

National Conference of State Legislatures: Aging Services

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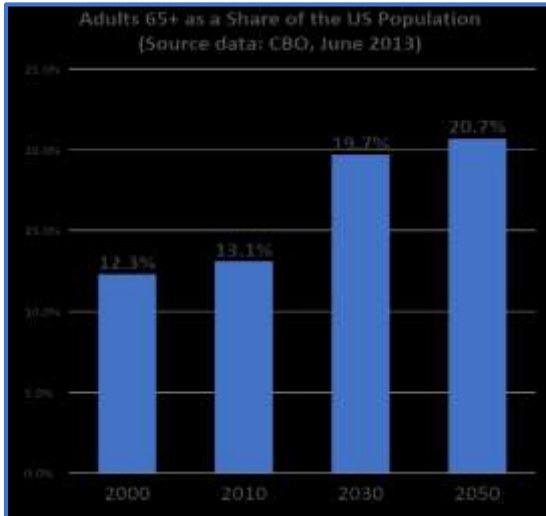
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Agenda:

- The Age Wave
- Medicaid Long-Term Services and Supports (LTSS)
- Direct Care Workforce
- Social Factors
- Path Moving Forward

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Baby Boomers - The Age Wave!



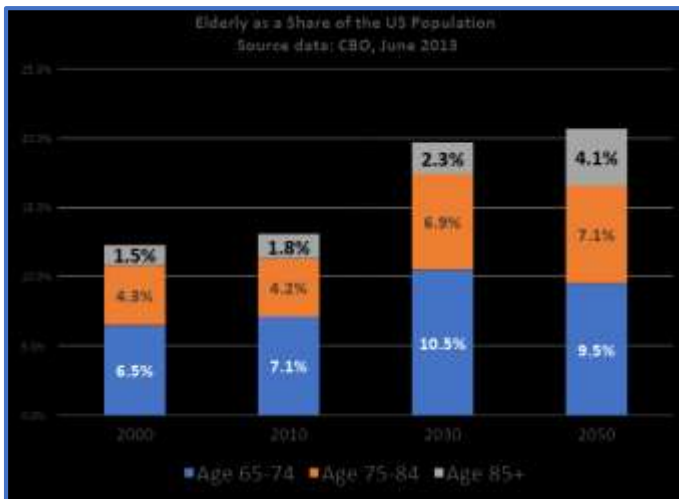
KEY POINTS

- **Rising Demand.**
- Congressional Budget Office: "Between 1946 and 1964, more than 75 million babies were born in the United States, forming a cohort that has come to be known as the baby-boom generation. The oldest people in the group turned 65 in 2011. The aging of that generation, in combination with increases in longevity and other factors, will cause the share of **the population age 65 or older to grow rapidly from 2010 to 2030**. The share of the population age 85 or older will grow rapidly beginning around 2030 and continuing until at least 2050."

Source: CBO, Rising Demand for LTSS for Elderly People, (June 2013).

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Age Wave: Future Costs Driven by Aging of the Over 65 Population



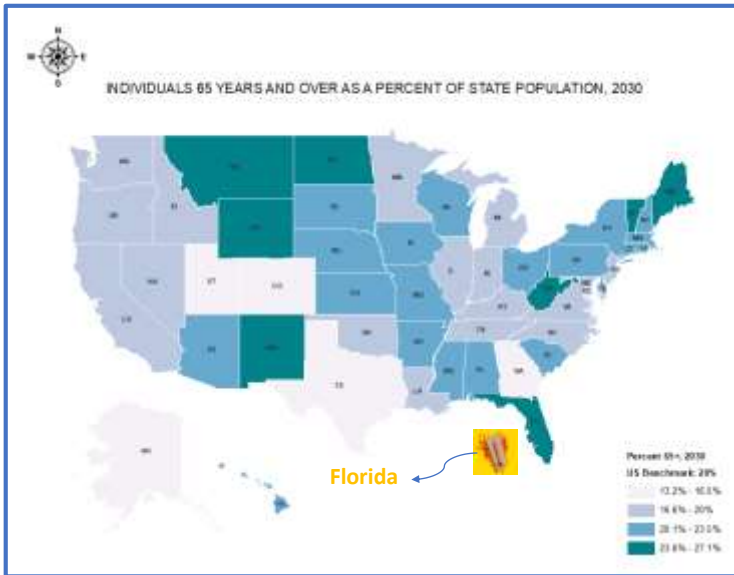
KEY POINTS

- Big age shifts in the composition of the 65+ population between 2010 and 2050.
- The elderly grow older: 74-84 plus the 85+ increase from 6% to 11.2% of the US population from 2010 to 2050.

Source: CBO, Rising Demand for LTSS for Elderly People, (June 2013).

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Age Wave: “Oldest” States in 2030



WHAT DOES THE MAP SHOW?

The map shows the % of each state’s population that will be 65 and older in 2030.

What is the US average?

20% of the US population will be 65+ in 2030.

What is the range for the US?

Range: 13.2% in Utah to 27.1% in Florida.

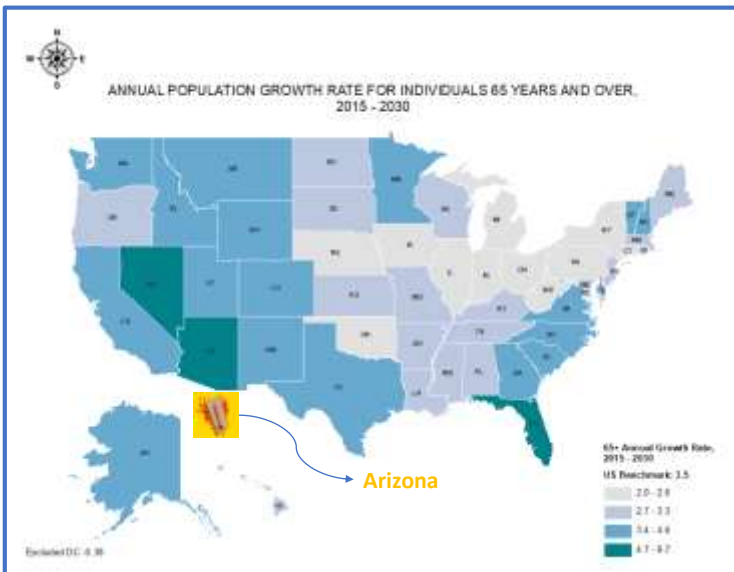
Top 5 “oldest” states by 2030: Montana, New Mexico, Wyoming, Maine, and Florida.

Key issues to note: The oldest states will face the greatest imbalance between the workforce and the potential demand for LTSS.

Source: HMA, based on US Census Bureau.

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Age Wave: Highest Rate of Growth in 65+



WHAT DOES THE MAP SHOW?

The map shows the annual population growth rate for individuals 65 and older between 2015-2030.

What is the US rate of growth?

US population will grow by 3.5% between 2015-2030.

What is the range for the US?

Range: From < 2% in DC & West Virginia to 6.7% in Arizona.

Top 5 states, highest growth rates 2015-2030: Texas, Alaska, Nevada, Florida, Arizona.

Key issues to note: Lowest rates of growth across the Great Lakes, & Northern/Southern Mid West.

Source: HMA, based on US Census Bureau.

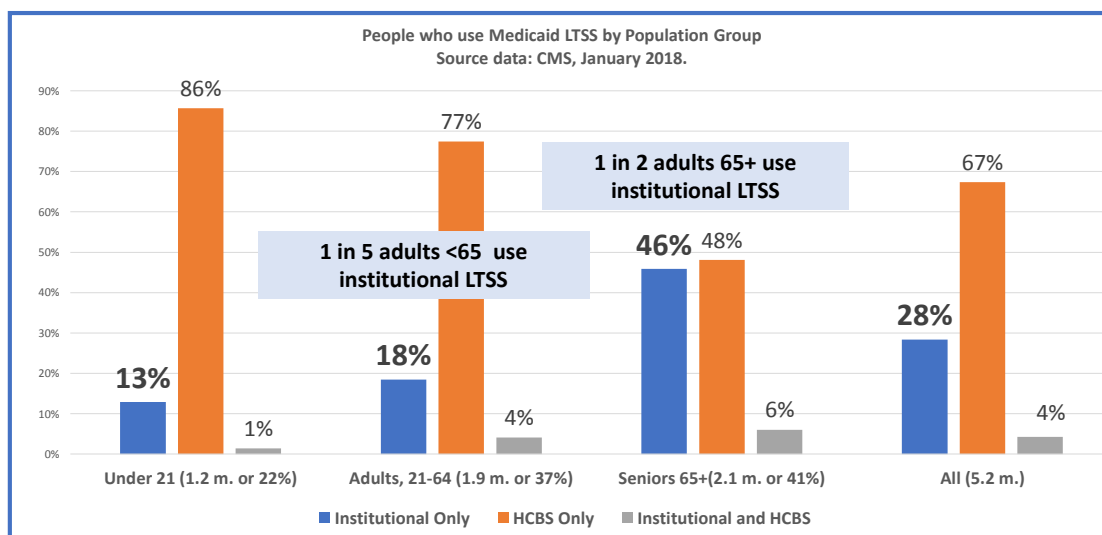
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Age Wave: Challenges

- Age wave driving future costs, and growing behavioral and cognitive needs
- LTSS is unaffordable, and there is no alternative to Medicaid
- Medicaid’s big role in LTSS; many people depend on Medicaid for LTSS
- Growth in Medicaid HCBS expenditures for LTSS
- Workforce challenged to meet rising demand

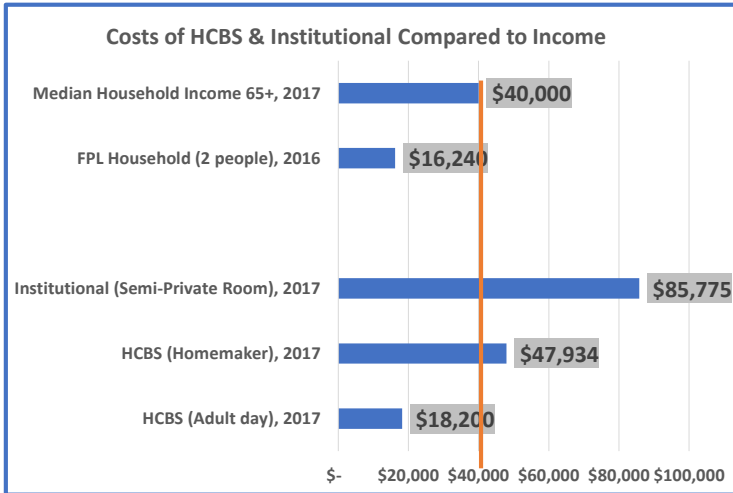
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Medicaid LTSS: Heavy Reliance on Institutions by Older Adults in 2015



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Medicaid LTSS: Why Medicaid? LTSS is Unaffordable to Most Individuals



KEY POINTS

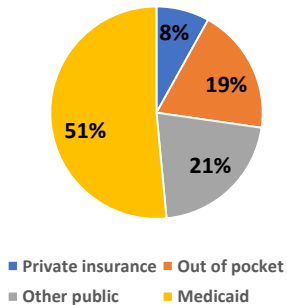
- The national median annual cost of care for homemaker services is \$47,934.
- Cost of homemaker services is:
 - Nearly 3 x higher than the income of a 2 person-household living at the Federal Poverty Level (FPL); and
 - 1.2 x higher than the median household income for a 65+ household.

Source data: HMA using cost data from Genworth, 2017.

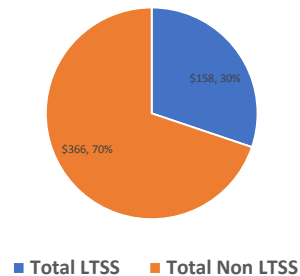
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Medicaid's Big Role In LTSS

National LTSS Spending, \$310 Billion in 2013
(Data from Kaiser Family Foundation)



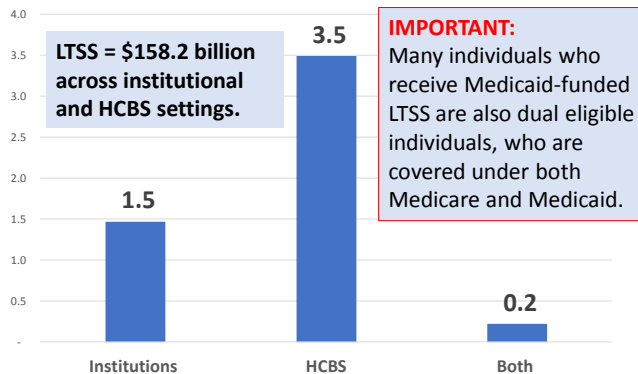
LTSS Accounts for 30% of Medicaid Expenditures
\$524 B. in FY 2015 (Data from CMS)



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Over 5 Million People Depend on Medicaid-Funded LTSS

People who received Medicaid-covered LTSS, CY 2013,
n = 5.2 million, (Data from CMS)



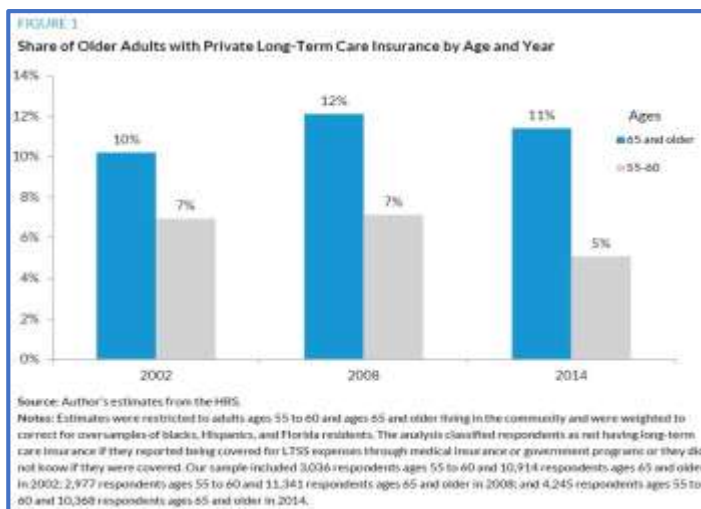
KEY POINTS

- 5.2 million persons received Medicaid LTSS in CY 2013, based on CMS estimates. Data is imperfect.
- 1.5 million (or 28% of people who received LTSS from Medicaid) received only institutional services.
- Adults with disabilities and Adults 65+ represent about 85% of the people who receive LTSS.

Source: CMS, Sept. 2017.

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Medicaid LTSS: We Have NOT Found An Alternative to LTSS Financing



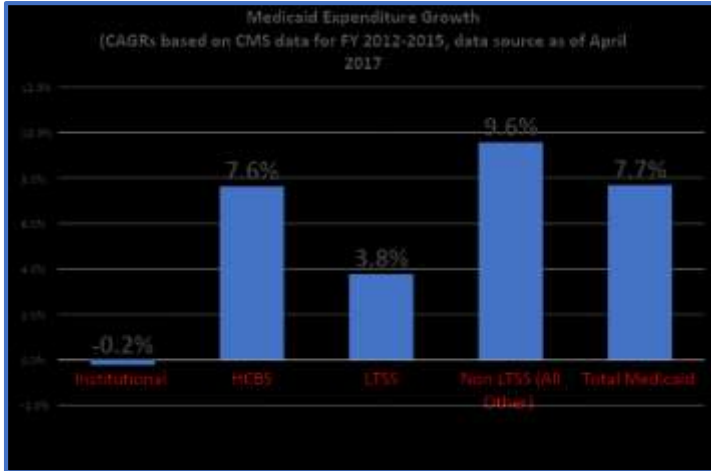
KEY POINTS

- Private LTSS coverage has not made significant inroads among Baby Boomers – and new sales are declining.
- New private long-term insurance policies for healthy 55-year old couple: between \$2,000-\$5,000 a year for life.

Source: The Urban Institute, "Who is Covered by Private Long-Term Care Insurance?"

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Medicaid LTSS: Growth in Medicaid HCBS Expenditures Continues

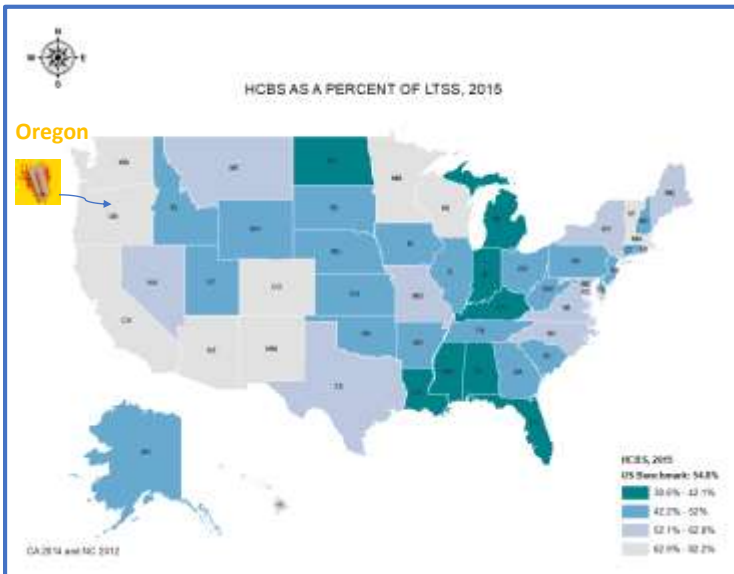


KEY POINTS

- Growth in HCBS underscores progress, but creates challenges.
- Average annual rate of growth was 7.6% in HCBS expenditures between FY 2012-FY 2015.
- HCBS growth exceeding the overall growth in LTSS, and nearly equal to the growth in total Medicaid.

Source: HMA based on data from CMS.

Medicaid LTSS: LTSS Rebalancing & Access to HCBS



WHAT DOES THE MAP SHOW?

The map shows HCBS expenditures as a % of total Medicaid expenditures in FY 2015.

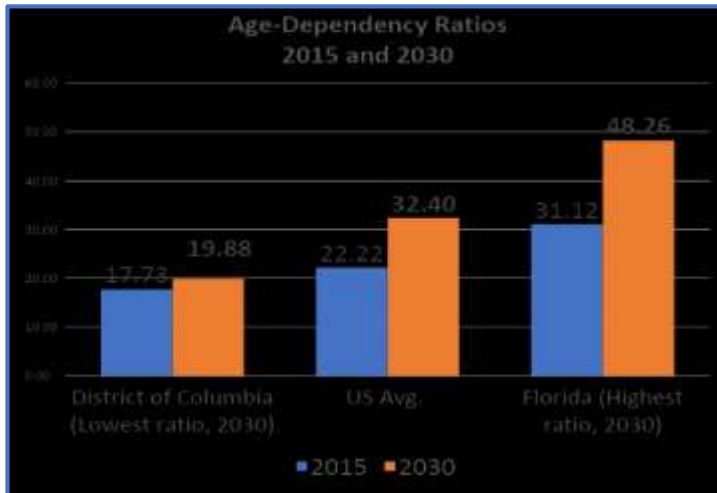
What is HCBS as a % of LTSS expenditures for the US? Approximately 55%.

Key issues to note:

- HCBS has become the main delivery mechanism for LTSS nationally; however, this varies by state.
- As of 2015, several states were heavily dependent on higher-cost institutional LTSS.
- Many other states stood below the national average percentage of LTSS expenditures in HCBS.

Source: HMA, based on CMS data.

Direct Care Workforce: Workforce & Economy



KEY POINTS

- The age wave will have implications on the workforce and the economy.
- The number of “65 and older” population for every 100 workers will grow from **22.2 in 2015 to 32.4 in 2030**.
- In 2030, the ratios will range from 19.88 in DC to 48.26 in Florida.

Source: HMA, based on US Census Bureau.

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Direct Care Workforce: Future Workforce Needs Outpace Capacity



KEY POINTS

- BLS projects demand for home care workers will grow by 633,000 by 2024; and, these projections reflect recent trends but DO NOT explicitly factor in projected population growth, aging of the over-65 population.
- Labor force participation among women ages 20-64 will increase by only 1.2 million in total by 2024; as compared to 7.3 million in the previous decade.

Source: US Home Care Workers: Key Facts, PHI, 2017

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Direct Care Workforce: How To Meet Demand?

- Direct care workforce = 4.5 million home health aides, personal care aides and nursing assistants across care settings
- 9 in 10 home care workers are women (median age 45); over 25% were born outside the United States
- Public programs represent 70% of the revenue to the industry
- Home care workforce has more than doubled in size (800,000 in 2006 to almost 1.6 million in 2016), per BLS
- PHI estimates another 800,000 independent providers work as personal care aides hired directly by consumers
- Home care workers earn median income of \$13,800; wages stagnated between 2006-2016 (\$10.33 to \$10.49)

Sources: US Home Care Workers: Key Facts, PHI, 2017; Growing a Strong Direct Care Workforce, PHI, 2018

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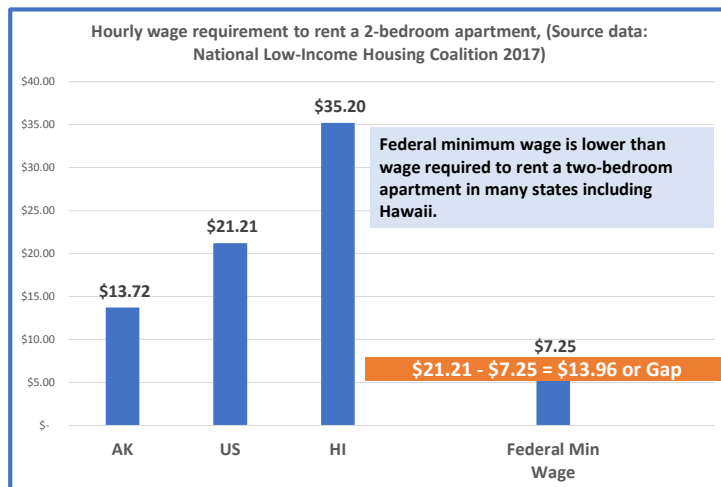
Direct Care Workforce: Family Caregivers

- Reliance on family caregivers that experience burnout and emotional, health and financial stress
- Relatives, partners, neighbors, and friends
 - ✓ Intergenerational caregiving including grandparents raising grandchildren
 - ✓ Includes younger caregivers - a third of those under age 40 have cared for an older friend or relative
- Role:
 - ✓ In-home caregiver
 - ✓ Informant and communicator
 - ✓ Advocate

Source: *Emerging Innovations in Managed Long-Term Services and Supports for Family Caregivers*. AARP Policy Institute (2017).

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Social Factors: Housing Matters, Unaffordable to Many



KEY POINTS

- One metric used to measure housing affordability is the hourly wage requirement to rent a 2-bedroom apartment.
- Affordable housing is critical to smooth transitions from the hospital and/or nursing home setting to the community.
- Housing is a key SDOH for individuals with Medicaid-funded LTSS needs with low incomes.

Source: Data from National Low-Income Housing Coalition and US Census Bureau.

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Path Moving Forward

- No easy fix! – stakeholder engagement
- Provide easy access to information about aging services
- Accelerate rebalancing to HCBS
- Rethink geropsychiatric systems of care
- Address workforce shortages
- Align & Integrate Medicare and Medicaid programs
- Focus on housing and social determinants of health

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Path Moving Forward: No Easy Fix! – Stakeholder Engagement

- Understand individual state landscape
- Build strategies that promote stakeholder engagement
- Establish common ground among stakeholders
- This includes consumers, their family/caregivers, providers, advocates, payers alike
 - ✓ Identify shared goals
 - ✓ Understand state and system limitations
 - ✓ Forge partnerships to create solutions
- Pursue data that supports evidence-based solutions

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Path Moving Forward: Provide Easy Access to Information About Aging Services

- Streamline and coordinate information and referral to aging services
 - ✓ Aging and Disability Resource Centers (ADRCs)
 - ✓ Independent Living Centers
 - ✓ AAAs
 - ✓ Other (ex: Aging Service Access Points in MA)
- Massachusetts' MassOptions website and call center
 - ✓ Free resource for individuals and their family/caregivers
 - ✓ Information and connection to community services
 - ✓ Communicate by phone, email or online chat
 - ✓ Specialists make “warm transfer” to expert on LTSS

Source: *Strengthening Medicaid Long-Term Services and Supports in an Evolving Policy Environment: A Toolkit for States*, Manatt and Center for Health Care Strategies, December 2017.

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Path Moving Forward: Accelerate Rebalancing & Expand In-Home Supports

- Expand access to HCBS for all populations, including older adults and adults with physical/medical disabilities
- Intervene earlier to divert, reduce Medicaid demand: Medicaid Section 1115 waivers that provide targeted in-home supports to people not otherwise eligible for Medicaid (WA; VT)
- Local county levy programs- dedicated senior services for those not yet Medicaid eligible (OH) (divert, delay need for institutional care)
- Alzheimer’s Disease Support Services Program (Administration for Community Living grants to states)

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Path Moving Forward: Rethink Geropsychiatric Systems Of Care

- Develop new approaches to providing care for individuals who have serious or chronic mental illness or substance use disorders and who are also experiencing the challenges of aging.
 - ✓ Mobile crisis units trained to deal with dementia and development of more appropriate settings of care for crisis intervention with dementia patients (WI)
<https://legis.wisconsin.gov/2015/committees/assembly/ad/>
 - ✓ Develop increased LTSS capacity for “hard to place” individuals, including individuals with SMI who develop dementia (CT; VA study) <https://rga.lis.virginia.gov/Published/2017/RD513/PDF>

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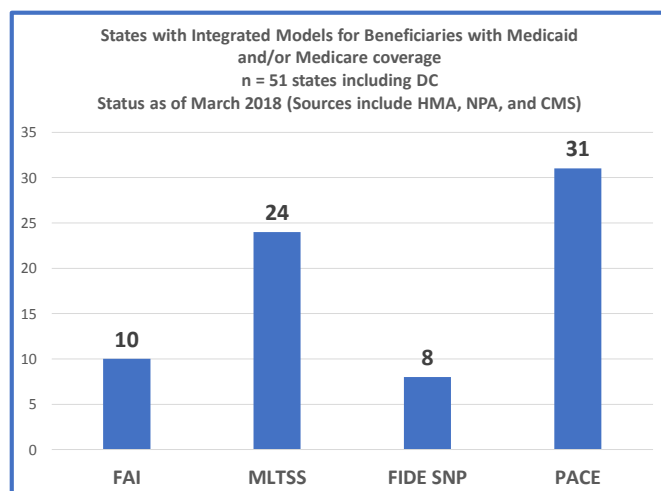
Path Moving Forward: Expand & Support Direct Care Workforce

- Expand direct care workforce capacity: Develop workforce strategies (TN)
- HCBS rate increased in 29 states in 2018.
 - <http://files.kff.org/attachment/Report-Results-from-a-50-State-Medicaid-Budget-Survey-for-State-Fiscal-Years-2017-and-2018>
- Promote consumer-directed care: Allow individuals to identify paid caregivers from among family and friends.
- Support family caregivers: Respite services and use of family caregiver assessment tools in Medicaid managed LTSS programs (SC,TN,TX)
 - <https://www.aarp.org/caregiving/>;
 - <https://www.aarp.org/caregiving/financial-legal/info-2018/caregiver-state-laws-fd.html>;
 - <https://www.acl.gov/programs/support-caregivers/national-family-caregiver-support-program>
- Expand telehealth, including remote monitoring; employ community paramedicine to extend access (NV).

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Path Moving Forward: Align and Integrate Medicaid and Medicare

Alignment between Medicare and Medicaid programs is key to the financial sustainability of Medicaid programs and Medicaid's ability to manage LTSS and improve quality of life and outcomes.



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Path Moving Forward: Focus On Housing And Other Social Determinants

- Housing related services: CMS informational bulletin outlines strategies that can be supported under Medicaid.
 - <https://www.medicaid.gov/federal-policy-guidance/downloads/cib-06-26-2015.pdf>
- States increasingly leverage managed care plans to increase assessment and referral to community based services to address social determinants.
- New CMS Innovation Acceleration Program opportunity: Housing Related Services and Partnerships (to promote community integration through LTSS).

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Panel Discussion

- Sarah Barth, Health Management Associates
- Ann Pugh, Vermont, Chair: House Human Services Committee
- Debra Kiel, Minnesota, Chair: Subcommittee on Aging and Long-Term Care



Discussion Questions

- Do the policy strategies highlighted resonate with work in your states?
- What other topics have you identified as priority areas for improving aging services, adult protective services, food security, grandparents raising grandkids, etc.?
- Are there any key lessons learned or best practices you could highlight or would like to see replicated elsewhere?