

Long Term Care Overview and Issues

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October 22, 2007

Vision

- Patient Centered Long Term Care
 - Government Role: Insure quality of care; develop policy and implement in effective and efficient manner
 - Basis for Restructuring State Workforce to Reflect Consistent Support to Patients/Consumers accessing any long term care service

Objectives

- Increase appropriate utilization of home and community based services.
- Implement reimbursement, payment and right-sizing reforms to encourage efficiencies and quality.
- Improve transitions in care to reduce institutional placements.
- Increase supportive housing options.

Objectives

- Increase planning and personal involvement for long term care needs.
- Integrate care management services.
- Promote better end of life care.
- Support mechanisms related to a trained and available workforce.

Major Activities

- Implement Berger Commission recommendations on long term care.
- Refocus the work of the Long Term Care Restructuring Project to support the objectives.
- Support SOFA on NY CONNECTS (point of entry).
- Complete work of the Nursing Home Reimbursement Group and collaborate with OHIP on payment reforms.
- Evaluate waiver programs for cost effectiveness, coordination and expansion (TBI, LTHHCP, CAH, etc.)

Major Activities

- Evaluate home care certification requirements to insure expansion.
- Approve additional 1,584 Assisted Living Program Beds
- Complete review and application of Assisted Living Residences
- Increase marketing of Long Term Care Partnership and evaluate options for increasing participation.
- Implement NHTD Waiver and MFP initiatives.

Major Activities

- Initiate Telehealth demonstration.
- Complete SSI Study and develop proposals for consideration.
- Develop proposals to expand CCRC's
- Support establishment of Palliative Care Initiatives

Major Activities

- Evaluation of Section 709.3-bed need methodology regulations (nursing homes)
- Develop Housing strategies initiative with DCHR, SOFA, etc. through MISCC and other efforts .
- Work with SED and others to address the training and availability of workers.
- Emphasize Quality of Care processes at Central Office and Regional Offices

Issues to Consider in Reform

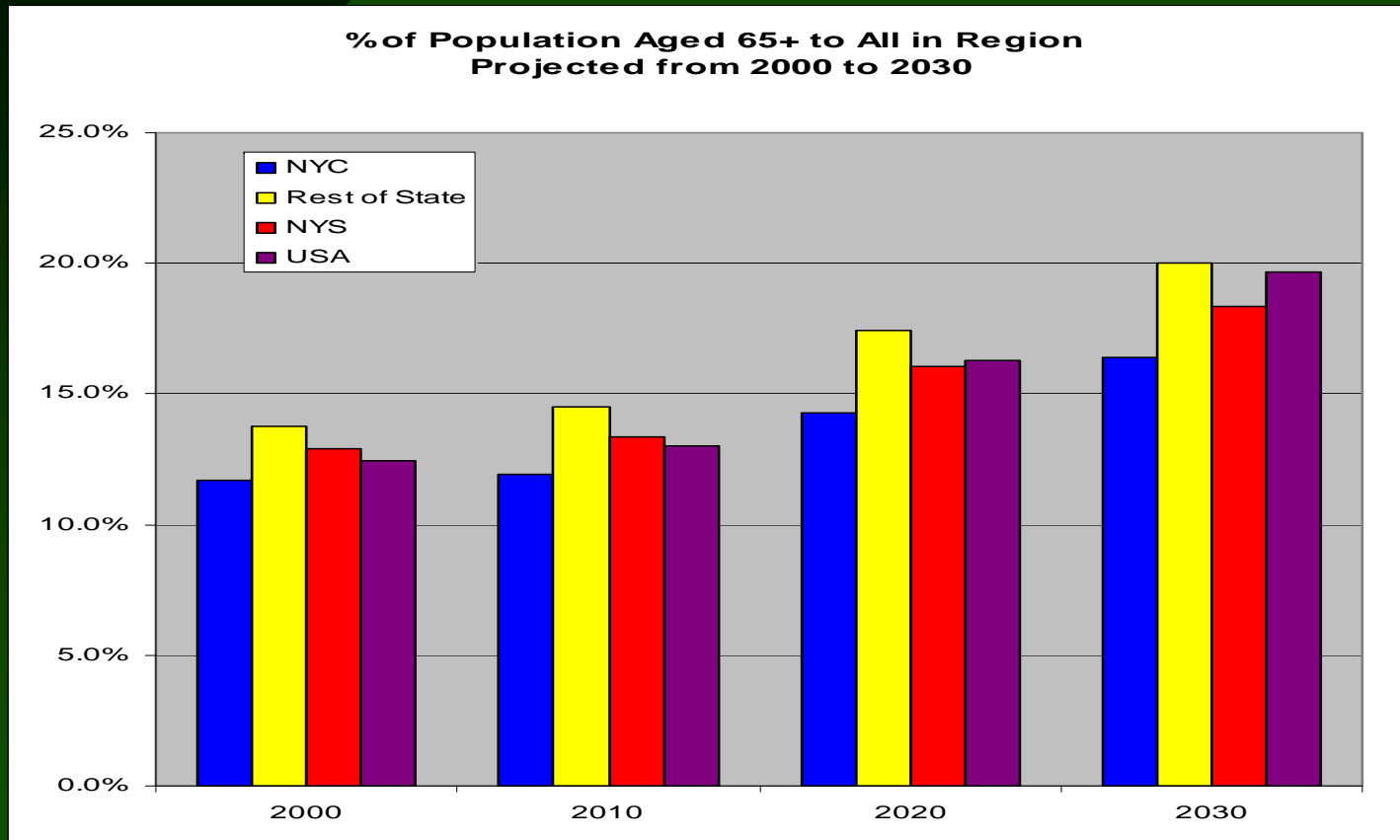
State and Federal Budget landscape

Structural reform long term- demographic wave

Federal policy? ..help possible?

Need for government payors to be only part of the solution

Future Needs: Older New Yorkers Upstate will Outpace National Projections



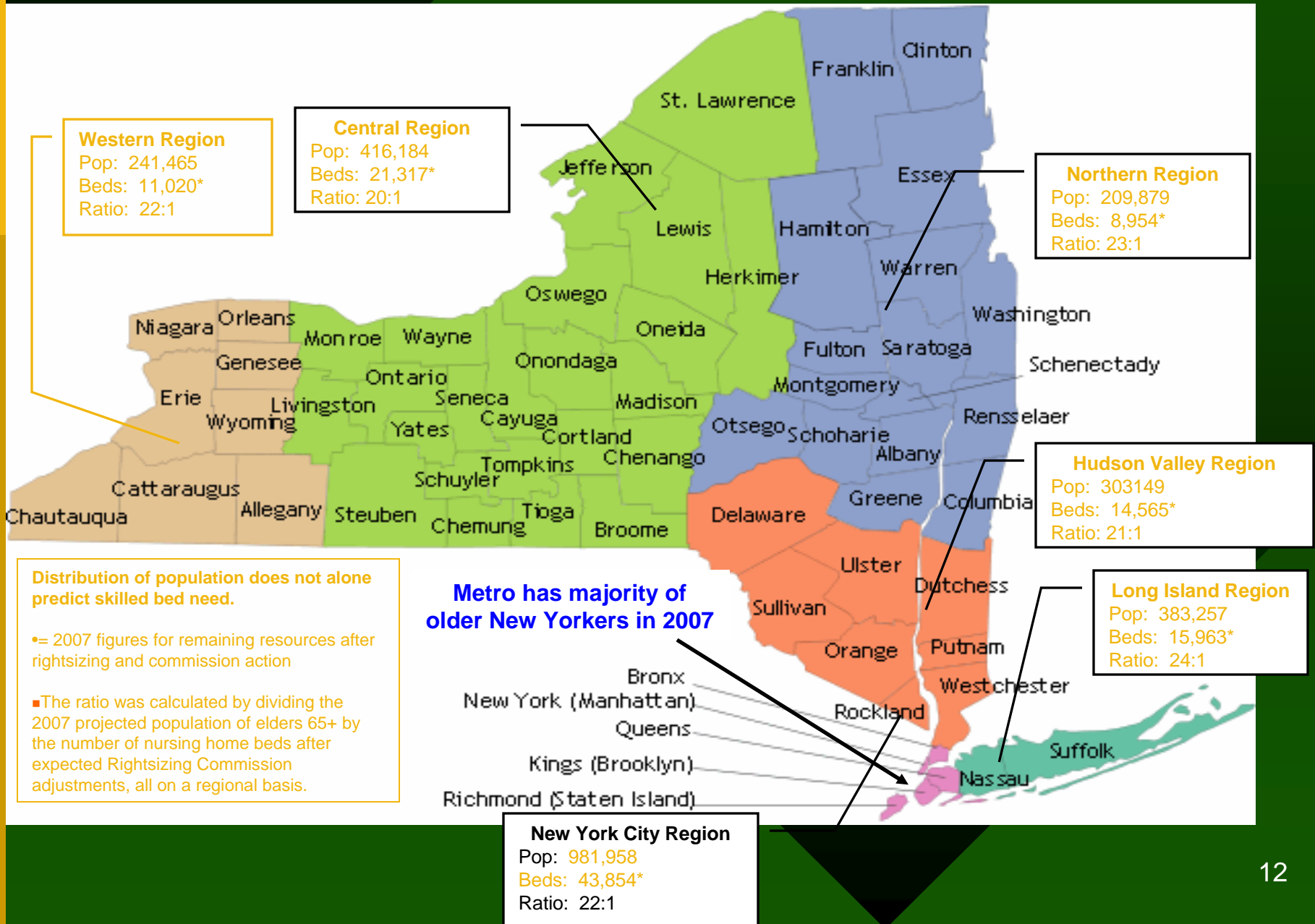
Cornell University, Cornell NYS IS,
<http://www.ciser.cornell.edu/PAD/NYsisProjectsSep02/NYsisProjectsSEP02.xls>.

NYC is defined as the five counties Kings, Queens, Richmond, NY and the Bronx.

Impact of Demographics on the Demand For Long Term Care Services

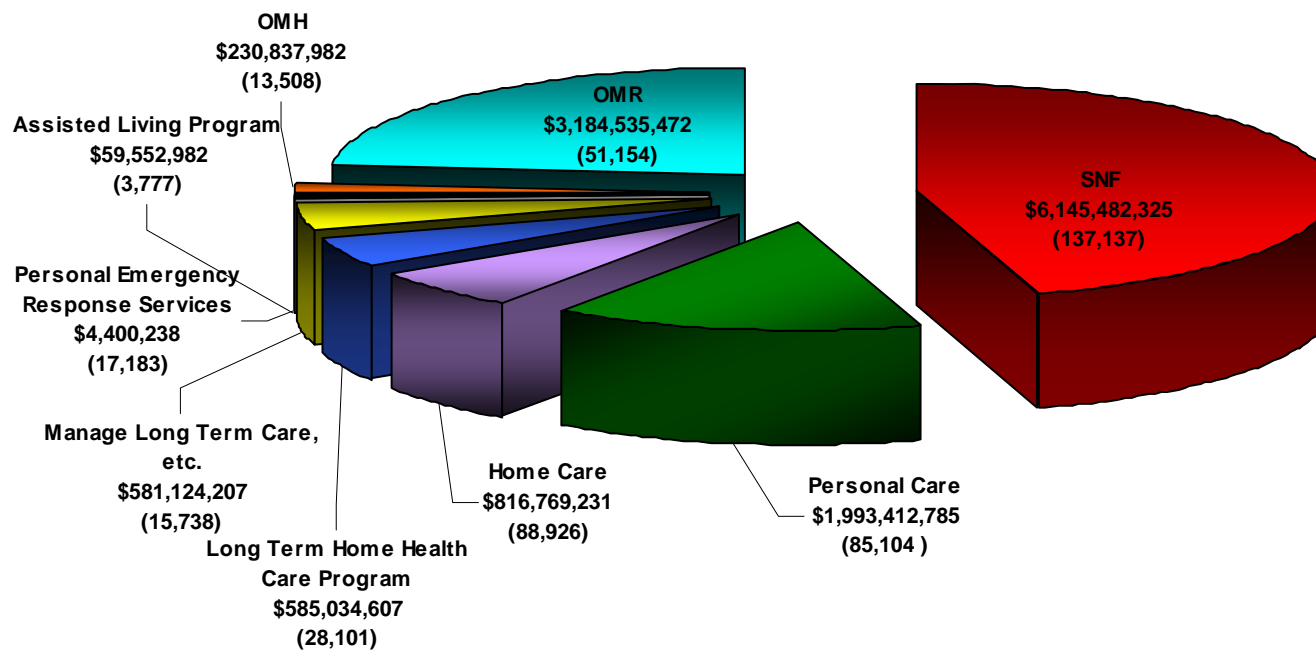
- Baby Boomers have impacted all social systems due to their size. The long term care system is already being impacted in terms of their demands for their parents as well as their coming increased demand.
- Other factors causing an increasing demand for services including disabilities, low income and more individuals living alone.
- The elderly population represent the greatest number of recipients of long term care with a significant portion made up of a younger disabled population.
- Regional variation in demand and resources exist.

Regional Variation: Population Persons Age 65+ (2007)



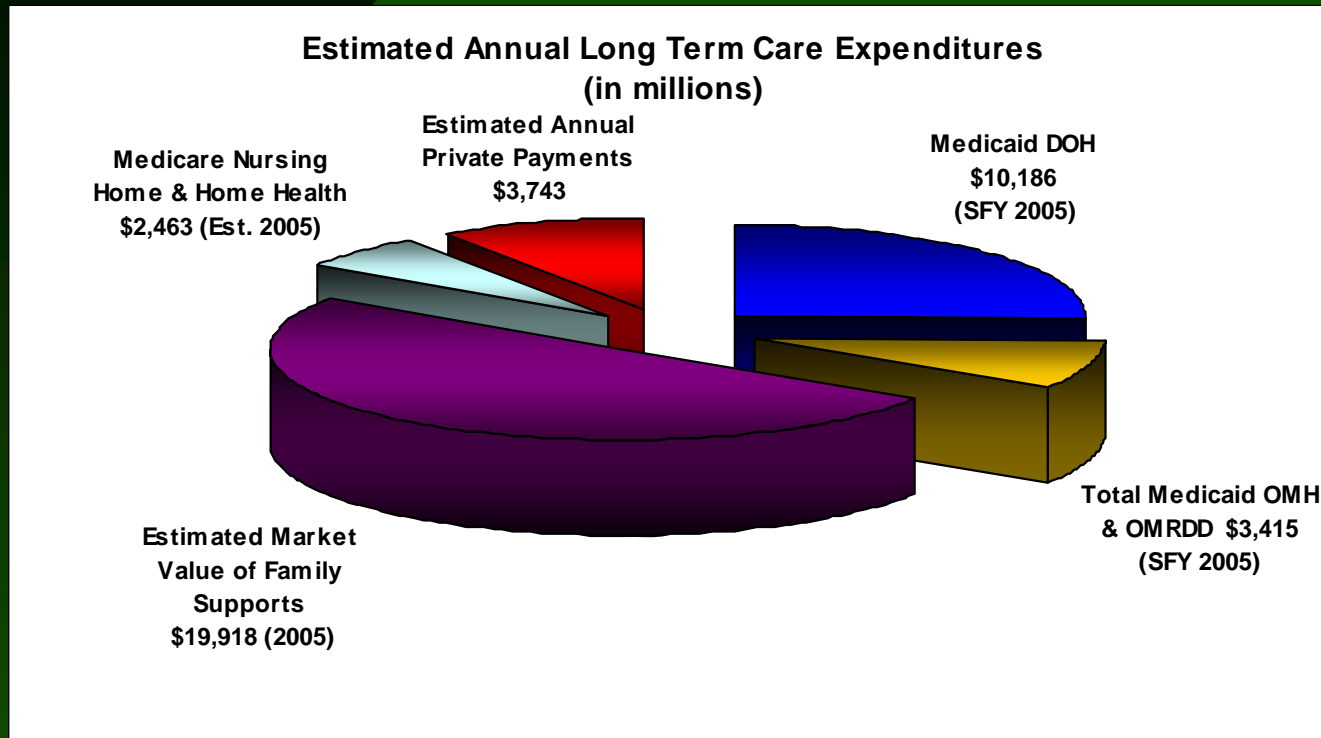
New York Medicaid Long Term Care Expenditures with Recipient Counts SFY 2004-2005

Medicaid Long Term Care Expenditures and Recipients
(DOH, OMRDD, OMH) SFY 2004-2005



- Source: DOH/OHIP Data Mart Information, as of April 2007
- Note: Recipient count for each service is in parenthesis. The above recipient count may not sum due to duplicated participation in more than one service per customer. The total number of unduplicated Medicaid recipients is 311,283.

Estimated Annual Value of New York Long Term Care Expenditures



Sources:

- DOH/OHIP Data Mart Information, as of April 2007
- Arno, P.S., Levine, C. and Memmott, M.M. (1999). The Economic Value of Informal Caregiving. Health Affairs Vol. 18, No. 2, pp. 182-188, National Family Caregivers Association and Family Caregiver Alliance (2006). Prevalence, Hours and Economic Value of Family Caregiving, Updated State-by-State Analysis of 2004 National Estimates by Peter S. Arno, PhD. Kensington, MD: NFCA & San Francisco, CA: FCA.
- Office of the Actuary, CMS, Sept 2007 State Estimates- Medicare Nursing Home Care and Home Health Care
- Private Pay estimations include expert industry sources use of 2005 NH cost reports. Private Pay estimations for Assisted Living included the Cornell University, Cornell NYS IS, <http://www.ciser.cornell.edu/PAD/NYsisProjectsSep02/NYsisProjectsSEP02.xls> 2005 census data, Glenworth Financial 2006 Cost of Care Survey for ALF rates, the National Center for Assisted Living (NCAL) for the number of people living in ALF's nationwide and their average age. The NYS Partnership benefits for fiscal year ended 03.31.06 were provided by the NYS Office of Health Insurance Programs.

Methodologies for Estimation:

1. Medicare CY 2004 estimates plus 2003 to 2004 annual growth factor.
2. For Informal Supports, the projections utilize the methodology employed by Arno et al in the 2006 paper with imputed wage rate as the average of May 2005 US Department of Labor Occupational Employment and Wage Rates for Home Health Aide and Personal Care Aides of New York (\$9.61).
3. Private payments include estimates for Nursing Homes, Assisted Living and New York Partnership benefit payments only. They do not include benefits paid for private LTC insurance policies, Home Care or other LTC services. Private payments for Nursing Homes were estimated at 12.2% of operating revenue. This percentage was extended to private pay estimates for approximately 100 Nursing Homes that were not included in the total revenue calculations. Private payment estimates for Assisted Living were made by using 18% of the NY Census Data for elders 85+ grouped by regions corresponding with average annual rates for private one bedroom ALF.

Complexity of Medicaid Eligibility

One must be both financially and medically needy in order to be eligible for long term care services in New York State.

The measure for medical need is based on a nursing home “level of care”.

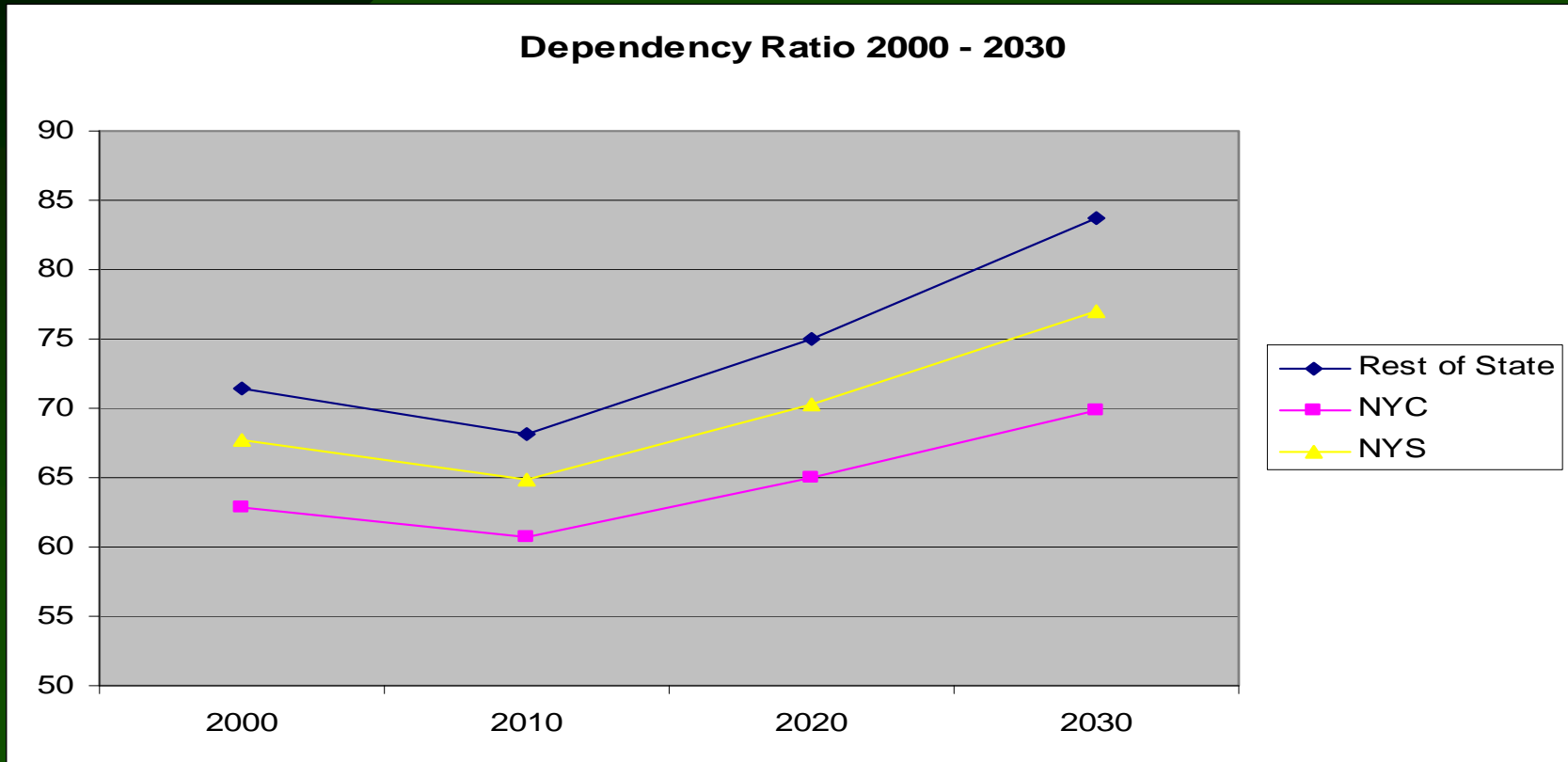
One can become financially eligible by “spending down” both income and/or resources.

Rules governing spousal income and asset transfers vary depending timing and nature of transfer.

Projected Dependency Ratio – Support to the Growing Elderly in New York State

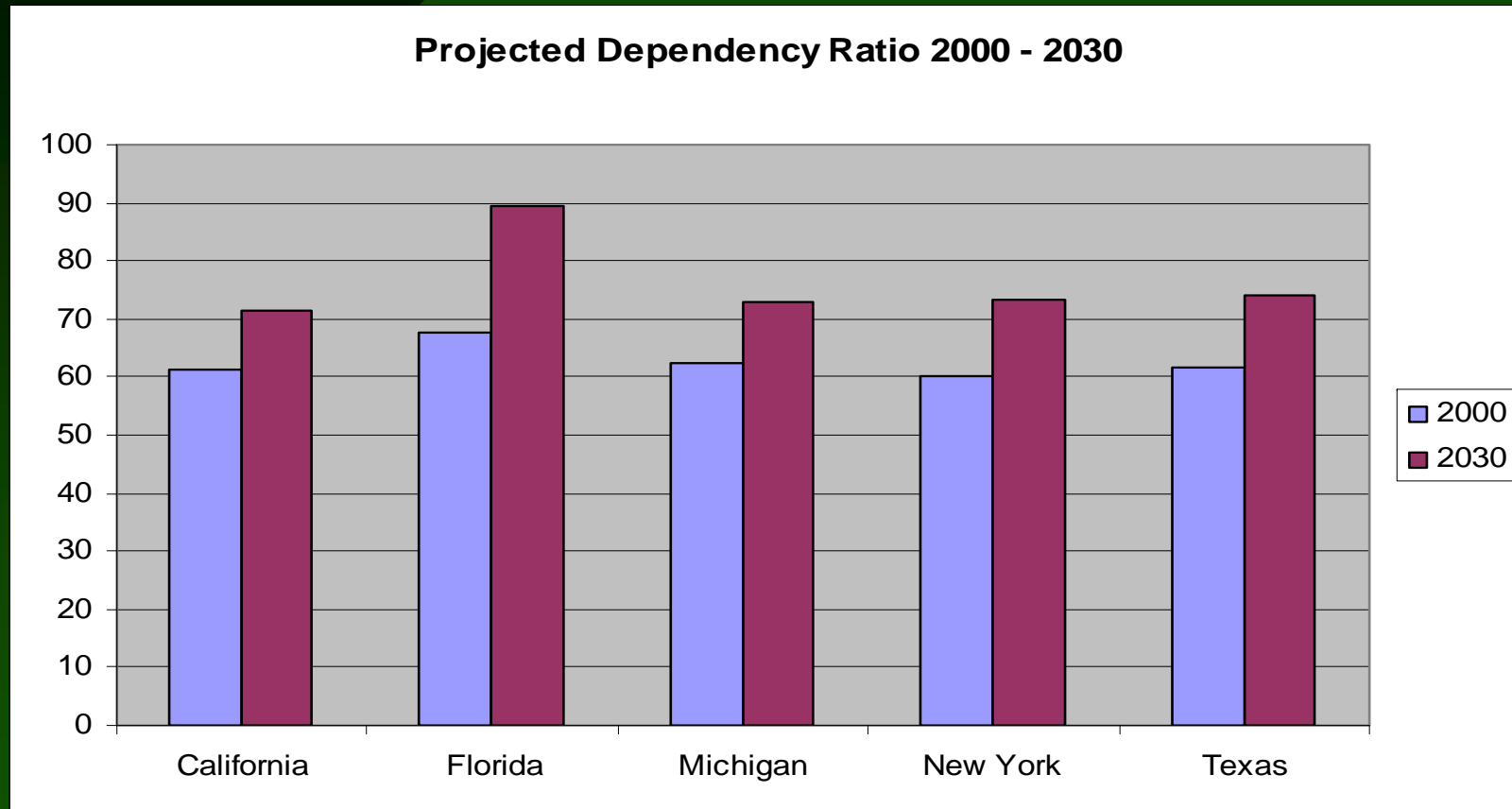
- The dependency ratio is a measure of the portion of a population which is composed of dependents, typically too young or old to work.
- A rising dependency ratio represents challenges for social systems to provide for a significantly older, non-working population.
- Working age population has commitments to those both younger and older creating further strain on social systems.
- While NYC's ratio will rise in similar fashion to the rest of the state it is projected to remain lower than the rest of the state.

New York State Projected Dependency Ratio



- The dependency ratio is derived by dividing the combined under 20 and 65 and over populations by the 20 to 64 population and multiplying by 100.

Cross State Projected Dependency Ratio



- New York remains clustered with other larger states in regards to the current and projected dependency ratios.

Implications

- There is regional variation in how, when and where people with similar needs are served.
- The lack of a common assessment tool across program settings combined with the lack of universally accepted data collection standards are major barriers to policy development and shift to outcome based initiatives.
- The lack of coordination among and transition between the informal, non-medical and medical systems is a major barrier to achieving efficiency.
- The implementation of NYConnects (a Point of Entry system) represents a significant initiative in helping consumers have more information about services.

Implications

- Demographic projections for the aging population reveal a 5 to 10 year window of opportunity for planning and policy change.
- This window provides an opportunity to increase market penetration among younger people for planning for needs. Thorough, fair, and widespread risk sharing coupled with a greater planning as part of retirement should be part of the solution.
- New York needs to further engage, support and maintain family and informal caregivers now and in the future.
- Expanding telehealth as a means to address workforce shortages will support the continuation of serving people in home and community based settings.
- Improved HIT is vitally important in long term care.