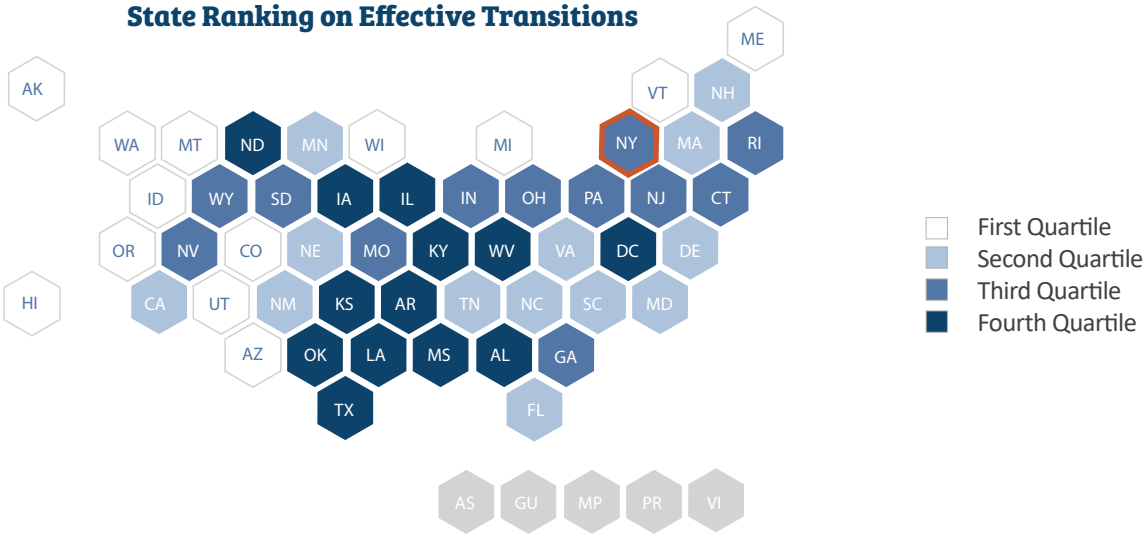
Minnesota's Working Caregiver Initiative targets the large portion of caregivers who strive to balance full- or part-time work with their caregiving duties. This initiative provides employers with resources to support their employees' caregiving needs, such as workplace flexibility and step-by-step tips on how to create a plan to address a worker's caregiving needs.[24]

The Minnesota Legislature turned its attention to working family caregivers by passing Senate Bill 840 in 2013. This law expands the situations in which employees can use their personal sick leave to include caring for an adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent or stepparent.[25]

Similarly, in 2015 Minnesota passed Senate Bill 107, modeled after AARP's Caregiver Advise, Record, and Enable (CARE) Act, designed to support family caregivers. Just less than half of family caregivers perform some sort of medical or nursing tasks for care recipients with multiple chronic physical and cognitive conditions,[26] such as wound care or medication management. AARP has encouraged states to adopt its "CARE Act" model bill, which aims to provide caregivers with information and support them in taking on certain tasks, in particular helping care recipients transition from hospital to home. The model legislation requires hospitals to:

- Provide the care recipient with the opportunity to designate a family caregiver.
- Inform the caregiver when the care recipient is to be discharged to another facility or back home.
- Consult with the caregiver on the medical tasks he or she will need to perform at home.[27]

As of 2017, at least 35 states have enacted some form of the CARE Act's provisions.



Effective Transitions: **New York**

The scorecard dimension, Effective Transitions, examines state policies to improve care transitions between settings and providers, support community living, and reduce long nursing home stays and unnecessary hospitalizations.

Effective transitions between care settings—for example, from hospital or nursing home to home, and between health care providers—remain an important component for improving long-term care systems. As people needing long-term services and supports frequently have chronic health conditions or functional limitations due to age or disability, they are likely to transition between care settings to access the health care and social services they need. Coordinating transitions between various programs, settings and service providers helps reduce costs and improve the quality of care. Eliminating unnecessary transitions, such as hospital admissions or readmissions, helps to reduce costs and increase quality of life for individuals and their families. Furthermore, policies to facilitate smooth transitions when an individual is ready to transition back to his or her home can reduce readmission and create a more efficient LTSS system.[28]

The SCAN Foundation awarded the Pacesetter Prize for Effective Transitions to New York for showing the most improvement in this dimension, rising in rank from No. 45 in 2015 to No. 32 in 2017.[29] New York incorporated several supportive housing strategies into its Medicaid program to try to meet the needs of people who use LTSS. The state's efforts include investing in statewide and local programs that subsidize support services, rent and capital construction projects. Since 2012, such programs have served more than 11,000 Medicaid beneficiaries with high levels of need, creating a 26 percent reduction in emergency department visits, a 29 percent increase in care coordination after finding housing, and a 15 percent reduction in overall Medicaid health expenditures (an average decrease of $6,130 per person).[30] Such programs include:

- Pathways to Independence coordinates housing and LTSS for older adults and people with disabilities transitioning from nursing facilities to home. The Department of Health administers the program with the Salvation Army as one of two organizations that pilot the program.[31]
- Homeless Senior and Disabled Placement Pilot Project provides rental subsidies for Medicaid-eligible older adults and people with disabilities who live in New York City homeless shelters, if they are eligible for home health or nursing home-level care.[32] By providing services to these high-risk individuals, this program aims to reduce unnecessary hospitalizations or use of emergency rooms.

New York offers a centralized resource for consumers, NY Connects: Choices for Long-Term Care, that provides information about health services, social services (e.g., housing, transportation, nutrition, HCBS, legal services, caregiver support), and insurance and benefit information. Currently, 53 local NY Connects programs aim to provide consumers with a comprehensive package of services to minimize the need to transition between settings or providers.[33]

Additionally, New York lawmakers passed Assembly Bill A10707 in 2015, creating a new provider category for advanced home health aide workers. This legislation established qualifications, training and competency requirements. Upon completing the required training, the advanced home health aides can perform certain tasks, such as administering medication or providing wound care. By expanding the duties of such providers, the state aims to fill gaps in care, allowing more individuals to remain in their homes and communities.[34]

Conclusion

State legislatures play an instrumental role in determining policies and funding programs that affect the day-to-day lives and well-being of older Americans, people with disabilities and their family caregivers. As demand for these services grows, legislators face tough decisions to balance their already strained budgets. As states seek innovative ways to improve the quality and efficiency of care and reduce costs, it is important to look toward and learn from the lessons learned and best practices of other states.

Notes

1. Pew Research Center, "Baby Boomers Retire," *FACT TANK* (Dec. 29, 2010), http://www.pewresearch.org/fact-tank/2010/12/29/baby-boomers-retire/.
2. Melissa Favreault and Judith Dey, *Long-Term Services and Supports for Older Americans* (Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, revised February 2016), https://aspe.hhs.gov/basic-report/long-term-services-and-supports-older-americans-risks-and-financing-research-brief.
3. Erica L. Reaves and MaryBeth Musumeci, *Medicaid and Long-Term Services and Supports: A Primer* (Washington, D.C.: Kaiser Family Foundation, Dec. 15, 2015), https://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/.
4. Wendy Fox-Grage and Jenna Walls, "State Studies Find Home and Community-Based Services to Be Cost Effective" (Washington, D.C.: AARP Public Policy Institute, March 2013), http://www.aarp.org/health/medicare-insurance/info-03-2013/state-studies-find-hcbs-to-be-cost-effective-AARP-ppi-ltc.html.
5. Steve Eiken et al., *Medicaid Expenditures for Long-TermServices and Supports (LTSS) in FY 2015* (Washington, D.C.: Truven Health Analytics, April 14, 2017), https://www.medicaid.gov/medicaid/ltss/downloads/reports-and-evaluations/ltssexpendituresffy2015final.pdf
6. Susan C. Reinhard, Wendy Fox-Grage, and Lynn Friss Feinberg, Family Caregivers and Managed Long-Term Services and Supports (Washington, D.C.: AARP Public Policy Institute, November 2016), http://www.aarp.org/content/dam/aarp/ppi/2016-08/AARP1080_FSandMLTSS_REPORT_WEB.pdf.
7. Carescout, "Compare Long Term Care Costs Across the United States," (Waltham, MA: Genworth, June, 2017), https://www.genworth.com/about-us/industry-expertise/cost-of-care.html.
8. Reaves, *Medicaid and Long-Term Services and Supports: A Primer*.
9. Vincent L. Bodnar," State of the Long-term Care Insurance Industry" (presentation at the National Association of Insurance Commissioners' Insurance Summit, May 18, 2016), http://www.naic.org/documents/cipr_events_is_ltc_presentation.pdf?1481229229491.
10. Vermont Department of Disabilities, Aging and Independent Living, *Governor's SFY Budget Testimony* (Waterbury, Vt.: Vermont Agency of Human Services, February 2017), http://info.healthconnect.vermont.gov/sites/hcexchange/files/Advisory_Board/dail-budget-testimony-fy2018.pdf.
11. Madeline Hughes, "State honored for access, affordability for aging residents," *Waterbury Record* (Vt.), Sept. 28, 2017, http://www.stowetoday.com/waterbury_record/news/local_news/state-honored-for-access-affordability-for-aging-residents/article_714faf7c-a458-11e7-a6d0-9b2e6e8ada0d.html.
12. The SCAN Foundation, "Vermont Wins the Pacesetter Prize for Affordability and Access" (Long Beach, Calif.: The SCAN Foundation, 2017), http://www.thescanfoundation.org/vermont-wins-pacesetter-prize-affordability-and-access.
13. Susan Reinhard et al., *Picking Up the Pace of Change: Long-Term Services and Supports State Scorecard* (Washington, D.C.: AARP Public Policy Institute, 2017), http://www.longtermscorecard.org/~/media/Microsite/Files/2017/Web%20Version%20LongTerm%20Services%20and%20Supports%20State%20Scorecard%202017.pdf.
14. The SCAN Foundation, "Wisconsin Awarded Pacesetter Prize for Improving Long-Term Services and Supports" (Long Beach, Calif.: The SCAN Foundation, 2017), http://www.thescanfoundation.org/sites/default/files/pacesetter_prize_wisconsin_one-pager_final.pdf.

15. The Wisconsin Long-Term Care Coalition, Fact Sheet: "Keep Our Care at Home" (Madison: Wisconsin LTCC, n.d.), http://www.disabilityrightswi.org/resources/family-care-and-iris-resources/.
16. Wisconsin Division of Long-Term Care, Fact Sheet: "Nursing Home Intervention and Diversion" (Madison: Wisconsin Department of Health Services, May 2013), https://www.dhs.wisconsin.gov/publications/p0/p00467.pdf.
17. Wisconsin Division of Quality Assurance, Memo regarding MDS 3.0 Section Q, "Referral to Local Contact Agency, Referral Process and Automated Submission" (Madison: Department of Health Services, June 26, 2012), https://www.dhs.wisconsin.gov/file/19530.
18. The SCAN Foundation, "Wisconsin Awarded Pacesetter Prize for Improving Long-Term Services and Supports."
19. Reinhard, *Family Caregivers and Managed Long-Term Services and Supports*.
20. Ibid.
21. Minnesota Board on Aging, *State Plan, FFY 2015-2017* (St. Paul: Minnesota Board on Aging, June 20, 2014), http://www.mnaging.net/Advocate/~/media/FFY_2015-2017_State_Plan_final.ashx.
22. The SCAN Foundation, "Minnesota Awarded Pacesetter Prize for Improving Long-Term Services and Supports" (Long Beach, Calif.: The SCAN Foundation, n.d.), http://www.thescanfoundation.org/minnesota-wins-pacesetter-prize-support-family-caregivers.
23. AARP Public Policy Institute, *Caregiving in the U.S.* (Washington, D.C.: AARP Public Policy Institute, June 2015), http://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-united-states-2015-report-revised.pdf.
24. Minnesota Board on Aging, "Resources: Beyond the Workday: Finding Balance for the Working Caregiver" (St. Paul: Minnesota Board on Aging, n.d.), http://www.mnaging.org/Advisor/EmployersCaregivers/Resources.aspx.
25. The Office of the Revisor of Statutes, "181.9413 Sick Leave Benefits; Care of Relatives (St. Paul: 2017 Minnesota Statutes), https://www.revisor.mn.gov/statutes/?id=181.9413.
26. AARP, "Caregiving at Home" (Washington, D.C.: AARP, n.d.), https://www.aarp.org/home-family/caregiving/info-10-2012/home-alone-family-caregivers-providing-complex-chronic-care.html.
27. AARP, "New State Law to Help Family Caregivers" (Washington, D.C." AARP, n.d.), https://www.aarp.org/politics-society/advocacy/caregiving-advocacy/info-2014/aarp-creates-model-state-bill.html.
28. Reinhard, *Picking Up the Pace of Change*.
29. Ibid.
30. New York State Department of Health, "Medicaid Redesign Team Supportive Housing Initiative" (Albany: New York State Department of Health, 2017), https://www.health.ny.gov/health_care/medicaid/redesign/supportive_housing_initiatives.htm.
31. Salvation Army, "Pathways to Independence" (Syracuse: Salvation Army, 2018), https://syracuseny.salvationarmy.org/SyracuseNY/pathways
32. New York State Department of Health, "Medicaid Redesign Team Supportive Housing Initiative."
33. New York State Office for the Aging, "NY Connects: Choices for Long Term Care (Albany: New York State Office for the Aging, n.d.), https://aging.ny.gov/NYSOFA/Programs/CaregiverSvcs/NYConnects.cfm.
34. New York State Department of Health, Press Release: "New York State Authorizes Advanced Home Health Aides, Enabling More New Yorkers to Live in Dignity in their Homes and Communities" (Albany: New York State Department of Health, 2016), https://www.health.ny.gov/press/releases/2016/2016-12-02_advanced_home_health_aides.htm.

Acknowledgements

This report was supported by a grant from The SCAN Foundation—advancing a coordinated and easily navigated system of high-quality services for older adults that preserve dignity and independence. For more information, please visit www.TheSCANFoundation.org.

NCSL Contact:

Samantha Scotti
Policy Associate
303-856-1440
Samantha.Scotti@ncsl.org

NATIONAL CONFERENCE *of* STATE LEGISLATURES

William T. Pound, Executive Director

7700 East First Place, Denver, Colorado 80230, 303-364-7700 | 444 North Capitol Street, N.W., Suite 515, Washington, D.C. 20001, 202-624-5400

www.ncsl.org

 ISBN 978-1-58024-918-8