

Disability in Ohio: Managing the Projected Need for Long-Term Services and Supports

Unified Long-term Care Systems and Supports

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How Many People Will Need Medicaid to Pay for Their LTCSS in 2020? And How Much Will it Cost?

1. How many people will have a disability?
2. What proportion will need formal care?
3. What proportion meet Medicaid eligibility?
4. What kind of services would they be looking for?
5. What is the unit cost of each unit of LTC Services & Supports and how is it going to change in the next 10 years?

Can we alter any of these to manage the growth of Medicaid LTCSS expenditures?

1. How Many People Will Have a Disability?

a. The size of Ohio's future population

- Birth rates
- Survival rates
- Migration rates

b. Prevalence of disability

- Define disability
- Types of disability
- Severity of disability
- Will it stay the same in the next 10 to 20 years?

Projecting the Size of the Population with Severe Disabilities

Using the Survey of Income and Program Participants we estimated prevalence of severe disabilities (physical/cognitive, intellectual/developmental, and chronic mental illness) for people living in the community.

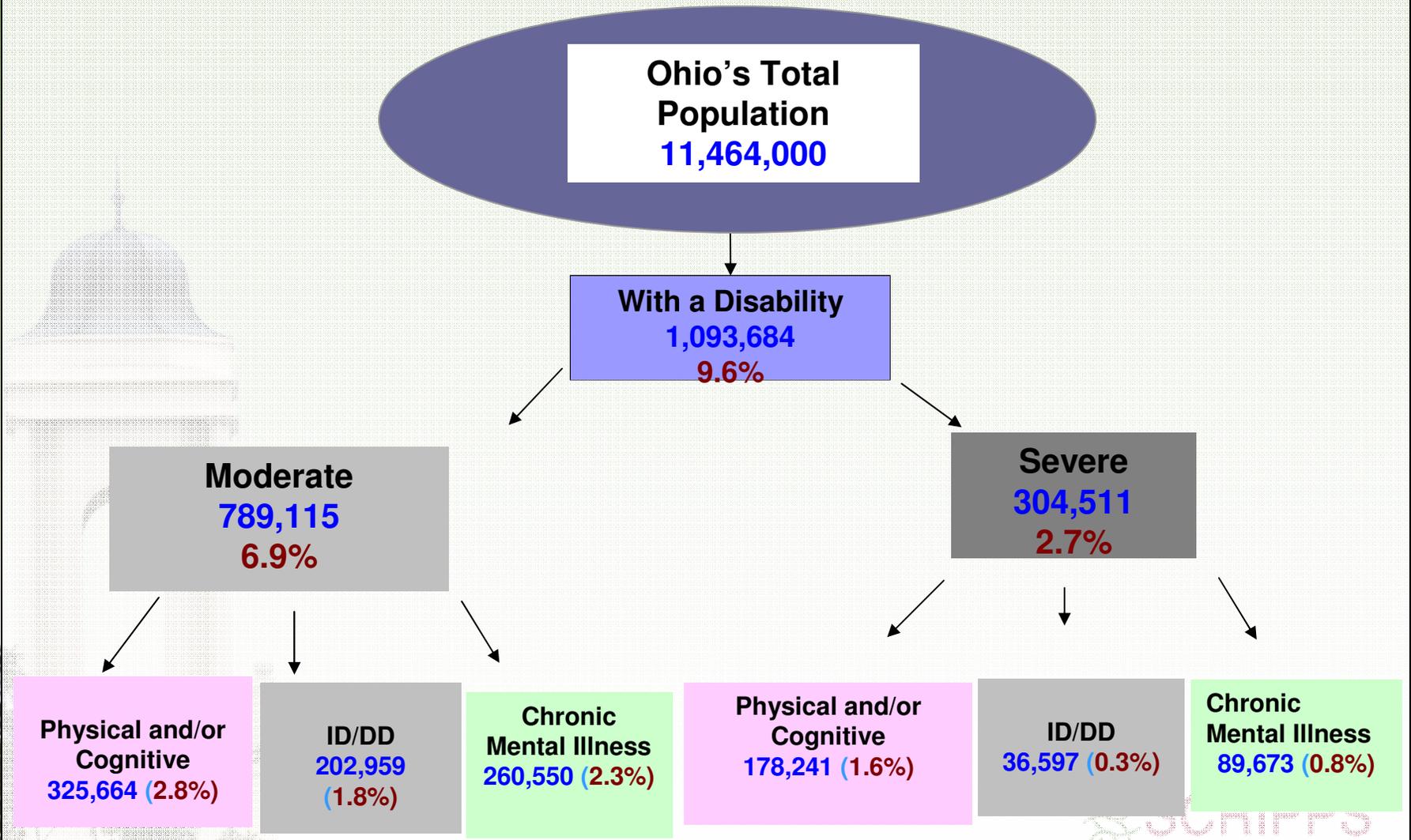
Then we applied the estimated prevalence rates to the projected community population

To that we added the actual number of people with severe disability in the following Ohio institutions:

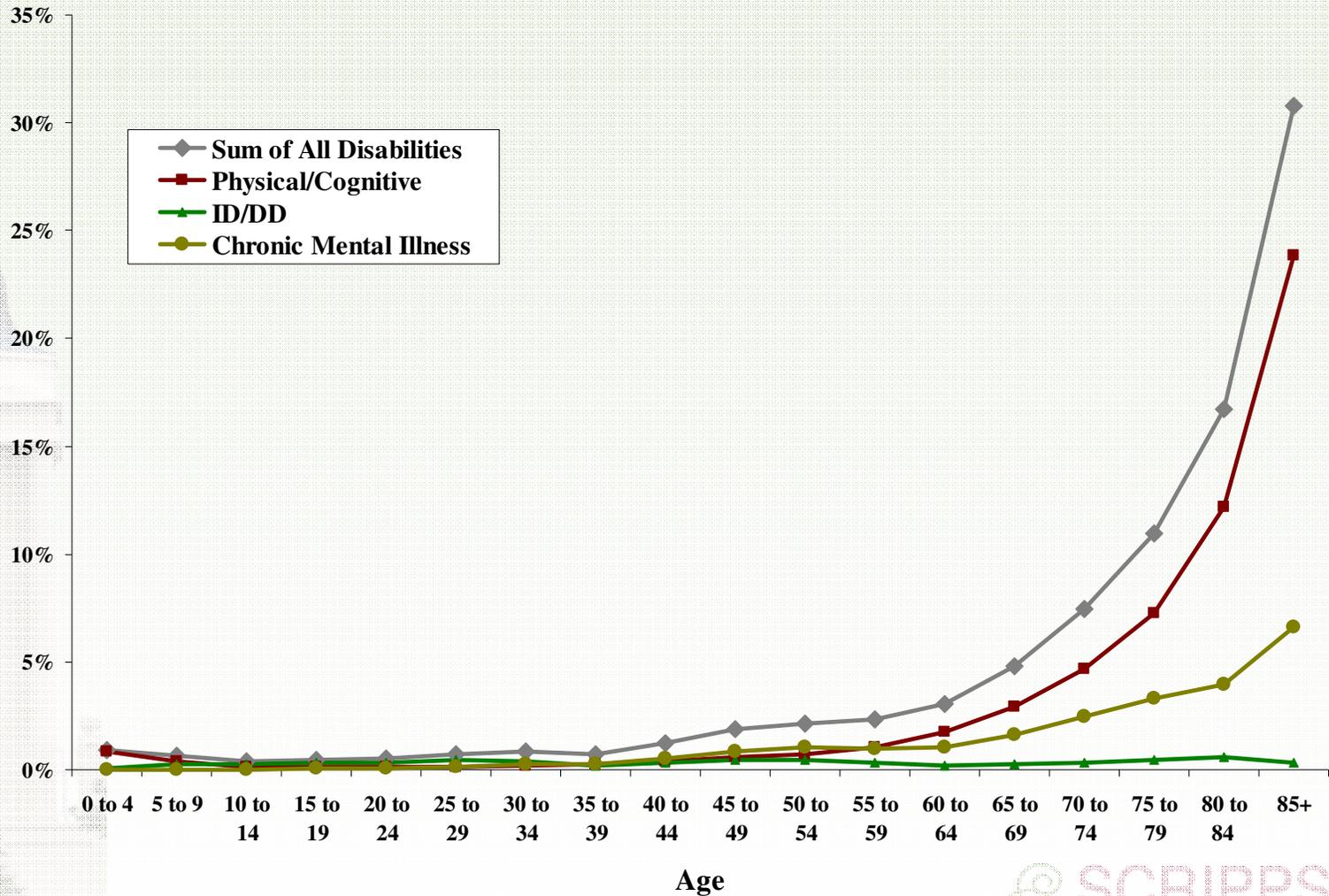
Projecting the Size of the Population with Severe Disabilities (cont'd)

- Nursing Homes
- ICFs/MR
- Residential Care Facilities
- Developmental Centers
- Mental Health Centers
- Residential Care Centers
- Prisons

Distribution of Disability among Ohio's Population: by Type and by Severity, 2005



Percentage of Ohio's Population with a Severe Disability by Type, and Age 2007



Projections of Disability Among Ohio's Population, 2007-2020

Year	Total Population	Population with Moderate Disability	Population with Severe Disability
2007	11,584,000	802,100	308,600
2010	11,764,000	821,700	314,700
2015	11,961,000	837,900	329,400
2020	12,178,000	852,400	348,100

2. What Proportion Will Need Formal Care?

Availability of informal caregivers. Will it change in the future?

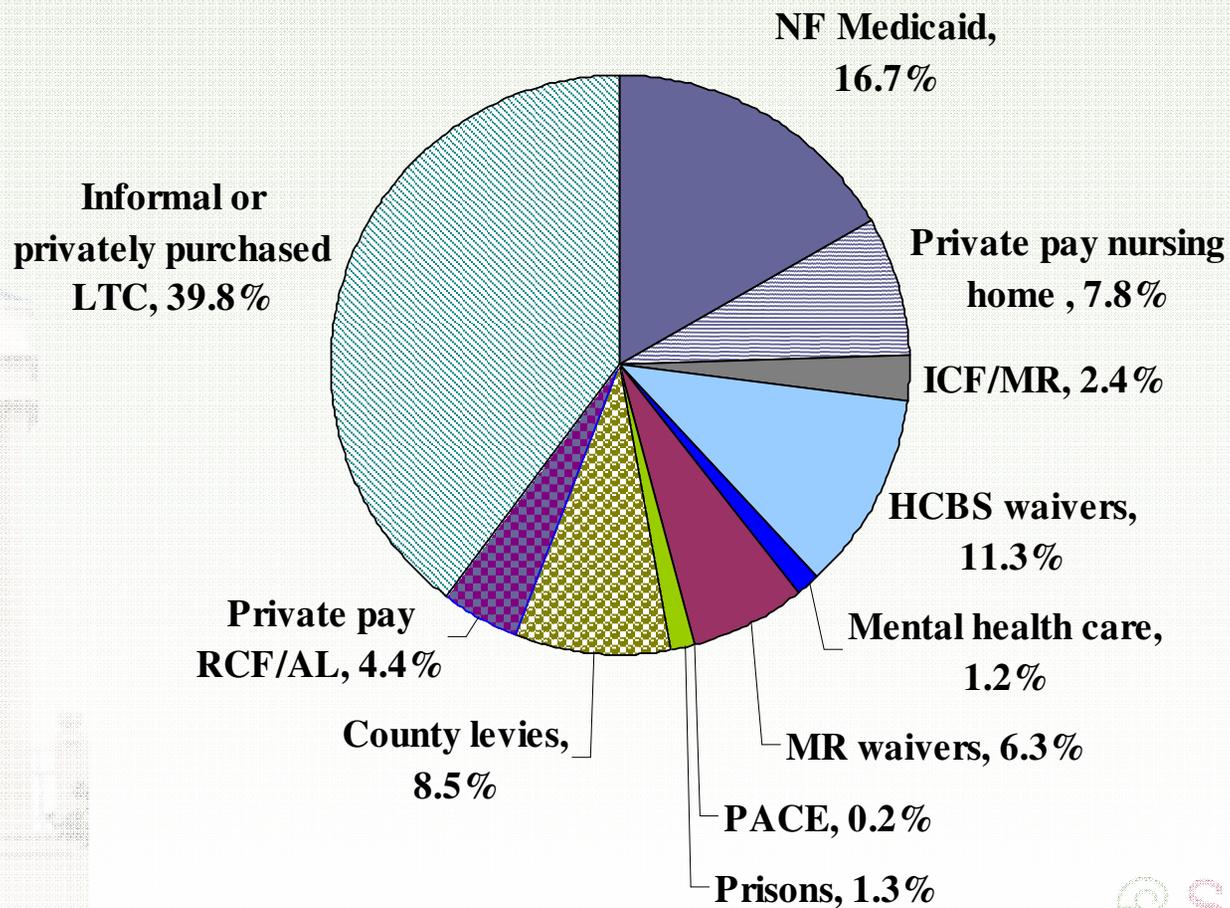
There are a few questions we need to find answers for:

- a. Are families having fewer children?
- b. Are families more geographically dispersed now, thus less available for caregiving?
- c. Do divorced couples have a smaller pool of caregivers to draw from?
- d. Do divorced parents have a weaker bond with their children?
- e. Are the children of divorced parents less willing to be caregivers?
- f. Are there alternatives to care from a caregiver?

Availability of Informal Caregivers. Will it Change in the Future?

Suspected changes in future availability of informal caregivers	Findings from literature	In short
Are families having fewer children?	No. of births to 1,000 women between ages 15 to 44 106 in 1950; 68 in 2005	Yes
Are families more geographically dispersed?	In general no, although some age groups are more likely to move away	NO
Do divorced couples have fewer caregivers?	% of people age 60 and older stating they are currently divorced has increased from 4% in 1960 to 9.5% in 2000	Yes
Do divorced parents have less willing children?	Divorced parents have weaker bond with their biological children	Yes
Are stepchildren as willing to be caregivers?	Less likely than biological children	NO
Are there alternatives to care from caregivers?	The use of assistive devices & technologies has been increasing among all people, but more so among educated population	Yes

Proportion of Ohio's Population with Severe Disability in Different Long-Term Care Settings or Programs, 2007



3. What Proportion Will Meet Medicaid Eligibility?

Will a more restrictive eligibility criteria reduce the number of people receiving care?

- ❑ Only 6 states have a more restrictive medical/functional criteria (Arkansas, Florida, Kansas, Mississippi, Nebraska, and Virginia).
- ❑ Ohio's LOC requires at least 2ADL impairments; or, at least 1 ADL and help with Meds; or, 24 hour supervision; or, unstable medical condition needing skilled nursing care, or skilled therapy.
- ❑ Currently, the population receiving care in NF, on average, have 4.4 ADL impairments; Ohio Home Care consumers have 3.8 ADL; PASSPORT consumers have 3.0 ADL; Other smaller waivers have higher ADL impairments or a higher proportion need supervision.

In 2007, the Medicaid program paid for the care of about 39.2% of those Ohioans with severe disability

4. **What Kind of Services People with Severe Disability Would be Looking for?**

- The majority of the people with severe disability are older people. The aging population in the next 10 years are going to be:
- more educated than their counterparts 10 or 20 years ago.
- financially better off than their counter parts 10 or 20 years ago.
- more likely that they have been exposed to assistive technology devices and services
- value their independence, choice, and privacy highly.

Although none of these facts point to what type of services they would prefer, but the combination of the characteristics makes it more likely that they will choose an alternative that assures them independence & privacy.

The Projected Number of Ohioans Who Will Rely on Medicaid for Their Care in the Near Future

If the utilization of services and supports in the next 11 years remains the same as 2007 then:

Year	Home and Community-based	Facility-based	Number of People Relying on Medicaid
2009	63,400	59,000	122,400
2010	64,610	58,690	123,300
2015	67,596	61,404	129,000
2020	71,474	64,926	136,400

Can this distribution change?

How Can the State of Ohio Manage the Increasing Demand for Services & Supports?

Possible Scenarios:

Status Quo: consumers health and disability, use of informal care, including assistive devices, and utilization rate of facility-based care will stay the same as it is today

Reduced demand for formal care: Through education, home modification, creation of aging friendly communities and introduction of assistive devices and technology demand for formal care will be reduced

Less facility-based care: By encouraging the use of alternatives to facility-based care the use of nursing home and ICF/MR will be reduced annually by 0.5% or 1%.

Optimistic: Through education and case management reducing demand for formal care and by diversion and intervention shifting some facility-based care utilization to community-based use. This scenario entails 1% reduction in formal care and 1% reduction in use of facility-based care annually.

Practical: A combination of gradual and small reductions in the demand for formal care (0.5% annual) and facility-based care (0.5% annual).

Comparison of the Cumulative Impact of Different Scenarios on Demand for Long-Term Care Services and Supports and Community & Facility-Based Care Services in 2020

Type of Program/ Setting	2009 Number (Percent)	Status Quo	Reduced Demand for Care (Net chg from 2009)	Less Facility- Based Care (Net chg from 2009)
Nursing Home	51,500 (42.1%)			
ICF/MR	7,500 (6.1%)			
HCBS	37,000 (30.2%)			
ID/DD waivers	22,600 (18.5%)			
Other	7,900 (3.1%)			
Total in 2020	122,400 in 2009			



Comparison of the Cumulative Impact of Different Scenarios on Demand for Long-Term Care Services and Supports and Community & Facility-Based Care Services in 2020

Type of Program/ Setting	2009 Number %	Status Quo	Optimistic 1% less Demand; 1% less F-based	Practical 0.5% less Demand; 0.5% less F-based
Nursing Home	51,500			
ICF/MR	7,500			
HCBS	37,000			
ID/DD waivers	22,600			
Other	7,900			
Total in 2020	122,400 (in 2009)			

How Feasible Is It to Meet the Demands for Care in Other Ways or Reduce Demand All Together ?

Borrowing from the theoretical model of disablement process developed by Institute of Medicine Emily Agree (Department of Population and Family Health Sciences, Johns Hopkins University) defines:

“Impairment and functional limitation represents deficit or damage at the cellular, organ or organism level respectively. **Disability, however, is the product of the underlying functional limitations and an individual experiences, the demands of the environment and his/her own expectations about daily life.** “

There Are Ways in Which an Individual May Mediate the Gap Between the 'Functional Limitation' and 'Disability'.

“These may be classified into four broad categories:

- ✓ Environmental modification: through change of residence or installing architectural enhancements.
- ✓ 2. Ability modification: through rehabilitation or the use of assistive devices.
- ✓ 3. Compensation: through the acquisition of personal assistance or other community services.
- ✓ 4. Role-redefinition and behavioral change: through changing expectation about abilities and accomplishments. This most often involves changes in performance, such as going out less frequently or allowing more time to accomplish tasks.”

Source: Agree, E. (1999). The influence of personal care and assistive devices on the measurement of disability. [*Social Science & Medicine*, Volume 48, Issue 4: 427-443](#)

5. What Is the Unit Cost of Each Unit of LTC Services & Supports and How Is It Going to Change in the Next 10 Years?

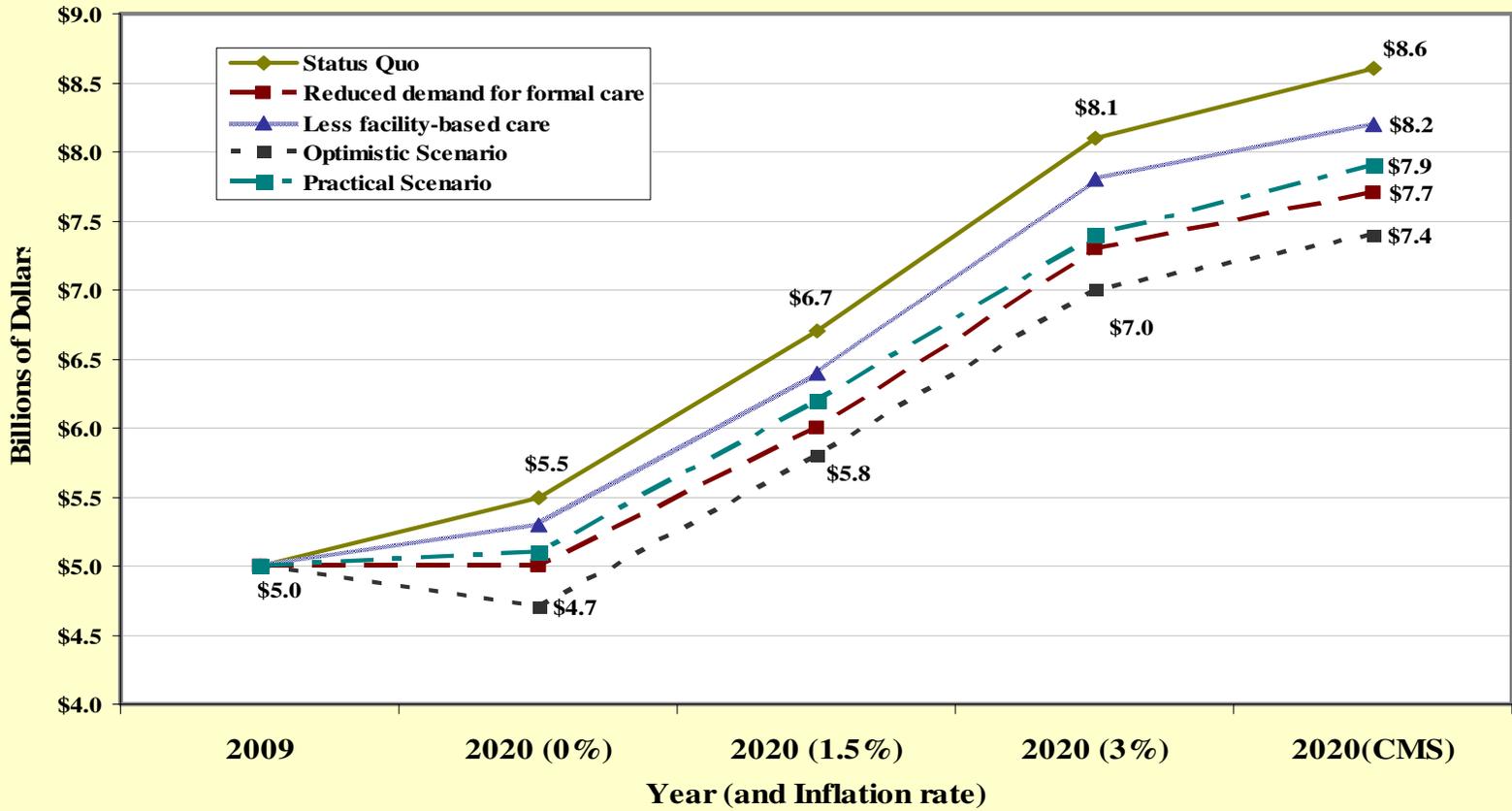
- Using the actual cost of each unit of supports & services we calculated the total cost of care for 2020 **at** 2009 prices.
- There will be some inflation between now and the year 2020. We used 4 different annual rates to show the impact of inflation alone:
 - 0%
 - 1.5%
 - 3%
 - A rate estimated by CMS between 2.8% and 3.8%.

Estimated Cost of Medicaid Long-Term Care Expenditures in 2020 for Different Scenarios

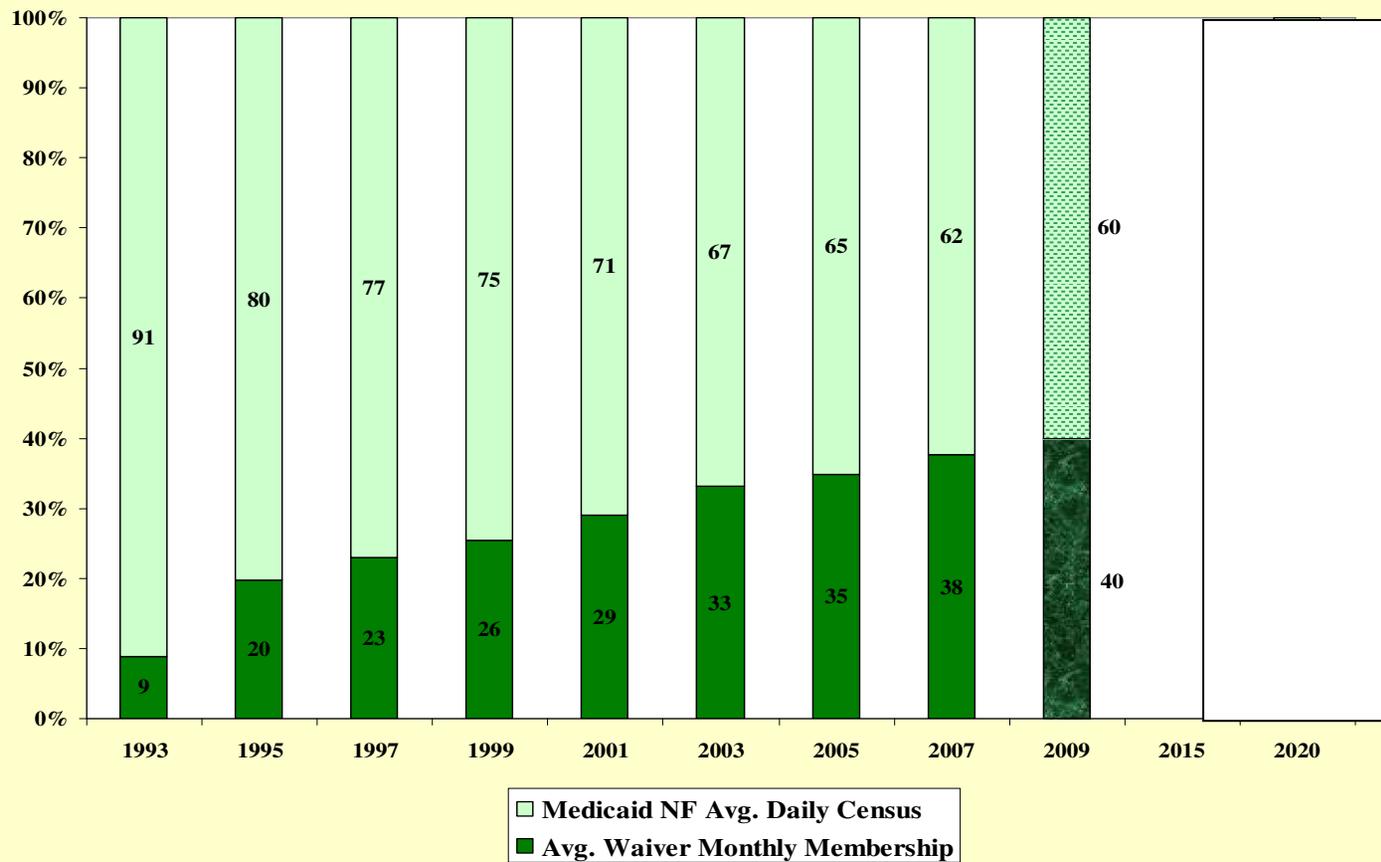
Different Annual Inflation Assumptions
(number of people & costs in billions of dollars)

Different Scenarios	0%		1.5%		3%		CMS predicted rate	
Status Quo	136,400	(\$5.5)	136,400	(\$6.7)	136,400	(\$8.1)	136,400	(\$8.6)
Reduced Demand for Care	122,100	(\$5.0)	122,100	(\$6.0)	122,100	(\$7.3)	122,100	(\$7.7)
Less Facility-based Care	136,400	(\$5.3)	136,400	(\$6.4)	136,400	(\$7.8)	136,400	(\$8.2)
Optimistic	122,100	(\$4.7)	122,100	(\$5.8)	122,100	(\$7.0)	122,100	(\$7.4)
Practical	129,100	(\$5.1)	129,100	(\$6.3)	129,100	(\$7.5)	129,100	(\$7.9)

Projected Medicaid Expenditures for Long-Term Care Services and Support in 2020: Different Strategies



Projected Percent Distribution of Ohio's Medicaid Long-Term Care Utilization by People Age 60 or Older and by Setting: 1993 to 2020 (Optimistic Scenario)



2009 Federal Medicaid Matching Rates for Ohio

Medical services for most enrollees: 62.14% **fed**; 37.86% **state**

Enhanced match for uninsured children in families with income above 133% of poverty level: 73.50%

Family planning services: 90%

Medicaid Administration: 50%

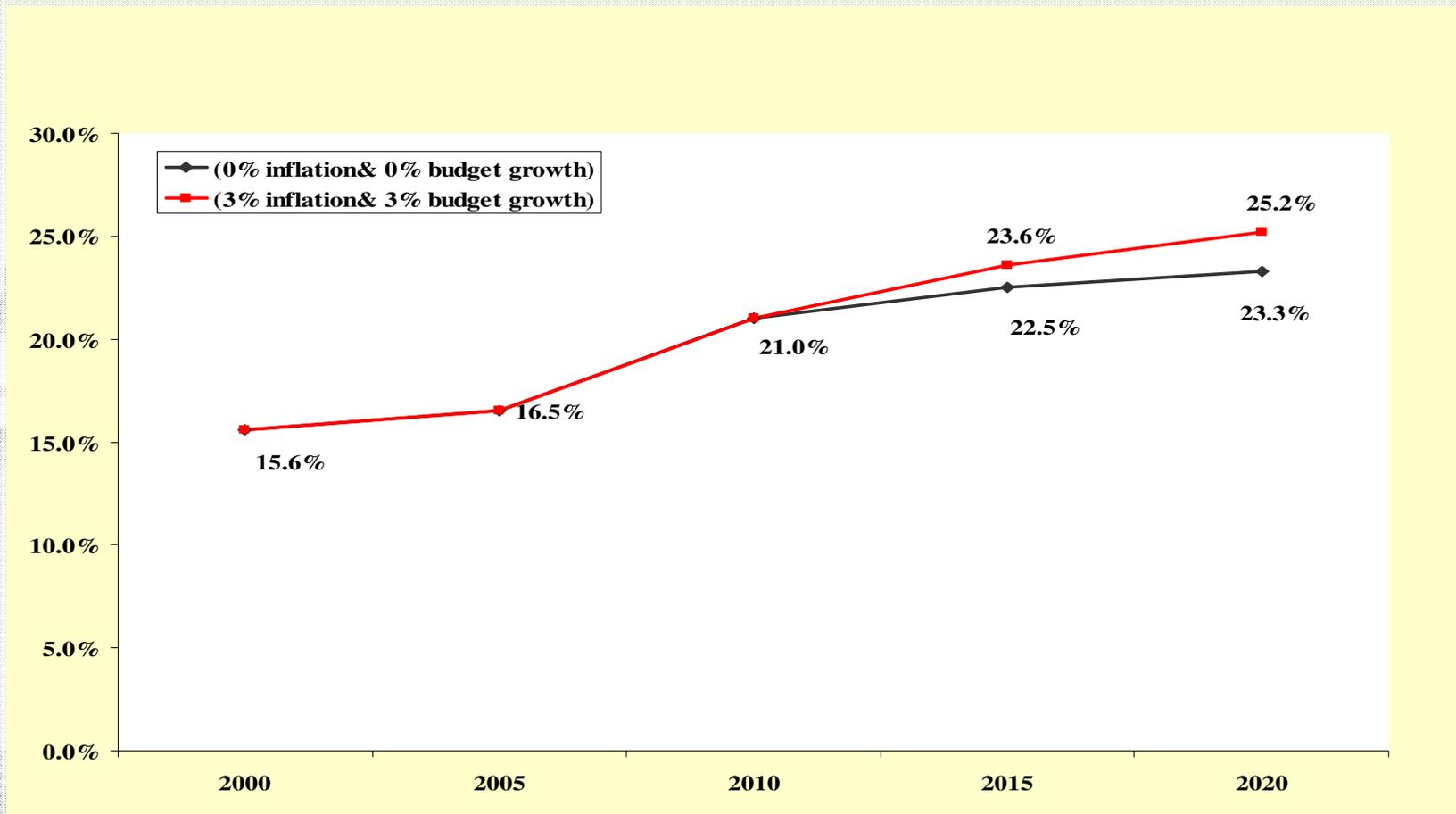
New information technology systems: 75% to 90%

Health Policy Institute of Ohio. Ohio Medicaid Basics 2009. retrieved Feb. 19, 2010 from http://www.healthpolicyohio.org/pdf/MedicaidBasics_2009.pdf

Possible Inflation and Budget (State and Fed. GRF) Growth Rates and % of Budget Needs to be Allocated to LTCSS (2020 Budget and Medicaid LTCSS in Billions of Dollars)

	Medicaid LTCSS Expenditures	2010_2015 (0%) 2015_2020 (1%)	2010_2020 (1%)	2010_2020 (2%)	2010_2020 (3%)
2020 Total Budget	—	(\$25.85)	(\$26.9)	(\$29.4)	(\$32.10)
Inflation rate 0%	(\$5.5)				
1.5%	(\$6.7)				
3%	(\$8.1)				
CMS predicted rate	(\$8.6)				

Percent of Total Budget Allocations for Medicaid LTCSS When Different Inflation & Budget Growth Rates Are Assumed



Summary

- ♣ Between now and the year 2020 the combined total of average daily census for NF, ICF/MR and all the HCBS Medicaid waivers will increase by about 1300 every year.
- ♣ In the absence of any additional efforts, beyond what state is currently doing to “balance the system”, **and** if there is no inflation in the next 11 years, the total Medicaid expenditures for long-term care services and supports will be one-half billion higher in 2020 than it was in 2009 (10% higher than today).

Summary Continued ...

- ♣ If the inflation rate is fixed at 1.5% then total Medicaid expenditures will be \$6.7 billion up from \$5.0 in 2009 (an increase of 34%);
- ♣ And, if the inflation rate is fixed at 3.0% then total Medicaid expenditures will be \$8.1 billion (an increase of 62%)

Policy Implications

This study examined ways that the state could intervene:

- 1) by reducing the number of people with severe disability needing formal long-term care services by helping them remain independent longer;
- 2) by reducing facility-based care through introduction of a range of community-based care options that meet individuals' varied needs for care; and
- 3) by controlling cost via legislation and negotiation with care providers.

Copies of These Series of Reports Are Available at the Following Addresses:

Disability in Ohio: Current and Future Demand for Services (2008)

http://www.units.muohio.edu/scripps/research/publications/DisabilityinOhio_current_future.html

Disability in Ohio: Long-Term Care Providers & Programs (2009)

<http://www.units.muohio.edu/scripps/research/publications/providersprograms.html>

Disability in Ohio: Managing the Projected Need for Long-term Services and Supports (2010)

http://scripps.muohio.edu/research/publications/DisabilityinOhio_ManagingProjectedNeed.html