

Long-Term Care Services for the Elderly

January 14, 2015

Aging and Long-term Care Policy Committee

Prepared by: House Research Department

Long-Term Care for the Elderly

Long-term care services are available to the elderly through Medical Assistance (MA), state programs, and programs administered by the Board on Aging.

MA Long-Term Care for the Elderly

- Medicare serves as the primary payor and MA as the secondary payor for elderly MA enrollees who are also enrolled in Medicare.
 - As secondary payor, MA pays only for those services not covered by Medicare and also for any Medicare cost-sharing obligations.
- MA enrollees who are elderly receive coverage for the standard MA covered services available to all other MA eligibility groups.

MA Long-Term Care for the Elderly

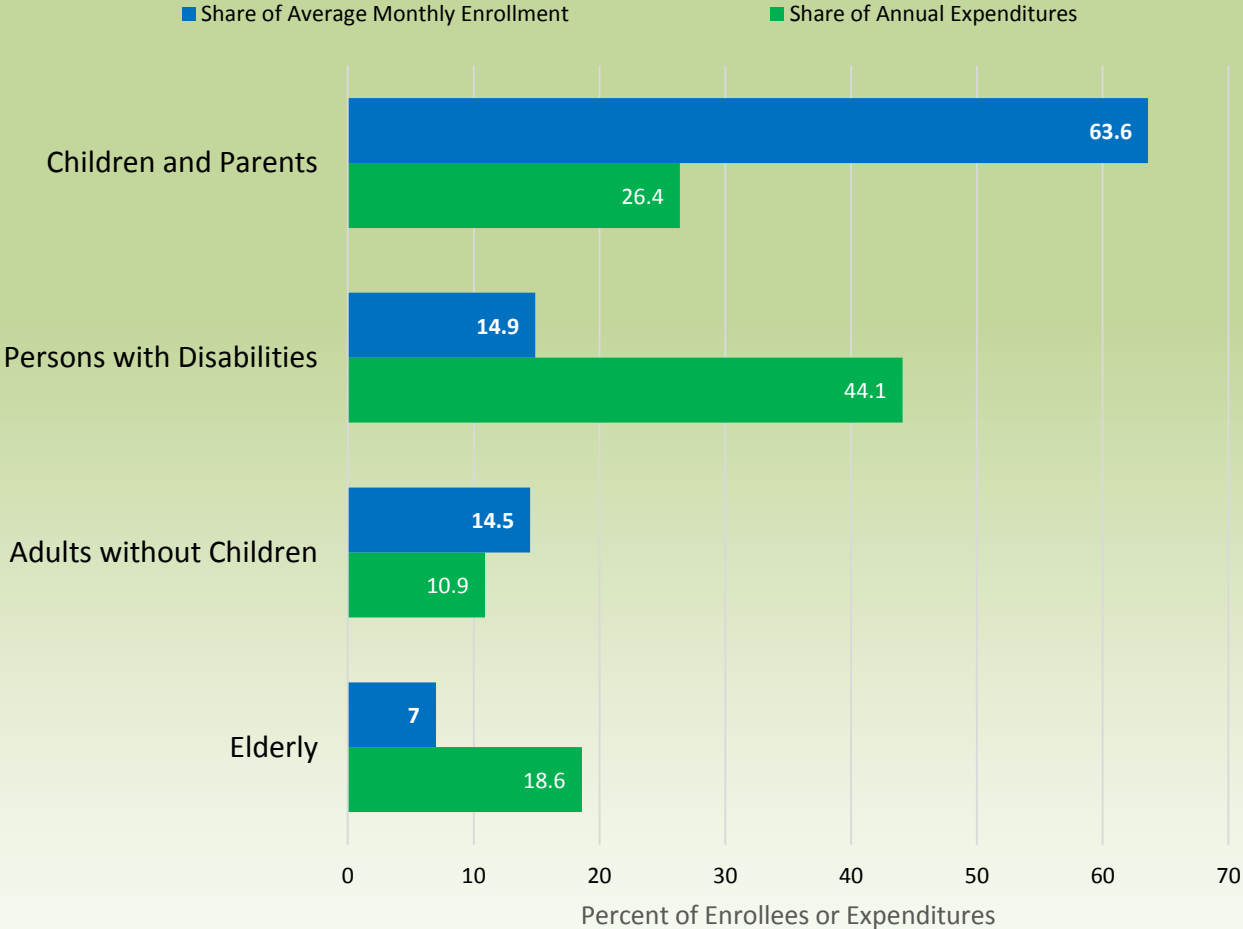
- In addition to covering standard medical services such as physician, inpatient hospital, dental, and therapy services, MA also covers many services used heavily by elderly persons, including:
 - nursing facility services;
 - home health care;
 - personal care assistant (PCA) services;
 - Elderly waiver services; and
 - prescription drugs.

MA Eligibility for the Elderly

- In order to be eligible for full coverage of MA services as elderly, a person must:
 - be age 65 or older;
 - meet income and asset standards (income that does not exceed 100% federal poverty guidelines and assets no greater than \$3,000 for an individual and \$6,000 for two persons);
 - meet requirements related to citizenship and residency; and
 - meet other program eligibility requirements.

MA Enrollees and Expenditures

FY2014 Medical Assistance Enrollees and Expenditures by Enrollee Type



Source: House Research. Data provided by DHS.

MA Nursing Facility Services

- In order to be eligible for MA nursing facility services, a person must be screened by a long-term care consultation team and be determined by the team to need nursing facility-level care.
- Under MA, nursing facility services are a package of room and board and nursing services.
- Nursing facilities are reimbursed by MA on a resident per day basis adjusted under the case-mix system.

MA Nursing Facility Services

- MA reimburses nursing facilities for the following costs:
 - **Operating costs** which include costs for nursing, social services activities, dietary, housekeeping, laundry, building maintenance, and administration; salaries and wages of persons performing these services; fringe benefits and payroll taxes; and other related costs such as costs for supplies, food, utilities, and consultants;
 - **External fixed costs** which include surcharges and fees; scholarships; planned closure rate adjustments; single-bed room incentives; property taxes and property insurance; and Public Employee Retirement Act costs; and
 - **Property costs** which include interest expense and return on equity.

MA Nursing Facility Services

- Nursing facilities may receive several other payments including:
 - incentive payments to create single-bed rooms as a result of bed closures and for the planned closure of beds in an area of the state where excess bed capacity exists or where a rebalancing of long-term care services is desired;
 - performance-based incentive payments;
 - quality add-on payments beginning in fiscal year 2015; and
 - partial rebasing and enhancement of certain payments for facilities designated as critical access nursing facilities beginning in fiscal year 2015.

MA Home Health Care

- Home health care provides medical and health-related services and assistance with day-to-day activities to people in their homes.
- Home care services provided to MA enrollees must be:
 - medically necessary;
 - ordered by a licensed physician;
 - documented in a written service plan;
 - provided at the recipient's residence; and
 - provided by a Medicare-certified agency.

MA Home Health Care

- Home care services include:
 - intermittent home health aide visits;
 - PCA services;
 - home care nursing;
 - therapies (occupational, physical, respiratory, speech);
 - intermittent skilled nurse visits; and
 - equipment and supplies.

MA Personal Care Assistant (PCA) Services

- PCAs provide assistance and support to the elderly, persons with disabilities, and others with special health care needs living independently in the community.
- In order for a person to receive PCA services, the services must be:
 - medically necessary;
 - authorized by a licensed physician;
 - documented in a written service plan; and
 - provided at the recipient's place of residence or other location (not a hospital or health care facility).

MA PCA Services

- PCA services provided include the following:
 - Assistance with activities of daily living (e.g., eating, toileting, grooming, dressing, bathing, transferring, mobility, and positioning)
 - Assistance with instrumental activities of daily living (e.g., meal planning and preparation, managing finances, and shopping for essential items)
 - Assistance with health-related procedures and tasks
 - Intervention for behavior, including observation and redirection

MA Elderly Waiver Services

- The MA Elderly Waiver provides home and community-based services not normally covered under MA to MA enrollees who are at-risk of nursing facility placement.
- In addition, Elderly Waiver recipients are eligible for all standard MA covered services.

MA Elderly Waiver Services

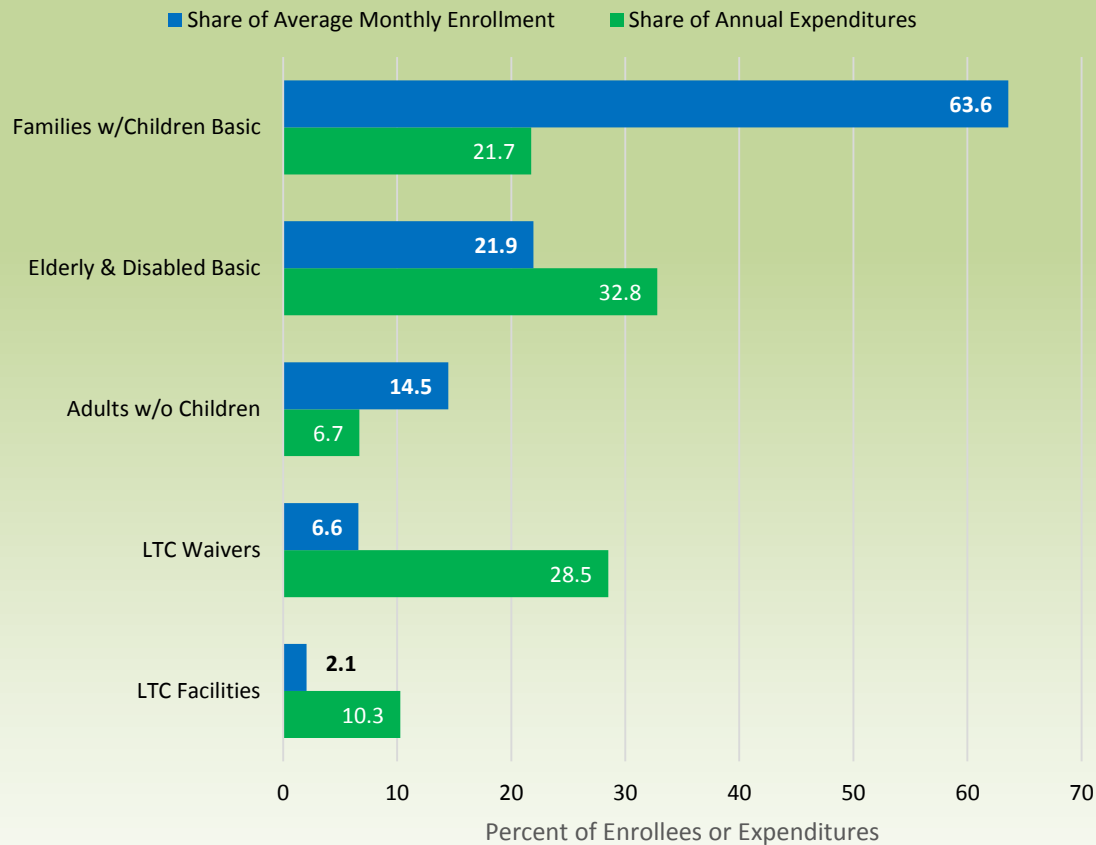
- In order to be eligible to receive Elderly Waiver services, an enrollee must:
 - be age 65 or older;
 - need nursing facility-level care as determined by the long-term care consultation process, and choose community care; and
 - meet the Elderly Waiver income standard.

MA Elderly Waiver Services

- Services available through the Elderly Waiver include the following:
 - Adult day service
 - Assisted living
 - Chore, companion, and homemaker services
 - Extended home care services
 - Home-delivered meals
 - Environmental accessibility adaptations
 - Transportation
 - Respite care
 - Specialized supplies and equipment

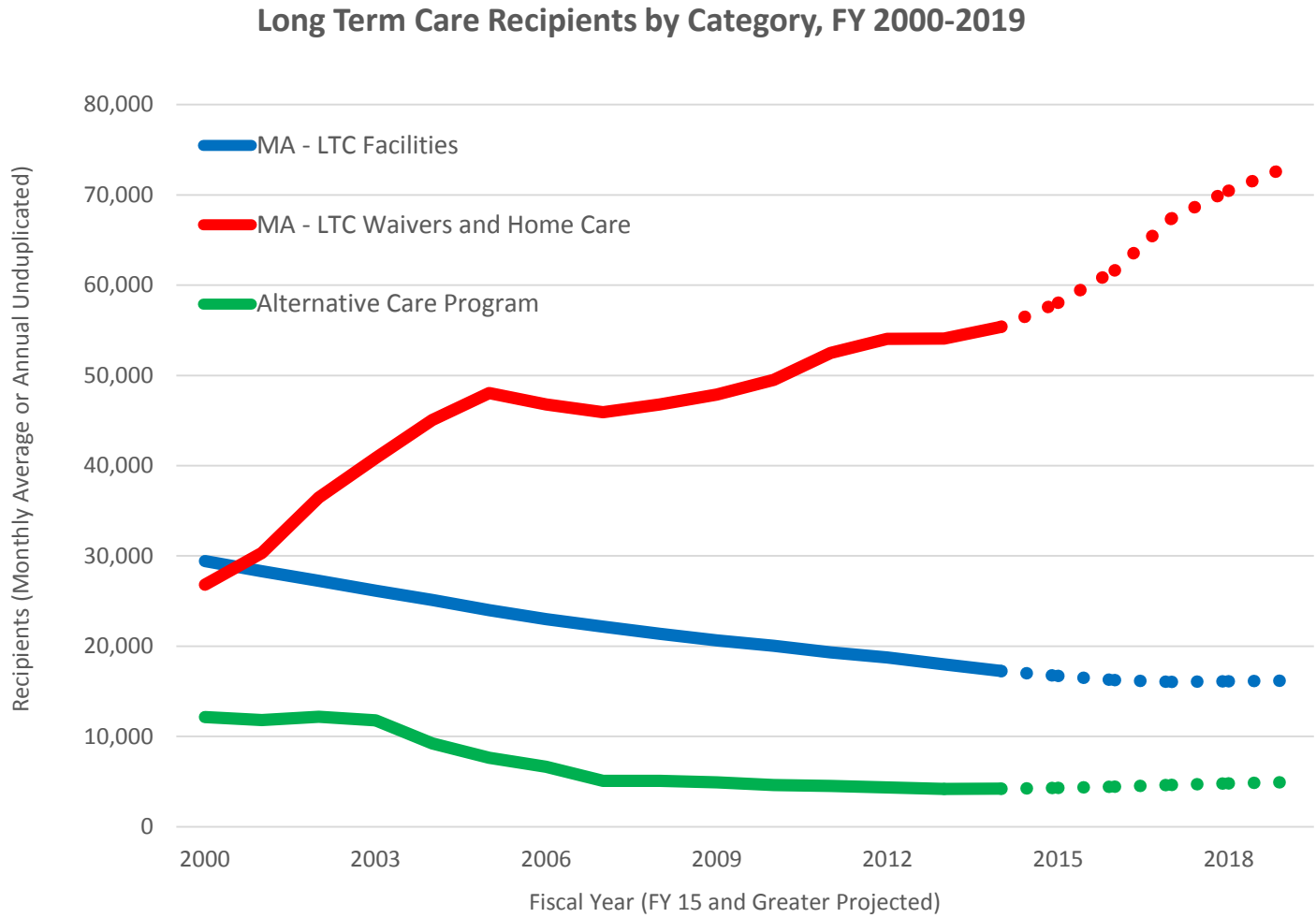
Expenditures and Enrollees by Program Type

FY2014 Medical Assistance Enrollees and Expenditures by Program Type



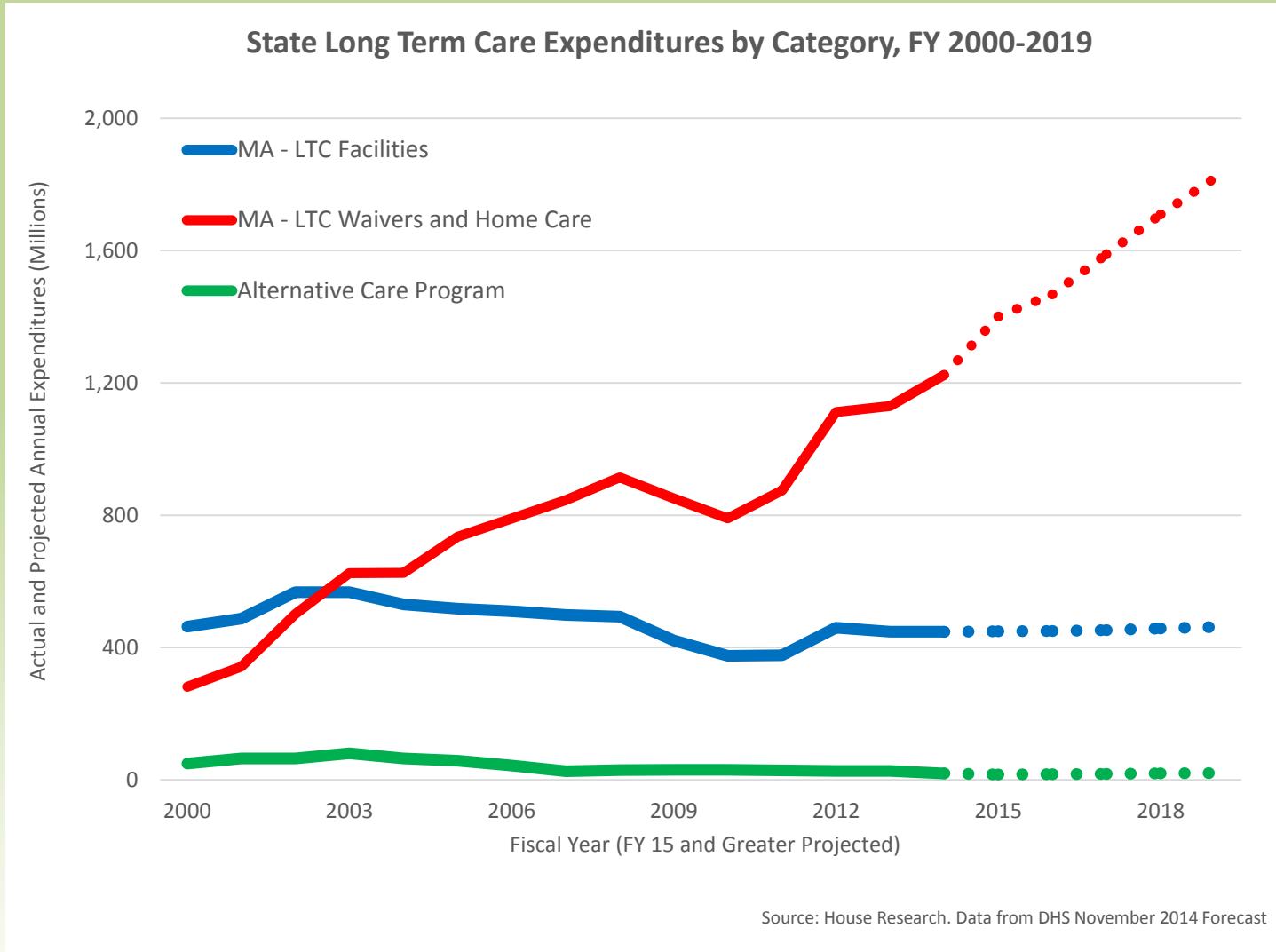
Note: Numbers include long term care expenditures for both the disabled and the elderly.
Source: House Research. Data from DHS November 2014 Forecast.

Long-Term Care Recipients Over Time



Source: House Research. Data from DHS November 2014 Forecast

Long-Term Care Expenditures Over Time



State Programs for the Elderly

- State programs for the elderly include:
 - The Alternative Care program
 - Long-term care consultation services
 - Services for vulnerable adults

Alternative Care Program

- The Alternative Care program provides home and community-based services to individuals who are not MA enrollees, but who are at-risk of nursing facility placement.
- In order to qualify for Alternative Care services, an individual must:
 - be age 65 or over;
 - be determined to need nursing facility-level care through the long-term care consultation process, and choose community care; and
 - meet income and asset requirements.

Alternative Care Program

- Services available through Alternative Care include:
 - Adult day care
 - Chore, companion, and homemaker services
 - Home health services
 - Home delivered meals
 - Environmental modifications and adaptations
 - Nonmedical transportation
 - Respite care
 - Supplies and equipment

Long-Term Care Projected Biennial Expenditures

| Projected Long Term Care Expenditures by Category FY 2016-17 Biennium | | |
|--|------------------|------------------|
| | FY 2016 | FY 2017 |
| Medical Assistance Total | 5,087,857 | 5,303,890 |
| Elderly & Disabled Basic | 1,616,704 | 1,666,436 |
| LTC Waivers | 1,484,326 | 1,588,916 |
| Families w Children Basic | 1,531,271 | 1,541,054 |
| LTC Facilities | 450,156 | 452,583 |
| Adults with No Children | 5,400 | 54,901 |
| Alternative Care Program Total | 43,934 | 43,124 |
| Total LTC Expenditures-MA and Alternative Care Combined | 1,978,416 | 2,084,623 |

Note: Numbers include long term care expenditures for both the disabled and the elderly.
Source: House Research. Data from DHS November 2014 Forecast.

Long-Term Care Consultation Services

- Long-term care consultation services provide screening, assessment, and information and education services to help individuals access and decide on the appropriate level of long-term care services.
 - State law requires all applicants to MA-certified nursing facilities to be screened prior to admission to determine if they need nursing facility level of care
 - Counties are also required, as part of preadmission screening, to assess individuals to determine whether alternatives to nursing facility care are appropriate

Services for Vulnerable Adults

- Vulnerable adults are individuals who are age 18 and older who are:
 - impaired physically, mentally, or emotionally and unable to protect themselves from maltreatment;
 - residents or inpatients of a facility;
 - recipients of certain outpatient services; or
 - recipients of certain home care services.
- Mandated reporters are required to make reports of suspected maltreatment to the common entry point, which must be available 24 hours a day to accept reports.
- Counties, DHS, and MDH assess and investigate allegations of abuse, neglect, and financial exploitation.
- Counties provide protective services when needed.

Minnesota Board on Aging Programs

- The Minnesota Board on Aging is a 25-member board whose members are appointed by the governor.
 - Board staff are provided by DHS and the board is housed within that agency
 - One of the duties of the board is to administer programs funded through the federal Older Americans Act (OAA)

Minnesota Board on Aging Programs

- Programs administered by the Board on Aging include:
 - Senior LinkAge Line and related information services
 - MinnesotaHelp
 - Senior Nutrition Services
 - Caregiver Grants
 - Minnesota Senior Corps
 - Ombudsman for Long-Term Care

Questions?

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