

# Long-Term Care

State resources redirected to provide home and community-based services instead of nursing home services are cost-effective and responsive to the needs of the aging and people with disabilities.

- ▶ More than 80 percent of Americans express a preference for aging at home.<sup>1</sup>
- ▶ Medicaid, the nation's single largest source of funding for long-term services and support, does not provide the range of choices people want. States' resources are disproportionately being spent on institutional care.
- ▶ It is less costly for Medicaid if care can be provided at home. On average, community-based long-term care is about one-third the cost of comparable nursing home care.<sup>2</sup>



## States made progress in balancing the growth of Medicaid long-term care expenditures from 2001 to 2006.

- ▶ Sixty-three percent of Medicaid long-term care spending paid for institutional services in 2006.<sup>3</sup>
- ▶ From 2001 to 2006, spending for home and community-based services increased by 65 percent, compared to 17 percent for nursing home services.<sup>3</sup>
- ▶ From 2001 to 2006, the number of individuals receiving home and community-based services increased by 43 percent, compared to 6 percent for nursing home services.<sup>3</sup>
- ▶ In 2006, nine states spent 50 percent or more of their Medicaid long-term care dollars on home and community-based services: Alaska, California, Kansas, Maine, Minnesota, New Mexico, Oregon, Washington and Wyoming.<sup>3</sup>
- ▶ All but two states—Colorado and New Hampshire—increased their percentage of spending on home and community-based services from 2001 to 2006.<sup>3</sup>
- ▶ Spending on home and community-based services as a percent of long-term care services varies greatly among states, from a high of 72 percent in Oregon to a low of 11 percent in Mississippi in 2006.<sup>3</sup>

## States continue to take steps to expand or enhance home and community-based options for long-term care.

- ▶ In FY 2008, 42 states expanded their long-term care services and 41 states have planned expansions in long-term care for the FY 2009.<sup>4</sup>
- ▶ The federal Deficit Reduction Act of 2005 included provisions giving states increased flexibility to provide long-term care and supports.<sup>4</sup>
- ▶ As of 2008, only nine states are planning to implement cash and counseling, a program that allows disabled, frail and elderly individuals who receive Medicaid personal care services to select those services and the person who should provide them.<sup>4</sup>
- ▶ At least 38 states are moving forward with long-term care partnership programs,<sup>4</sup> an option that allows individuals who have purchased private long-term care insurance to access Medicaid without having to meet the same eligibility requirements as other groups of Medicaid eligibles.

<sup>1</sup> Prince Market Research, "Attitudes of Seniors and Baby Boomers on Aging in Place," August 20, 2007.

<sup>2</sup> Vestal, Christine, "States Seek Alternatives to Nursing Homes," Stateline.org., December 8, 2005.

<sup>3</sup> AARP Public Policy Institute, "A Balancing Act: State Long-Term Care Reform," July 2008.

<sup>4</sup> Kaiser Commission on Medicaid and the Uninsured, "Headed for a Crunch: An Update on Medicaid Spending, Coverage and Policy Heading into an Economic Downturn," September 2008.

## MEDICAID LONG-TERM CARE BALANCING

State	2001 Medicaid Expenditures Going to HCBS		2006 Medicaid Expenditures Going to HCBS	
	Percentage	Rank	Percentage	Rank
Alabama	17 %	41	25 %	43
Alaska	54 %	3	63 %	3
Arizona	*	*	*	*
Arkansas	25 %	30	26 %	40
California	47 %	7	51 %	9
Colorado	46 %	8	43 %	12
Connecticut	26 %	28	27 %	36
Delaware	25 %	31	32 %	32
Dist. of Columbia	1 %	50	22 %	47
Florida	22 %	36	27 %	37
Georgia	17 %	42	23 %	45
Hawaii	25 %	33	37 %	26
Idaho	28 %	27	42 %	14
Illinois	15 %	44	28 %	35
Indiana	11 %	48	18 %	48
Iowa	16 %	43	32 %	33
Kansas	43 %	9	53 %	7
Kentucky	19 %	39	22 %	46
Louisiana	14 %	46	26 %	41
Maine	39 %	13	52 %	8
Maryland	24 %	34	38 %	24
Massachusetts	30 %	24	39 %	23
Michigan	25 %	32	31 %	34
Minnesota	40 %	12	60 %	5
Mississippi	8 %	49	11 %	49
Missouri	33 %	21	39 %	21
Montana	38 %	14	42 %	15
Nebraska	25 %	29	33 %	30
Nevada	22 %	35	42 %	13
New Hampshire	40 %	11	39 %	22
New Jersey	20 %	37	34 %	29
New Mexico	55 %	2	67 %	2
New York	32 %	23	39 %	19
North Carolina	35 %	16	41 %	16
North Dakota	20 %	38	24 %	44
Ohio	13 %	47	26 %	39
Oklahoma	33 %	19	41 %	17
Oregon	67 %	1	72 %	1
Pennsylvania	18 %	40	27 %	38
Rhode Island	41 %	10	44 %	11
South Carolina	29 %	25	32 %	31
South Dakota	33 %	20	36 %	27
Tennessee	15 %	45	25 %	42
Texas	33 %	22	40 %	18
Utah	38 %	15	39 %	20
Vermont	53 %	4	*	*
Virginia	29 %	26	36 %	28
Washington	47 %	6	60 %	4
West Virginia	33 %	18	37 %	25
Wisconsin	34 %	17	44 %	10
Wyoming	50 %	5	54 %	6
United States	29 %		37 %	

Source: AARP Public Policy Institute, "A Balancing Act: State Long-Term Care Reform," July, 2008.

Notes: Because of lack of comparable data between 2001 and 2006, U.S. totals exclude Arizona and Vermont.

2000 nursing home data are used instead of 2001 for Iowa, Kansas, Louisiana, Missouri, New Jersey, Oregon and South Dakota

\* Data omitted because of lack of comparable data to the rest of the states.