



# THE STATE OF LONG TERM CARE IN ALASKA

Prepared for: Alaska Health Care Commission

By: the Alaska Long Term Care Plan Steering Committee

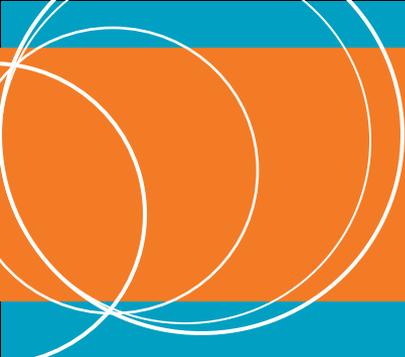
October 11, 2011



Alaska Department of Health and Social Services  
Senior and Disabilities Services

*The* TRUST  
The Alaska Mental Health  
Trust Authority





# Purpose of Presentation

Explain the state of long term care in Alaska  
and

Recommend planning process and guiding  
questions for the future of long term care in  
Alaska

# Presentation Agenda

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Overview of planning process to date

Background information gathered to date

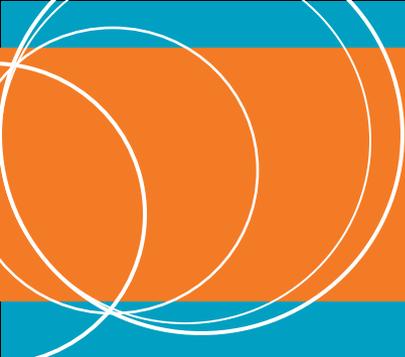
- What does Alaska's long term care system look like?
- How many people are served? What does it cost?
- What are the future trends impacting the provision of long term care?

What do we need to do now in order to ensure a sustainable long term care system in the future?

# Context for Long Term Care Plan

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- **Population bubble.** The baby boom generation will create a “bubble” of increased demand for long term care services over the next three decades. We must plan for this bubble.
- **Existing system has a good mix of home and community based care and nursing facilities.** Compared to other states, Alaska’s long term care system provides most care in home and community-based settings.
- **Need to maintain mix of services** to ensure our system will serve the increase in seniors, while continuing to contain costs and support independent living for people of all ages who require long term services and supports.



# Who is the Steering Committee?

**LTC Steering Committee:** A group of stakeholders involved in long term care throughout Alaska.

- Formed under the leadership of Duane Mayes, Director of Senior + Disabilities Services

**Purpose:** help plan for the future of long term care in Alaska

# Who is on the Steering Committee?

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**Alaska Commission on Aging**

Denise Daniello

**Alaska Mental Health Trust Authority**

(AMHTA) Nancy Burke

**Alaska Native Tribal Health Consortium**

(ANTHC), Kay Branch

**Alaska State Hospital Nursing Association**

(ASHNA), Karen Perdue

**American Association of Retired Persons**

(AARP), Pat Luby

**Office of the Long Term Care Ombudsman**

Diana Weber

**Age Net**

Rachel Greenberg

**Pioneer Homes**

Dave Cote

**Community Care Coalition**

Sandra Heffern

**Department of Health + Social Services Commissioner's Office**

Jon Sherwood

**Senior + Disabilities Services**

Duane Mayes, Joanne Gibbens, Kelda Barstead, Amanda Lofgren

**Statewide Independent Living Council of Alaska**

Heidi Frost

**Tanana Chiefs Conference**

Cyndi Nation

**Wildflower Court**

Millie Duncan

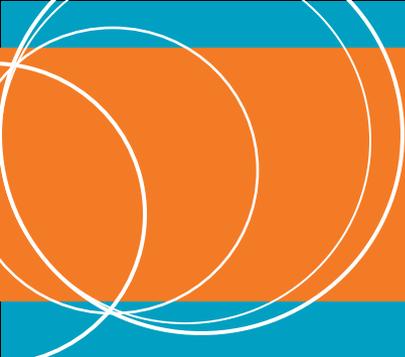
**Mat-Su Health Foundation**

Sharon Scott

# Long Term Care Planning Process So Far

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1. Convene steering committee.
2. Review previous studies of long term care in Alaska and compile recommendations.
3. Gather existing data on costs of current system, existing services, number of users.
4. Gather cost and demographic projections.



# What is Long Term Care?

Long-term services and supports are offered to people who, because of ongoing disabilities and chronic conditions, require long-term assistance. Long-term services and supports are defined as assistance with activities of daily living and instrumental activities of daily living.

# What is Long Term Care?

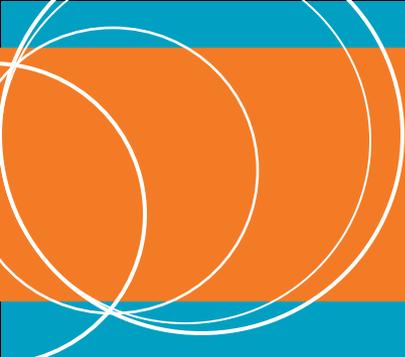
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Examples of long term services and supports include:

- Direct human assistance, supervision, cueing and standby assistance
- Assistive technologies or devices and environmental modifications
- Health maintenance tasks, medication management and ostomy care
- Information
- Care and service coordination for people who live in their own homes, residential settings, or nursing facilities

*Long-term care also includes supports provided to family members and other unpaid caregivers.*

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# Who Uses Long Term Care?

People of *all ages* with physical disabilities, intellectual or developmental disabilities, or serious mental disorders benefit from long term care.

# Who Uses Long Term Care?

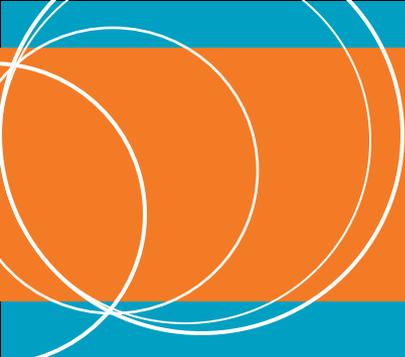
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**People of any age may require long term care assistance.**

- Families with children with chronic or developmental disabilities.
- Adults with physical or developmental disabilities.
- Seniors with physical and memory-related disabilities.

Nationally, 60% of people currently receiving long term care are seniors over 65 years of age.

In Alaska, only 38% of SDS recipients in Medicaid programs are elderly.



# What do previous studies say?

The State has conducted numerous studies over the past decade to develop recommendations for the future of long term care in Alaska.

# Long Term Care Studies: Recommendations

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**We reviewed and sorted long term care studies in Alaska and identified five major goals:**

1. Maintain and encourage health, wellness and choice.
2. Support families and caregivers.
3. Engage consumers in communities.
4. Slow future cost increases, increase private investment and sustainability.
5. Increase access to safe, quality care.

# Long Term Care Studies: Recommendations

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## **We identified the following overarching recommendations:**

- Expand home and community based services to serve people as close to home as possible and at the lowest level of care appropriate to meet their needs.
- Increase the number of nursing facility beds to meet demand, while continuing to prioritize care in home and community settings.

# Long Term Care Studies – Recommendations

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Specific strategies to achieve this:

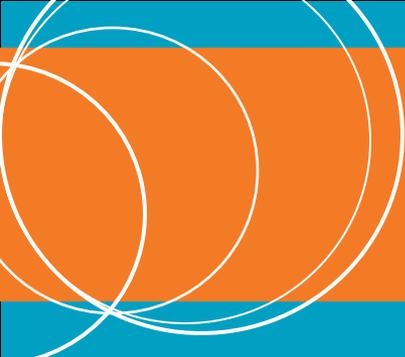
- Educate the public and increase legislative focus.
- Analyze, re-tool and diversify funding + program requirements to contain costs and increase private participation.
- Coordinate care for individuals.
- Coordinate systems of care.

# Long Term Care Studies – Recommendations

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Specific strategies to achieve this:

- Improve quality and encourage innovation.
- Develop in-state capacity for populations with specific needs.
- Develop workforce and support caregivers.
- Leverage technology.



# How do People Pay for LTC?

Many sources, private and public, contribute to the costs of providing long term care services and supports.

# How do Individuals Pay for Long Term Care?

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- **Unpaid Family Members** – The majority of long term care services are not paid for at all. Most people with long term care needs live in community settings (83 percent in 2000), where the vast majority are assisted by unpaid family members and friends.
- **Out of Pocket** – Nationally, about 18 percent of long term care participants pay for LTC services with personal funds.
- **Long Term Care Insurance** – Long term care insurance is an (expensive) option to pay for long term care services. Nationally, only 7.2 percent of individuals have or use private insurance.

# How do Individuals Pay for Long Term Care?

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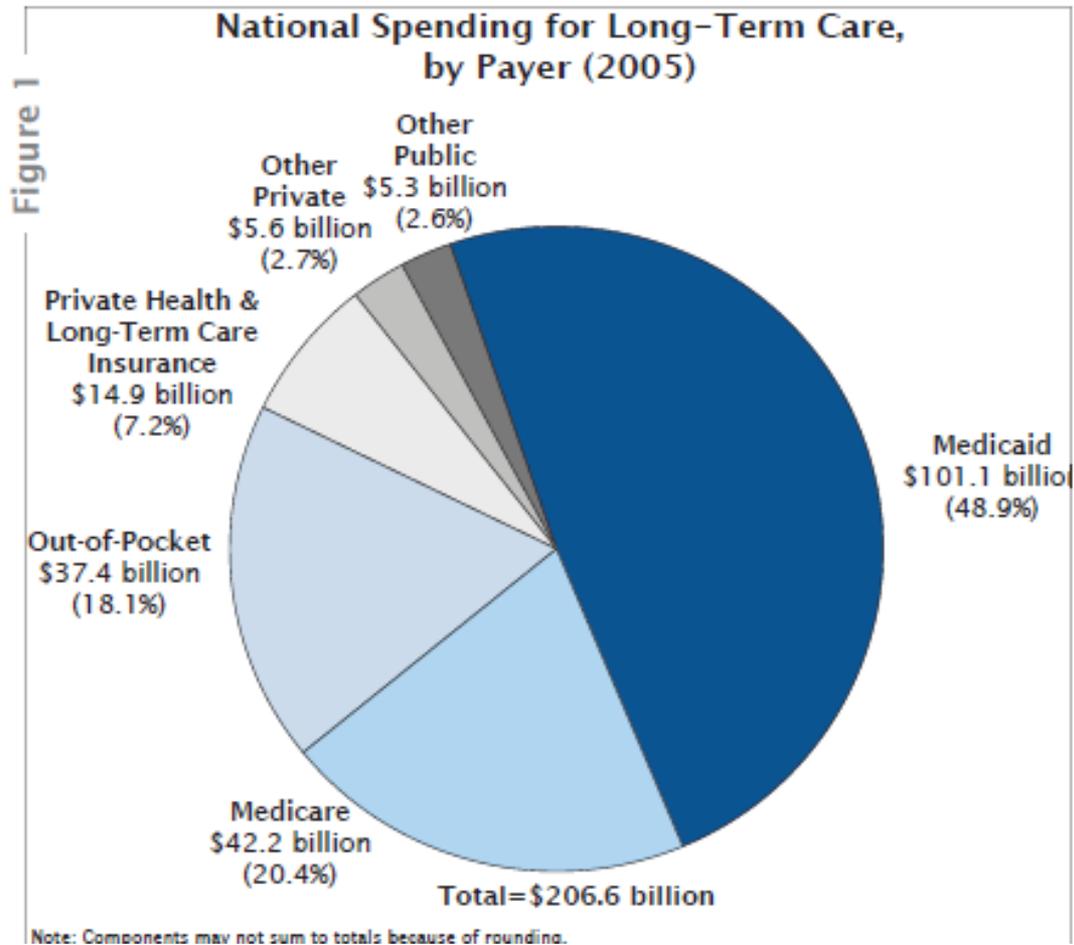
- **Medicaid** – Medicaid is a major source of funding for long term care. After exhausting personal resources, most long term care recipients become eligible for Medicaid coverage.
- **Medicare** – Medicare pays for time limited nursing home stays that are transitional and rehabilitative in nature; it will also pay for limited home health services if there is registered nurse oversight and the services are therapeutic.

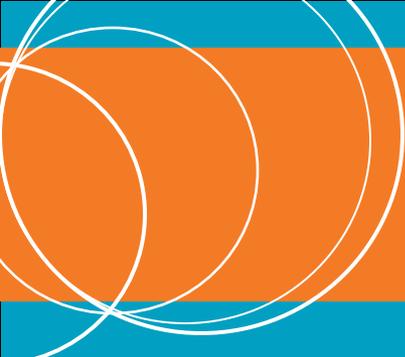
# How is Long Term Care Funded? Nationally

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This chart shows total National Long Term Care spending by payer, including out-of-pocket and Long Term Care insurance holders.

The vast majority of LTC recipients are assisted by unpaid family members and friends.

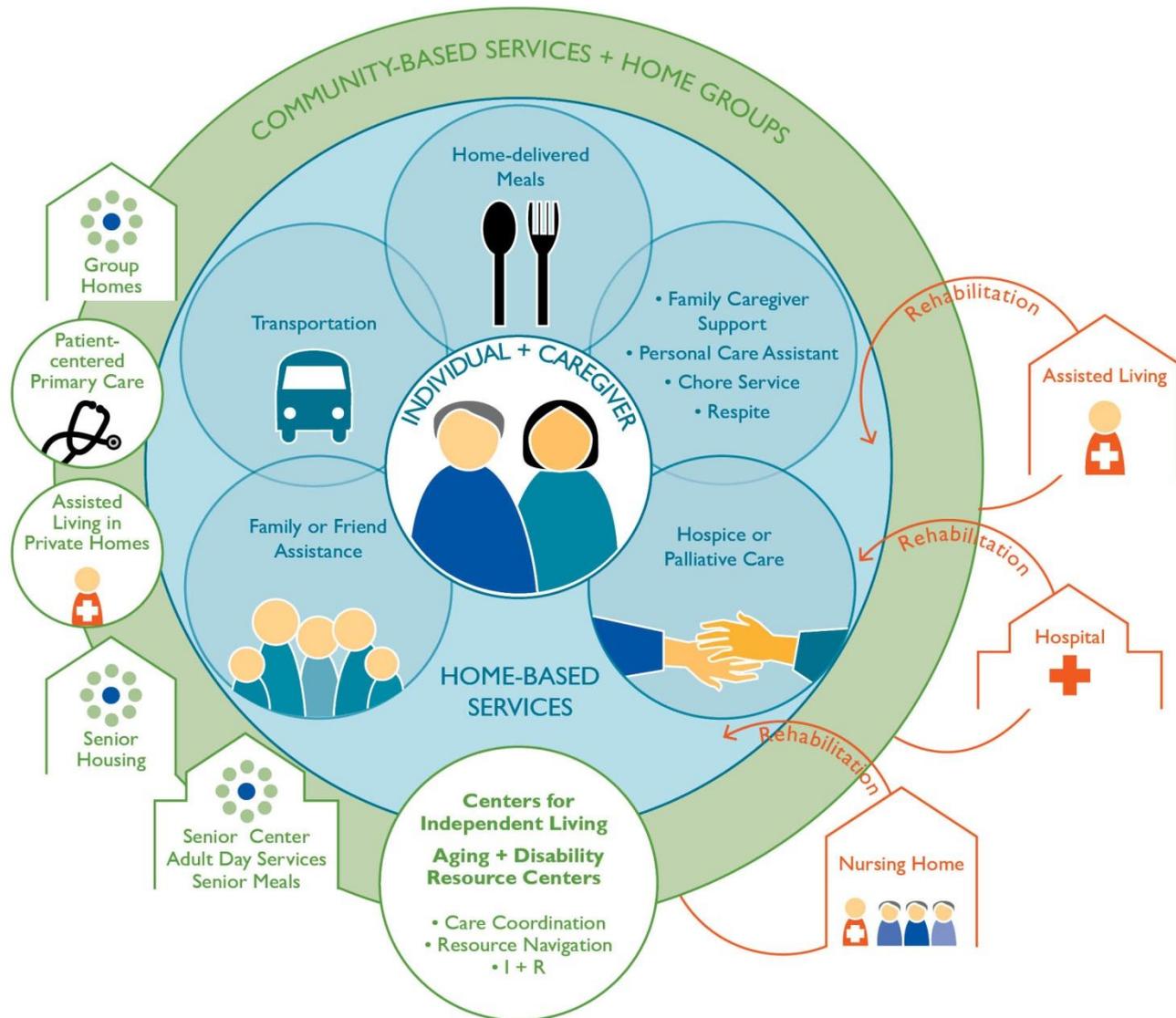




# A Balanced System in AK

“Alaska operates a wide variety of programs that provide long term care services that range from institutional care to home and community-based services (HCBS). A recent AARP report stated, ‘Alaska has one of the most balanced LTC systems for older people and adults with physical disabilities in the nation, and recent trends indicate that the State is continuing to make even more progress towards balancing.’ ”

# What Does a Balanced System Look Like?



# How does Alaska compare to other states?

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In a 2011 survey by AARP:

- Alaska ranks #1 in the nation in Choice of Setting and Provider and Quality of Care, Quality of Life

But ...

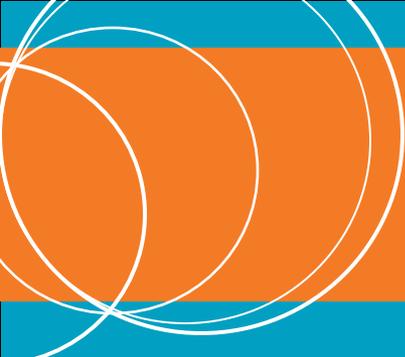
- Alaska ranks #41 in support for family caregivers and
- #43 for Affordability + Access

# Comparative State and Medicaid Expenditures and Recipients



 = 1,000 people  
 = \$2,000

Source: State of Alaska. Department of Health and Human Services. FY2012 DHSS Budget Overview. Pages 377, 383-384.



# How Many are Served in AK? What Does it Cost?

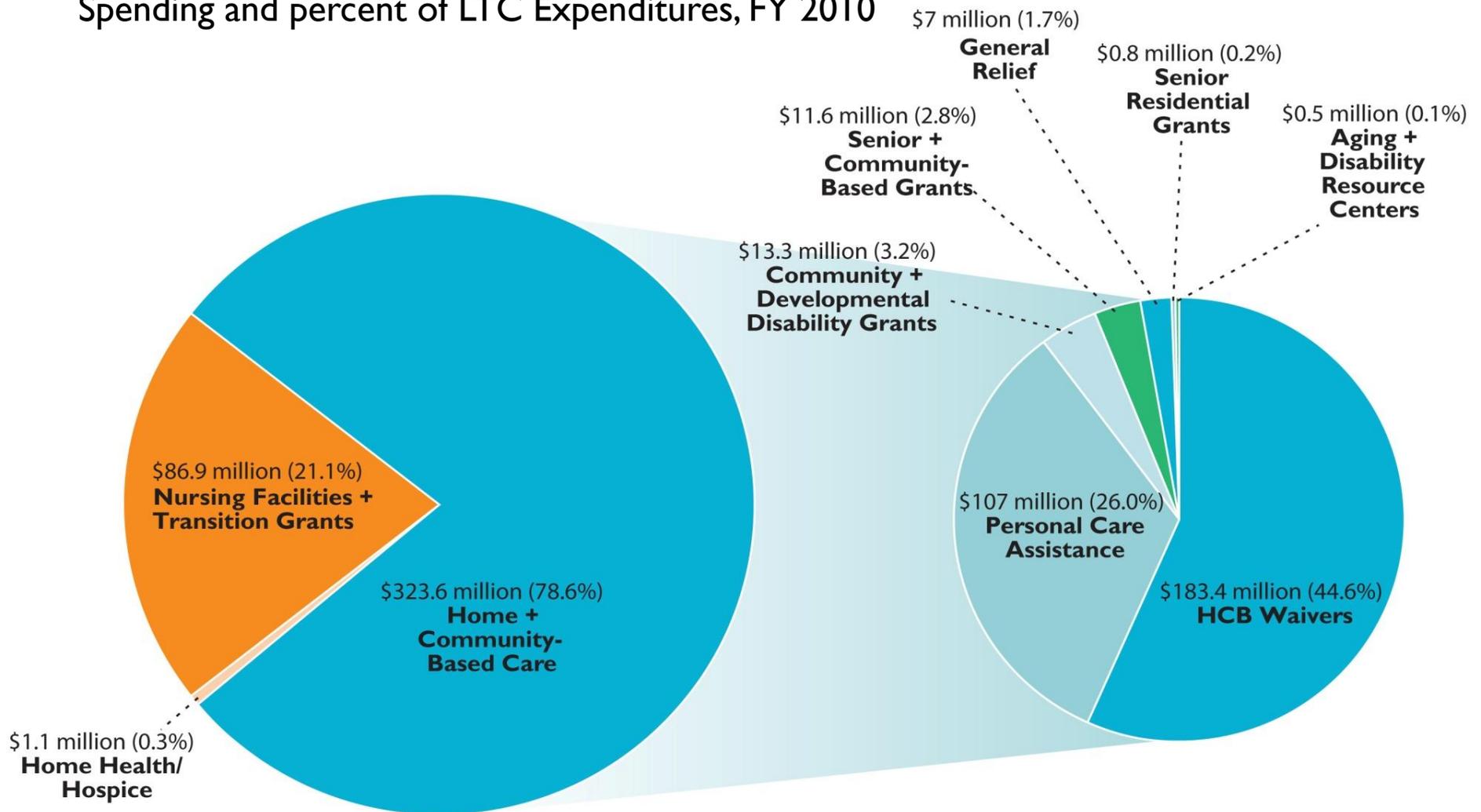
Almost 50,000 people benefit from State-funded long term care services in Alaska for a total expenditure of \$422 million annually.

78% of State-funded LTC spending supports community-based care.

97% of State-funded recipients receive LTC services and supports in a non-institutional setting.

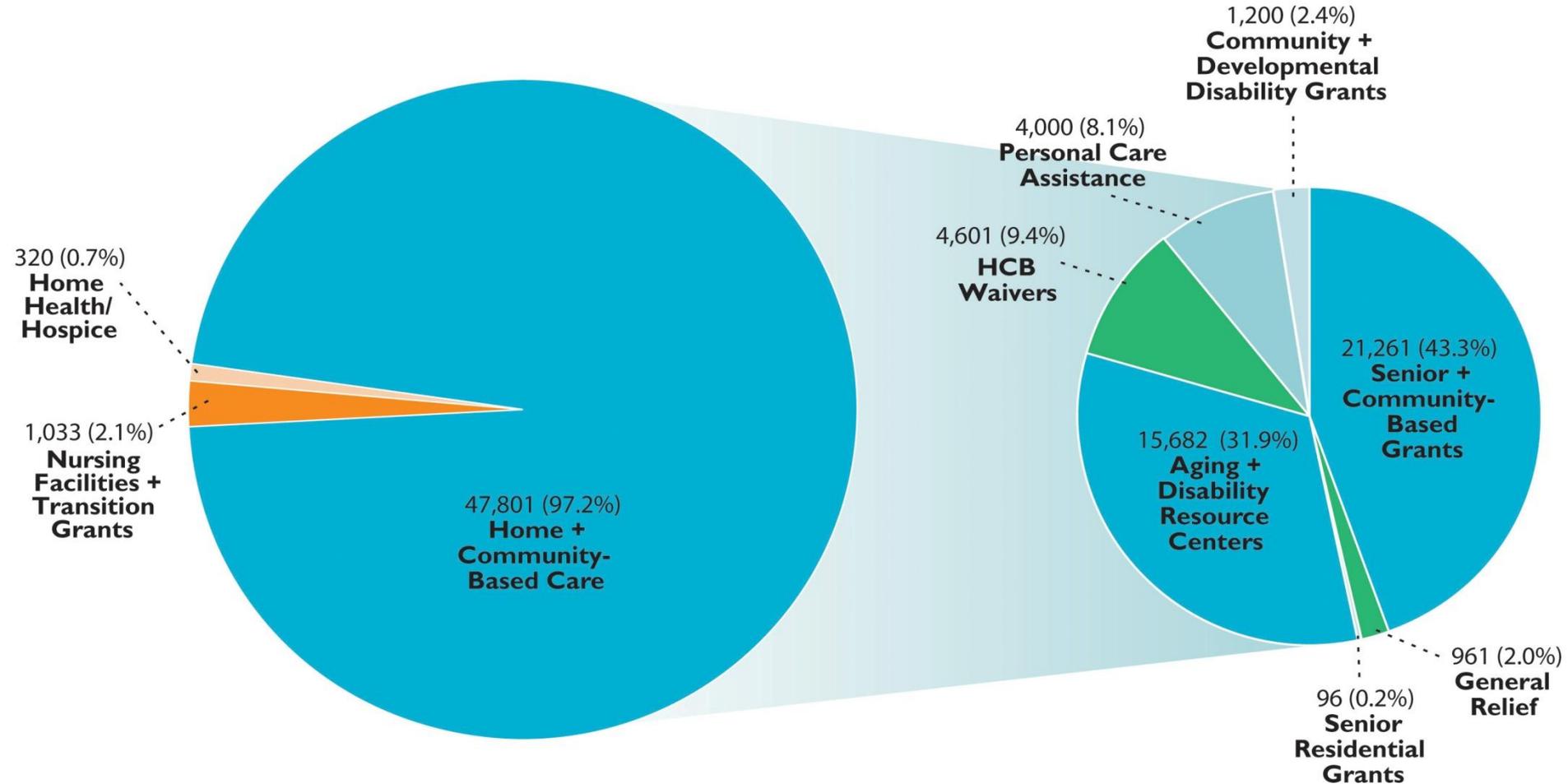
# State-Managed LTC Expenditures

Spending and percent of LTC Expenditures, FY 2010

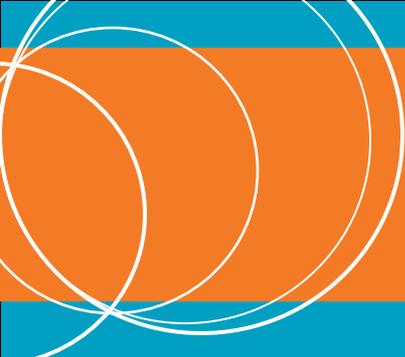


# State-Managed LTC Program Recipients

Number and percent of LTC Program Recipients FY 2010.



\*Duplication exists between programs



# Future Trends Impacting LTC

## Increase in senior population

- Particularly 85+ (bubble)
- How will the increase in seniors affect other recipients of LTC? Will there be adequate care? Will we be able to maintain the right balance between community based and institutionalized care?

## Increasing costs for health care related services

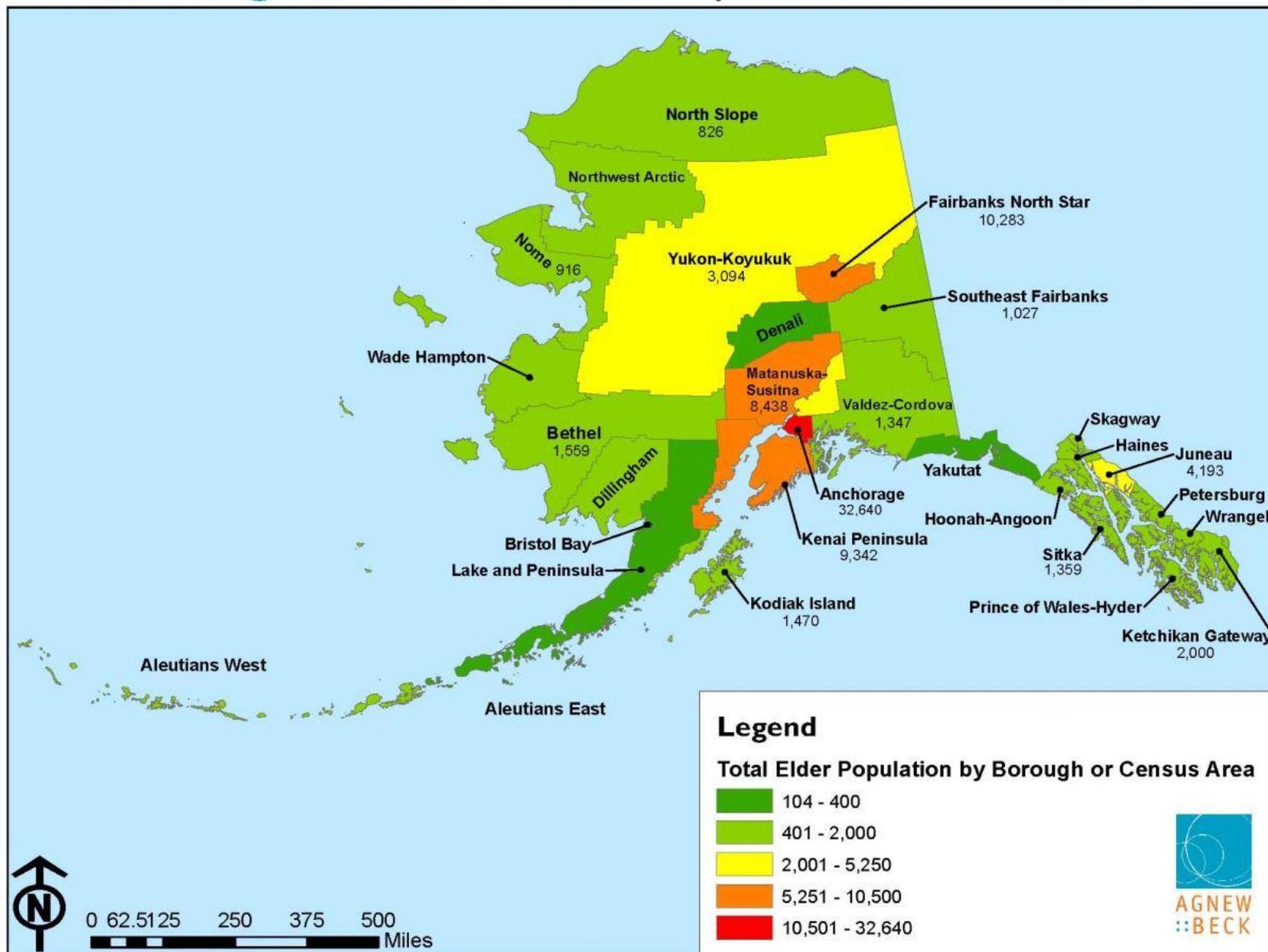
# Senior Population is Growing (Particularly 85+)

## Population Projections

Age Category	Statewide Population						Annual Growth Rate
	Estimated		Projected				2010 to 2034
	2002	2010	2014	2019	2024	2034	
Under 22	236,589	252,435	260,160	269,725	284,779	311,387	1.0%
23 to 64	365,456	391,773	397,259	401,986	402,354	426,506	0.4%
65 to 84	36,734	50,227	62,586	85,179	107,777	124,168	6.1%
85 and over	3,099	4,711	5,024	4,925	5,612	13,774	8.0%
<b>Total</b>	<b>641,878</b>	<b>699,146</b>	<b>725,029</b>	<b>761,815</b>	<b>800,522</b>	<b>875,835</b>	<b>1.1%</b>

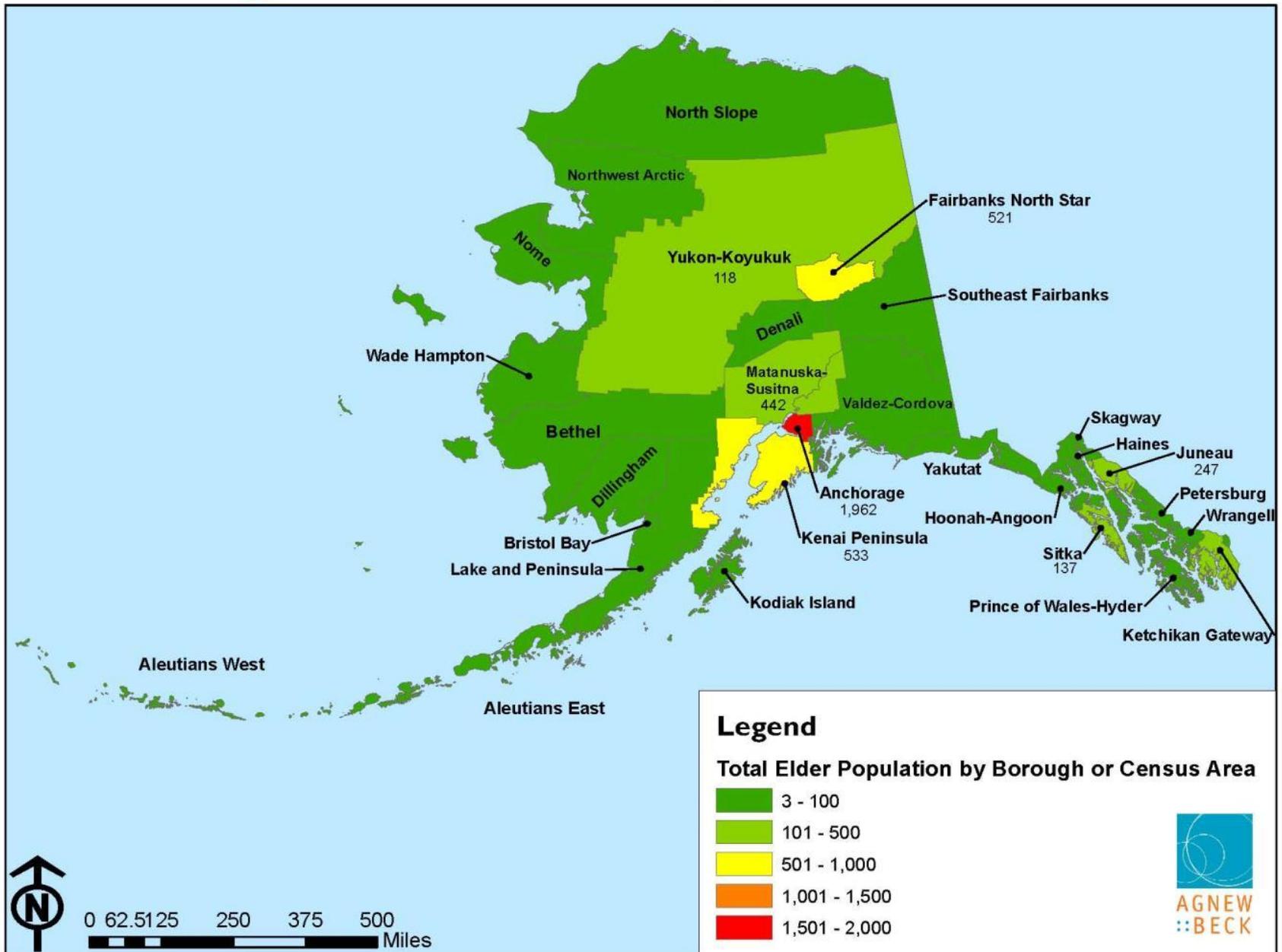
NOTE: Growth rate for 60 and over drops during 2024 to 2034 as the baby boomers age out. Indicates a bubble in the population of seniors.

# Alaska Long Term Care Total Elder Population 65 - 84 Years Old in 2010



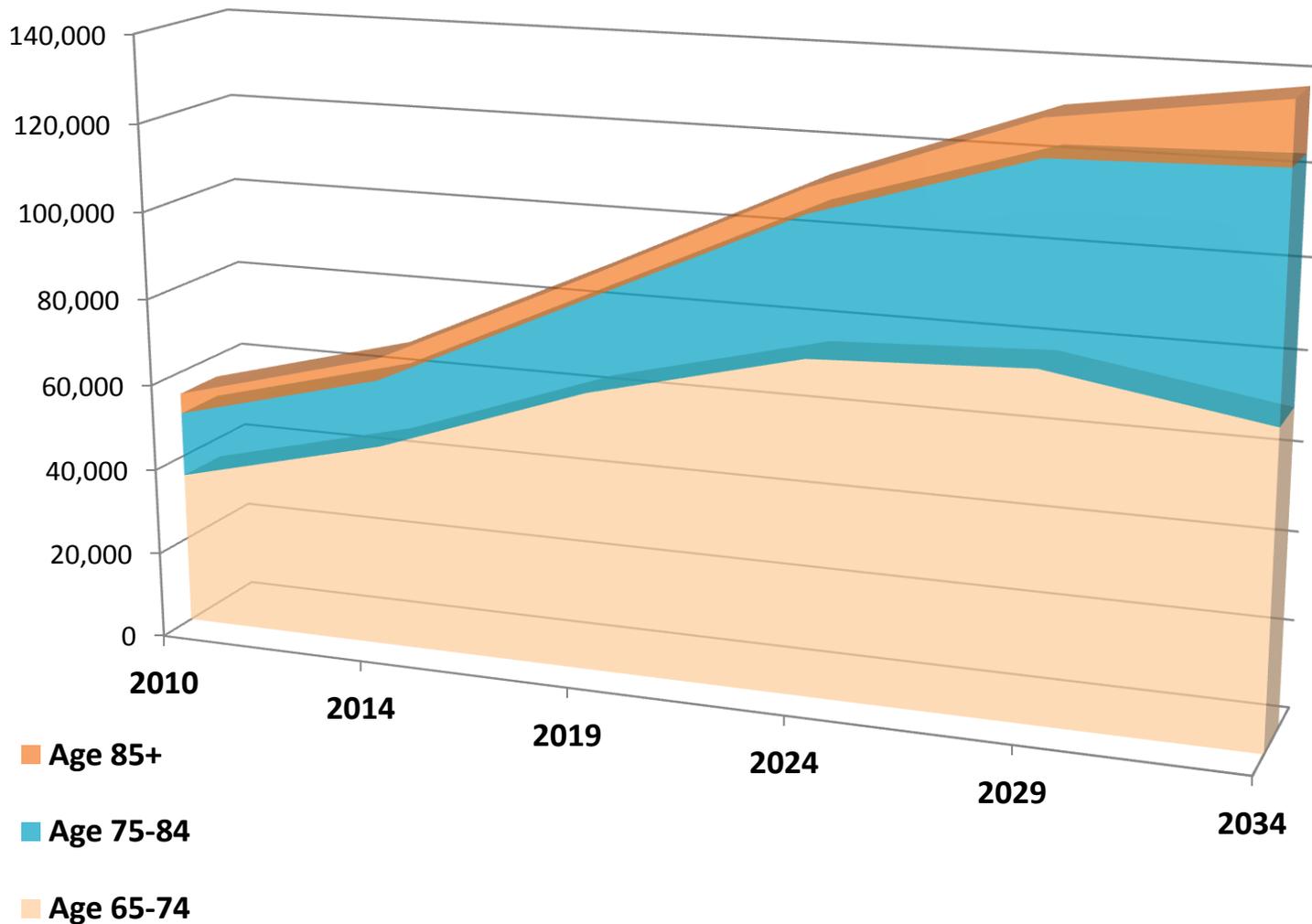
All data courtesy of: U.S. Census Bureau, 2010 This map compiled for the Alaska Department of Health and Human Services, with assistance from Agnew::Beck.  
 Alaska 1927 Albers Projection, NAD 1983. File: AK\_60plus\_Tract\_Map.mxd, 09/28/11, 1:14,000,000.

# Alaska Long Term Care *Total Elder Population 85+ Years Old in 2010*



All data courtesy of: U.S. Census Bureau, 2010 This map compiled for the Alaska Department of Health and Human Services, with assistance from Agnew::Beck. Alaska 1927 Albers Projection, NAD 1983. File: AK\_60plus\_Tract\_Map.mxd, 09/28/11, 1:14,000,000.

# Projected Alaska Senior Population 2010 - 2034



Source: Alaska Department of Labor and Workforce Development

# Projected Long Term Care Recipients\*

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Item	2010	2014	2019	2024	2029	2034
Projected Future LTC Recipients (excluding ADRC users)						
Senior LTC Recipients	12,700	15,600	20,400	25,400	28,800	29,400
Children + Adult LTC Recipients	20,800	21,000	21,400	22,000	23,000	24,200
<b>Total LTC Recipients (excluding ADRC users)</b>	<b>33,500</b>	<b>36,600</b>	<b>41,800</b>	<b>47,400</b>	<b>51,800</b>	<b>53,600</b>
<i>% of LTC Recipients Who are Seniors</i>	38%	43%	49%	54%	56%	55%

\* Excludes ADRC recipients

# Nursing Facilities

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- 15 nursing facilities with 708 nursing home beds.
- While senior population has tripled over last 20 years, number of nursing facility beds has actually gone down. Evidence of movement away from institution-based care.
- Alaska's nursing home occupancy rate is about 92% (650 beds) in 2011.
- In the last 5 years, roughly 100 nursing facility beds have been or will be eliminated.
- What role will nursing facilities play in the future of long term care?

# Cost of Maintaining the Status Quo

Medicaid expenditures for Long Term Care Estimated to be 5 times Higher by 2030

Item	2010	2015	2020	2025	2030	Annual % Change <i>(published)</i>
HCB Waiver						
CCMC [1]	\$10,425,063	\$14,925,364	\$20,389,055	\$27,322,876	\$36,887,959	n/a
MRDD [1]	\$53,297,124	\$77,475,352	\$106,195,518	\$141,417,720	\$189,409,186	n/a
APD [1]	\$59,236,986	\$84,773,642	\$111,696,792	\$142,378,680	\$186,364,474	n/a
OA [1]	\$69,540,827	\$119,625,642	\$205,318,636	\$323,780,723	\$462,638,381	n/a
HCB Waiver Subtotal	\$192,500,000	\$296,800,000	\$443,600,000	\$634,900,000	\$875,300,000	7.9%
Home Health / Hospice	\$2,500,000	\$3,400,000	\$4,900,000	\$6,700,000	\$9,300,000	6.8%
Nursing Home	\$88,400,000	\$106,500,000	\$134,200,000	\$170,400,000	\$210,100,000	4.4%
Personal Care	\$99,600,000	\$190,500,000	\$338,900,000	\$542,000,000	\$791,200,000	10.9%
<b>Total Long Term Care</b>	<b>\$383,000,000</b>	<b>\$597,200,000</b>	<b>\$921,600,000</b>	<b>\$1,354,000,000</b>	<b>\$1,885,900,000</b>	<b>6.5%</b>

# How will we sustainably provide Long Term Care over the next 20 years?

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## **Steering Committee Recommendations:**

Continue the LTC planning process but divide into two streams, one internally focused on SDS improvements; one externally focused on broader system and educating the public.

# How will we sustainably provide Long Term Care over the next 20 years?

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## Questions to tackle:

- How can we better support family members and other unpaid caregivers?
- How do we incentivize the private and nonprofit sectors to develop and manage quality home and community based services and assisted living facilities, especially in rural Alaska?
- How do we meet the need in high demand areas of the state, such as Southcentral Alaska?
- How do we incentivize care for people with complex and difficult behaviors?
- Who will be the workforce? How do we recruit, train and retain them?



THANK YOU

THE STATE OF LONG TERM CARE IN ALASKA