



COMING OF AGE: TRACKING THE PROGRESS AND CHALLENGES OF DELIVERING LONG-TERM SERVICES AND SUPPORTS IN OHIO

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Background & Overview

In 1993, the Ohio General Assembly funded the Scripps Gerontology Center to study Ohio's utilization of institutional and home- and community-based services, especially as this related to Medicaid and the state's older population. Results from the 16 year longitudinal study show that Ohio has altered its approach to funding and delivering long-term care provided by Medicaid. In 1993, more than 90% of older people receiving Medicaid funded long-term care services did so in a nursing home, today four of ten receive such services in the community. Most of this growth in Medicaid in-home services has come via the state's PASSPORT program. PASSPORT allows low-income older Ohioans qualifying for nursing home care to receive that care in their own homes and communities, primarily through home care, home-delivered meals, medical transportation and other services which are case managed by the state's 12 area agencies on aging. Between 1995 and 2009, the daily census of PASSPORT participants in Ohio has doubled from 15,000 to roughly 30,000. Today, only two states, Washington and Texas, serve more older persons in their own homes through Medicaid-waiver programs than Ohio.

While PASSPORT enrollment increased, Ohio's Medicaid nursing home population declined, despite a 15 percent increase in older Ohioans since 1997. Between 1998 and 2009, the number of older Ohioans covered by Medicaid in nursing homes decreased by 14 percent, from 47,652 to 40,763. The increase in Medicaid-reimbursed home services, along with the decrease in Medicaid-reimbursed nursing home care, has allowed Ohio to serve nearly 10,000 more older Ohioans every day than in 1997, while holding inflation-adjusted Medicaid costs under 1997 levels.

Fast Facts

- In 2009, 146,000 older Ohioans had a severe disability and that number will almost double by the year 2040.
- Since 1997, Ohio's over 60 population increased by 15% and the number of those age 85 and older increased by more than 50,000.
- Despite these population changes, nursing home occupancy rates dropped from 87.4% in 2007 to 84.4% in 2009. Each day there are 7000 fewer older people using Ohio nursing homes funded by Medicaid than in 1997.
- The PASSPORT in-home service program served twice as many older Ohioans in 2010 (30,000) as in 1995 (15,000).
- In 1993, nine of ten older Ohioans on Medicaid were in nursing homes; by 2009, that figure was 58 percent.
- Ohio has changed the way it delivers Medicaid funded long-term care; however, the proportion of expenditures on home and community based services remain below the national average.

Demographics and Disability

With more than 2 million individuals age 60 and over (roughly 18% of the 11.5 million total state population), Ohio ranks 7th in the nation in the overall number of persons in this age category.

In less than ten years, by 2020, the number of Ohioans age 60-plus is projected to grow by 25%, and by 2040 the population age 60 and older will likely double. Nearly doubling, as well, will be the number of persons age 60 and older with a severe disability.

Currently, about 146,000 older Ohioans have a severe disability (i.e., meeting the state's criteria for nursing home level of care). That figure is expected to increase to 170,000 by the year 2020 and almost double to 290,000 by the year 2040.

It should be emphasized, however, that Ohioans age 60 and older constitute less than half of the state's total population with severe disability (314,650). A more extensive breakdown of the entire population (of all ages) in Ohio with severe disability is provided in Table 1, where we find that 59% of this group includes adults with physical or cognitive disability, 12% are individuals with intellectual disability, and 29% experience severe mental illness.

Projections indicate that the current 314,650 severely disabled Ohioans will grow to just over 348,000 by 2020, representing a 13 percent increase in less than a decade.

Table 1
Ohio's Projected Population with Severe Disability by Type

| Year | Total Population | Physical and/or Cognitive (59%) | Intellectual and/or Developmental (12%) | Severe Mental Illness (29%) | Total Population with Severe Disability |
|------|------------------|---------------------------------|-----------------------------------------|-----------------------------|-----------------------------------------|
| 2005 | 11,464,045 | 178,241 | 36,597 | 89,673 | 304,511 |
| 2007 | 11,584,158 | 181,220 | 36,899 | 90,454 | 308,573 |
| 2010 | 11,536,504 | 185,672 | 37,352 | 91,626 | 314,650 |
| 2015 | 11,960,871 | 195,507 | 37,875 | 96,037 | 329,419 |
| 2020 | 12,177,862 | 208,154 | 38,485 | 101,490 | 348,129 |

Source: Mehdizadeh, S. (2008).

Costs

While the growth in Ohio's (and the country's) older population is a measure of medical and societal advancement, that growth is accompanied by serious challenges related to long-term service and support costs for an increasingly aging population.

The U.S. Medicaid program, the single largest funder of the country's long-term care, spent \$114 billion in that area in 2009. This represents about one-third of total Medicaid expenditures (Ohio long-term care expenditures were about 36% of total Medicaid expenditures).

Ohio's long-term care spending patterns also show a heavy reliance on Medicaid, with total long-term care Medicaid spending topping \$4.85 billion in 2009. The overall state cost of the Medicaid program is about one-quarter of the entire state budget, up from 21% ten years ago. In 2009, Ohio spent \$3.3 billion on institutional long-term care (68%) – nursing facilities and intermediate care facilities for individuals with developmental disabilities – and \$1.55 billion on community-based services (32%). Ohio's institutional Medicaid proportions are above the national average (68% vs. 58%).

For adults with physical and cognitive disability Ohio spent \$2.54 billion on institutions (80%) compared to \$634 million (20%) for community-based services. In 2004, Ohio had been ranked 47th among the states in its ratio of institutional to community-based expenditures and now ranks around 40th.

Ohio has also received a Money Follows the Person (MFP) grant from the Centers for Medicare and Medicaid Services (CMS). Grant funds support several initiatives. HOME Choice is designed to work with individuals transitioning from facility-based to community-based settings. Additionally, in the 2010/2011 biennial budget the general assembly asked the Ohio Department of Aging, through its network of Area Agencies on Aging, to develop a special program for nursing home diversion and transition to ensure appropriate use of Ohio's nursing homes. Between March of 2010 and May of 2011, more than 3600 Ohioans have been diverted or transitioned from nursing homes across the state.

Nursing Homes

Ohio has 972 nursing homes that contain 95,800 licensed beds, with 93,260 beds in service in 2009. The number of nursing home beds per 1,000 persons age 65 and older is 64, giving Ohio the 10th highest supply of beds per capita in the nation.

Medicaid provides 63% of total revenues for Ohio nursing homes, with Medicare accounting for 13%, and out-of-pocket costs, private insurance, and Veterans Affairs covering the remainder of nursing home costs. The average Medicaid reimbursement rate in 2009 was \$175 per day.

As frail Ohioans increasingly availed themselves of more home and community-based services over the past two decades, the state's Medicaid nursing home enrollment has declined. Between 1997 and 2009, the average daily total Medicaid census in Ohio's nursing homes dropped from 54,242 to 50,393 - a 7% decrease.

That decrease has been most pronounced among Ohioans age 60 and older, who experienced a 15 % drop in Medicaid-reimbursed nursing home use at the same time that segment of the state's population increased by 15 percent.

The average daily Medicaid census in Ohio's nursing homes for those 60 and older in 1997 was 47,652; today, that figure is 40,763. Part of that decline in older residents has been offset by an increase in younger residents. Almost 16% of Ohio's Medicaid nursing home residents are under age 60; a proportion that has tripled since 1995.

Nursing homes have shifted their focus and now provide a combination of both long and short-term care. In 1992, Ohio nursing homes had 71,000 admissions, in 2009 - despite the drop in daily census - that number had increased to 197,000. For the first time in two decades, in 2009 the number of admissions dipped slightly. The number of short-term Medicare admissions had been a major reason for the growth in nursing home admissions, going from 30,000 in 1992 to 126,500 in 2007. In 2009 Medicare admissions dropped to 109,000 (14% decrease).

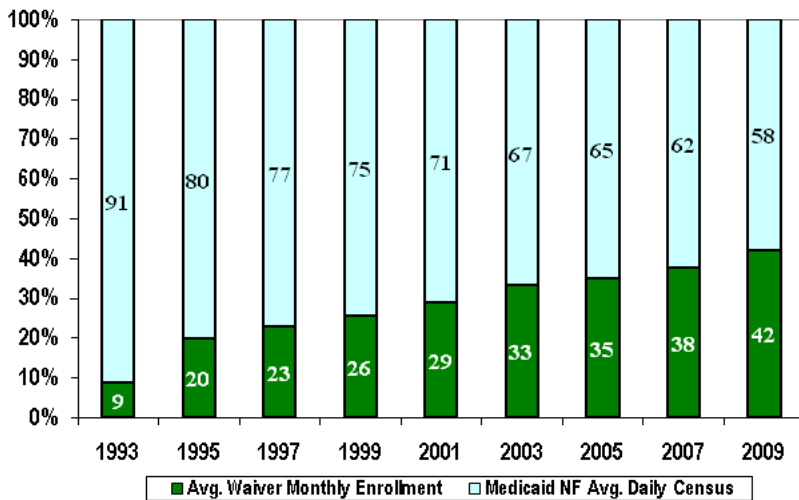
Many Ohioans use nursing homes for short stays; more than half spend three months or less and two thirds are residents for less than six months.

Home and Community-Based Services

Over the past two decades Ohio has made considerable progress in changing the long-term care delivery system for its older population. As shown in Figure 1, in 1993, more than nine out of ten older Ohioans receiving Medicaid-funded long-term care did so in the nursing home. That percentage has steadily declined over the past 17 years. In 2009, 58% of Ohio Medicaid long-term care recipients were served in nursing homes and 42% received home and community-based services.

Most of the shift in Ohio has been due to the steady expansion of PASSPORT, the state's Medicaid-waiver program offering home and community-based services to Ohioans age 60 and older who qualify for a nursing home level of care. PASSPORT enrollment grew from an average daily census of 15,000 participants in 1995 to 30,000 in 2010.

Figure 1
Percent Distribution of Ohio's Medicaid Long-Term Care Utilization by People Age 60 and Older and By Setting: 1993 - 2009



Source: Mehdizadeh, S., Applebaum, R., Nelson, I.M., & Straker, J. (2011).

Policy Implications and Recommendations

Between now and 2040, when the baby boomers will be aging in full force, Ohio will more than double the population needing long-term services and supports. Expanding the long-term care Medicaid budget proportionally to the increase in the older and disabled population, in combination with Medicaid's past inflationary increases, would have a staggering effect on the state budget, easily doubling the proportion of the state budget allocated to Medicaid (currently 25%). Although the perfect solution does not exist, there is a general consensus among long-term care experts that the best approach is to create a system based on the principles of consumer choice that ensures individuals can choose their long-term services and support setting. Policy makers should consider:

- expanding preventive services for older persons;
- continuing the successful measures of its newly implemented nursing home diversion and transition program;
- responding to the growing number of individuals under age 60 using nursing homes;
- paying increasing attention to the high nursing home bed supply.

References

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