



**PROVIDING LONG-TERM SERVICES AND SUPPORTS TO AN
AGING OHIO: PROGRESS AND CHALLENGES**

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Purpose

This research brief presents an overview of Ohio's approach to serving individuals with physical and/or cognitive disability. Our comparisons across current service settings and programs, as well as the efforts to track changes over time, provide an assessment of Ohio's progress towards creating an efficient and effective system of long-term services and supports.

Background

With more than 2 million individuals age 60 and over, Ohio ranks 6th in the nation in the sheer size of the population in this age category. About one in five older Ohioans (about 377,000 people) experience a moderate or severe disability requiring long-term assistance. By adding individuals of all ages to our estimates, we find that in 2007 there were about 309,000 Ohioans who experienced severe disability. The older population with severe disability is projected to more than double between now and 2040 and we also expect steady increases in disability numbers for younger age groups. Combined with the constant increases in Medicaid long-term care expenditures, our projections indicate that unless the system is altered, the Medicaid program could consume half of the state budget by the year 2020. Because such expenditure increases are not politically or economically feasible, it is critical for Ohio to continue its work on system reform.

Findings

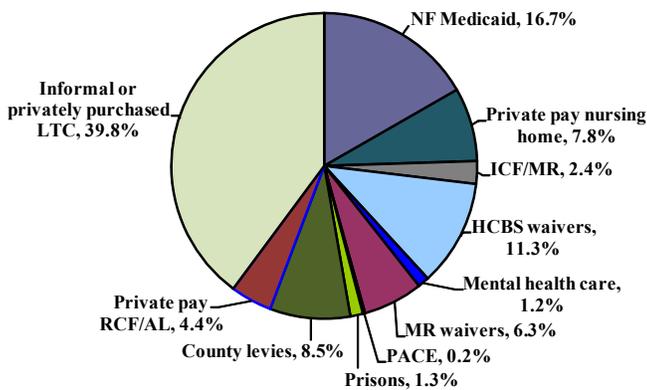
Demographics and Cost

- In 2007, 309,000 Ohioans of all ages had severe disability and that group will grow to 348,000 by 2020 (13% increase). Forty percent of these individuals rely on the Medicaid program.
- In 2007, Ohio spent \$4.8 billion on Medicaid long-term care: \$3.4 billion on institutional care (72%) and \$1.4 billion on community-based services (28%) (43rd highest institutional/community ratio, but changed from 47th in 2004).
- Ohio's Medicaid program spent more than \$13 billion in 2007; about 36% of those funds went to long-term care. State Medicaid expenditures account for 24% of Ohio's overall budget.
- In 2007, Medicaid nursing home reimbursement averaged \$164 per day, (a drop of \$10 a day from 2005), private pay rates were \$198 per day (up by \$15 from 2005) and Medicare was \$351 per day.
- Medicaid costs, after participant contributions, vary by program, ranging from \$38 per day for PASSPORT to \$136 for nursing homes. PACE receives a \$91 daily capitated rate that covers both acute and long-term care costs under Medicaid.

Long-Term Care Programs

- As shown in Figure 1, four in ten individuals with severe disability receive assistance only from family or privately purchased care.
- One-quarter of Ohioans with severe disability live in nursing homes.
- Seventeen percent of Ohioans receive in-home support through an array of Medicaid waiver programs including PASSPORT for older people, the Ohio Home Care programs for physically disabled individuals of all ages, Assisted Living for individuals age 21 and older, and several waivers for individuals with intellectual disabilities.

Figure 1
Proportion of Ohio's Population with Severe Disability in Different Long-Term Care Settings, 2007

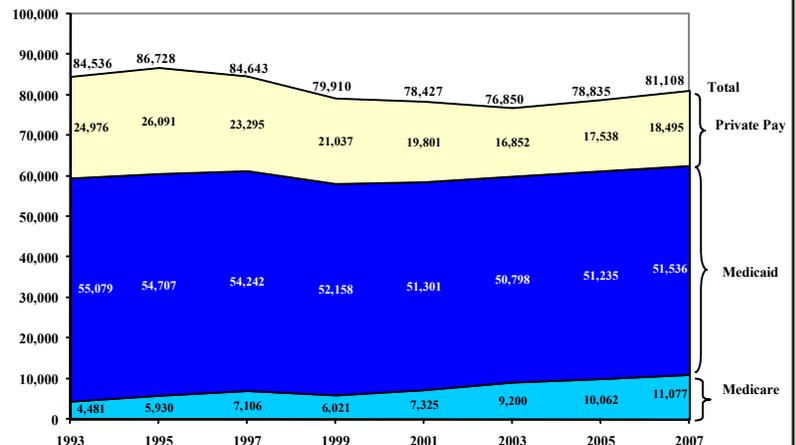


- Ohio's PASSPORT Medicaid waiver program providing in-home services to individuals age 60 and over with severe disability has grown from 15,000 in 1995 to 28,000 in 2007.
- Ohio has 973 nursing homes with 96,000 licensed beds. Sixty-three percent of nursing home revenue comes from the Medicaid program compared to fifty-nine percent nationally.
- Between 1995 and 2007, Ohio has tripled the number of residential care facility beds to 38,000. Ohio has 556 residential care facilities and we classify 367 of these as assisted living residences. As of April 2009, 182 of these facilities were participating in the waiver program.
- In 2007, residential care facility unit occupancy rates were 77%, unchanged from 2005. The Assisted Living Waiver Program has grown to 1200 participants.

Long-Term Care Utilization

- 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 2007 that number had increased to 201,000. The number of short-term Medicare admissions has been a major reason for this increase from 30,000 in 1992 to 126,500 in 2007.
- For many residents, nursing homes are used for short stays; more than half spend three months or less and two-thirds are residents for less than six months.
- Nursing homes are serving a higher proportion of individuals under age 60, increasing to 11% in 2008, from 4% in 1994. Almost 15% of Medicaid nursing home residents are under age 60.
- Nursing home occupancy rates increased 2.9% in 2007. Private pay residents increased by 5%, Medicare by 10%, and the proportion of Medicaid residents was unchanged.
- As shown in Figure 2, over the past 10 years the Medicaid census in nursing homes has dropped from 54,242 in 1997 to 51,536 (5% decrease). The census for the over-60 Medicaid population has dropped by 9% and has increased by 17% for those under age 60.

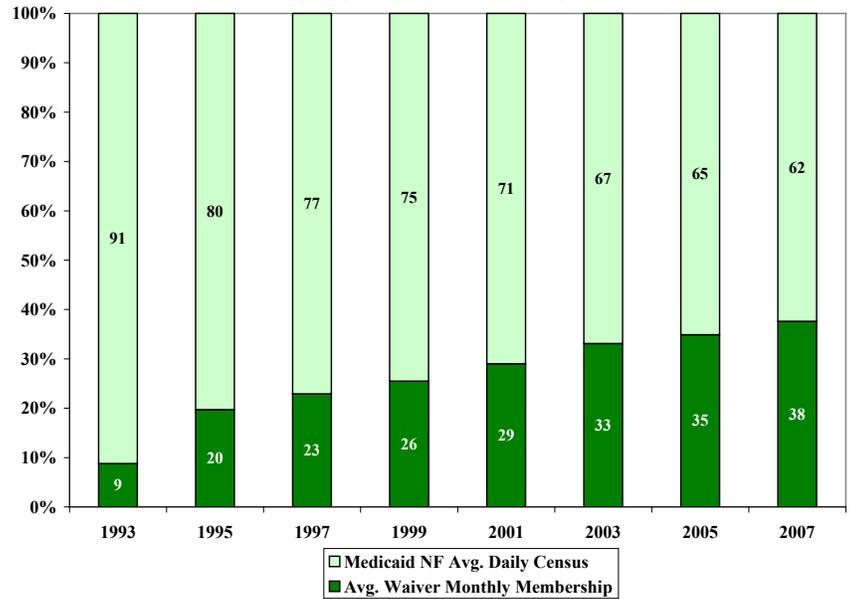
Figure 2
Average Daily Nursing Home Census 1993 to 2007



- Levels of disability vary among Ohio's Medicaid long-term care program participants. Nursing home residents average between four and five activity limitations, the Ohio Home Care, Transition Aging Carve-Out and Choices waiver participants average four activity limitations, PASSPORT enrollees average three limitations and PACE and the Assisted Living waiver participants average between two and three activity limitations.

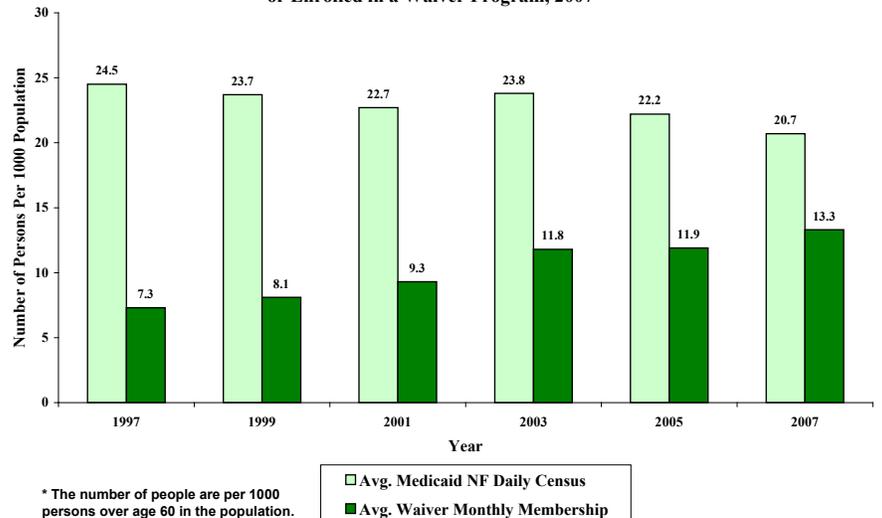
- As shown in Figure 3, Ohio has begun to change the long-term care delivery system for older people with severe disability. In 1993, nine of ten older people supported by Medicaid were in nursing homes; by 2007, that proportion had dropped to 62%. The proportions have also changed for the under 60 population dropping from 64% using nursing homes in 1997, to 51% in 2007.

Figure 3
Percent Distribution of Ohio's Medicaid Long-Term Care Utilization
by People Age 60 or Older and by Setting: 1993 to 2007



- Although the state has expanded the number of older people receiving in-home services over the last ten years, the utilization rate has remained relatively constant. In 1997, Medicaid had a utilization rate of 32 per 1000 persons age 60 and over and in 2007, the rate was 34 persons per 1000. (See Figure 4.)

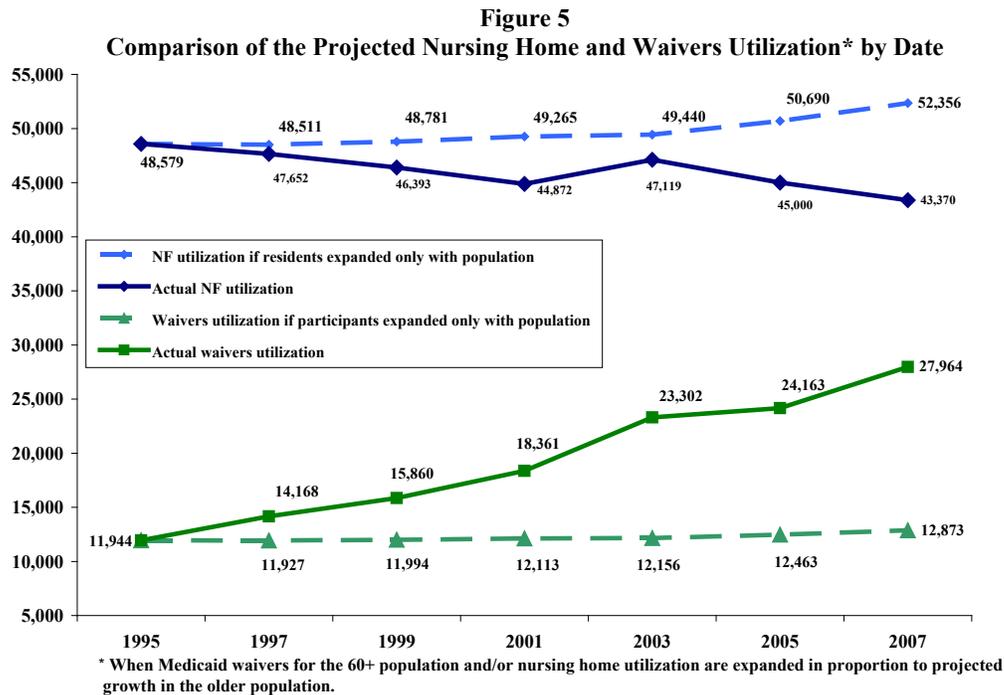
Figure 4
Number of People Age 60+* Residing in a Nursing Facility
or Enrolled in a Waiver Program, 2007





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- As shown in Figure 5, estimates indicate that had Ohio not increased its waiver expenditures over the last 12 years but simply allowed both nursing homes and home-and community-based participation to increase at the 1995 rates, 6100 fewer people would have been served, but Ohio would have spent an additional \$190 million on Medicaid long-term care in 2007.



Implications

This report indicates that Ohio has begun to change how it delivers long-term care services and supports to individuals with severe disability. Over the last ten years, despite increases in the number of those age 85 and above by more than 74,000, Ohio has seen a 9% reduction in Medicaid nursing home use by individuals age 60 and older. At the same time we have experienced a 17% increase in the under 60 population using Medicaid nursing homes. Ohio has a window of opportunity to address these challenges before the demographic changes, as a result of the baby boomers, are upon us. Through its efforts on the Unified Long-Term Budget and other reforms, Ohio has begun to change; however, the system enhancements required to respond to the demographic and financial challenges suggest that the current reforms represent only the first steps of a longer journey. Ohio has little choice but to continue to address these issues.

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