MN
2030
LOOKING FORWARD

Status Check

BALANCING THE LONG-TERM SERVICES AND SUPPORTS SYSTEM

MINNESOTA BOARD ON AGING
AUGUST, 2017

REIMAGINING THE FUTURE OF AGING

The Minnesota Board on Aging, in partnership with the Minnesota Department of Human Services, is looking forward to 2030. Today marks the midpoint between our original vision for the long-term services and supports (LTSS) system, and the year that baby boomers start turning 85. It is truly a transformative time in our communities. To that end, we are revisiting our multi-year commitment to prepare for a permanently older society. Across all Minnesota communities, sectors and generations, we aim to refresh and refocus our efforts. In 2000 Minnesota worked with key stakeholders and developed a report called Reshaping Long-Term Care in Minnesota, known as the Long-Term Care Task Force Report. The Long-Term Task Force Report identified six broad goals and 15 strategies to prioritize action.

This Status Check document focuses on progress made on two of the goals from the report:

Policy Direction #2: Expand capacity of community long-term care system; and
Policy Direction #3: Reduce Minnesota's reliance on the institutional model of long-term care.

The outcome of efforts under these two goal areas is more currently referred to as "balancing" the LTSS system. That is, balancing the range of services available between home and community-based services (HCBS) and nursing home services. With a balance of services available to us as we get older and need some help we are afforded meaningful choices for how we get that help and where we live.

Why is this important?

As we grow older, most of us live in the home that we own and that's what we prefer. When we need some help around the house or with our personal care, we want to be able to get that help while we stay at home. Most of the help that is provided to older Minnesotans at this time comes from family, friends and neighbors. However, that is not always possible and in-home services can meet that need.

LTSS refers to on-going supports that an individual needs due to a chronic health condition or disability. These services can be delivered in a person's home, in another community setting, or in an institutional setting. Currently, LTSS is the nationally recognized term for this range of services and is used by the federal government. The term HCBS refers to LTSS that are delivered in homes or other community-based settings, not in institutional settings.

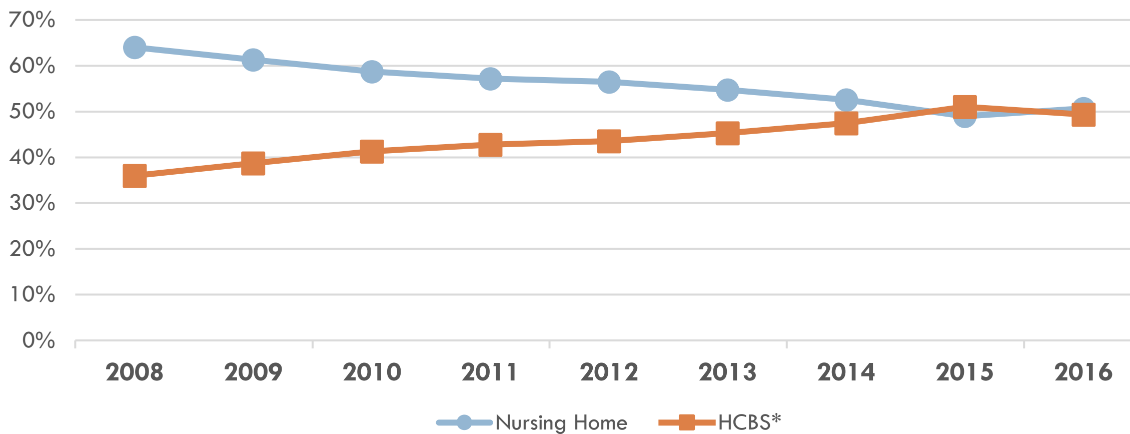
Historically, in Minnesota we have relied heavily on nursing homes to provide this help. The 2000 Task Force sought creative solutions to reduce our reliance on nursing homes and build our capacity for HCBS, thus "balancing" our system of LTSS. We have made substantial progress in finding resourceful ways to provide HCBS.

Where do we stand today?

Below are two tables that illustrate our progress on the two goals related to "balancing" our state's LTSS system. When considering the states' "balancing" effort reviewing the share of expenditures devoted to people in each setting and the number of people served in a setting are central criteria to measure success.

The first table compares the percent of Medical Assistance (MA) LTSS expenditures for people in nursing homes to MA-funded HCBS. In table 1 the state reduced reliance on nursing homes, decreased the proportion of MA LTSS dollars spent on nursing home services and increased the proportion spent on HCBS. With this systematic effort to decrease spending on nursing home services to HCBS expenditures we could say that our system is "balanced."

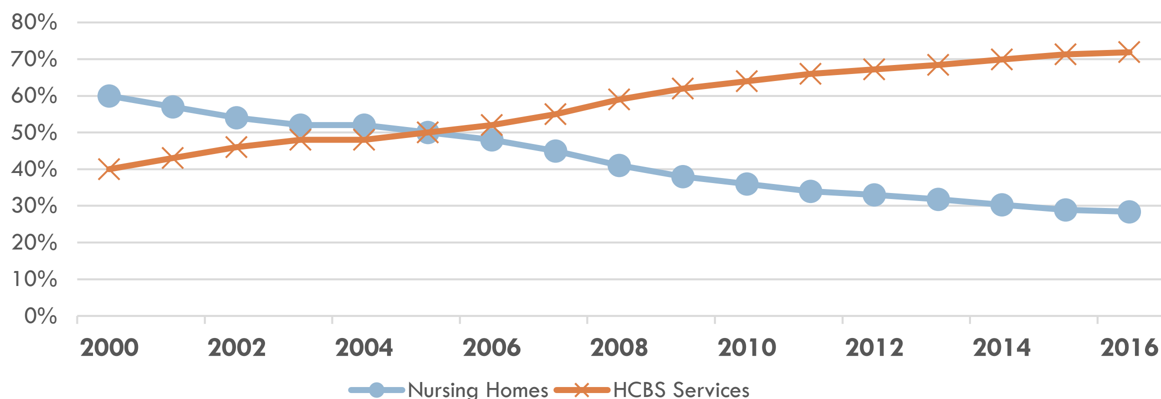
Table 1: Percent of LTSS Expenditures for Older Adults
(SFY 2008-2016)



* HCBS programs include the Elderly Waiver, Alternative Care, State Plan Home Care
Source: DHS Data Warehouse

The second table demonstrates the number of older Minnesotans receiving MA-funded HCBS compared to people served in a nursing home. 2005 was a seminal year because it was the first-time Minnesota's LTSS system was in alignment. From that point on the Minnesota increased momentum. By state fiscal year 2014, 70 percent of older adults received HCBS as compared to 30 percent living in nursing homes. This is a dramatic improvement from state fiscal year 2000 when only 40 percent of older adults received HCBS and 60 percent lived in nursing homes. As a result of the shift to HCBS, the state also increased capacity of the long-term care system. With the shift to HCBS, community services were expanded to meet needs in the community.

Table 2: Percent of Older Adults using HCBS* vs. Nursing Homes
(SFY 2000-2016)



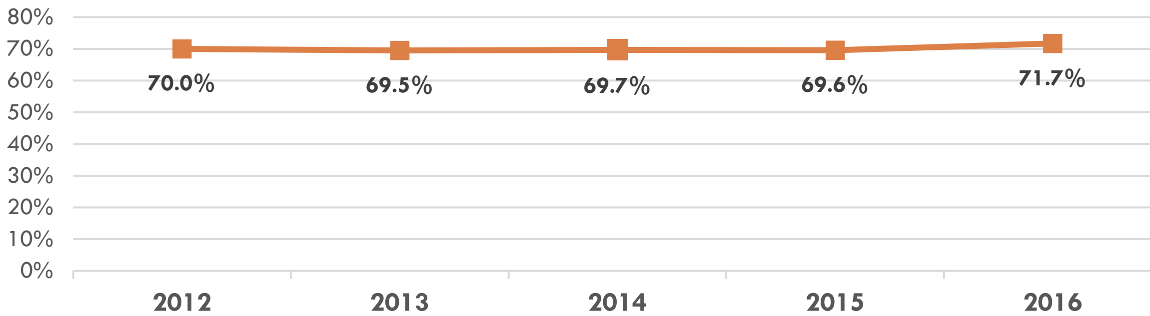
* HCBS programs include the Elderly Waiver, Alternative Care, State Plan Home Care
Source: DHS Data Warehouse

In-Home HCBS and Residential HCBS

As the previous data illustrates, we can describe our state's overall system of LTSS as "balanced." The tables below go a bit deeper to display trends of HCBS by comparing in-home and residential HCBS utilization.

Through the Elderly Waiver (EW) program, older adults are able to receive publicly-funded HCBS in their own home or in a residential setting. Over time, the proportion of older adults receiving MA-funded in-home HCBS has remained steady, as shown in the graph below (table 3). This data shows that some older adults receive a range of help while living in their own home, instead of moving to assisted living or other congregate residential settings. The data not only includes the EW program but also Alternative Care, Essential Community Supports, Personal Care Assistance, Consumer Support Grant, home care nursing, and home health agencies. The trend is important because HCBS are typically less expensive to provide when people live in their own home.

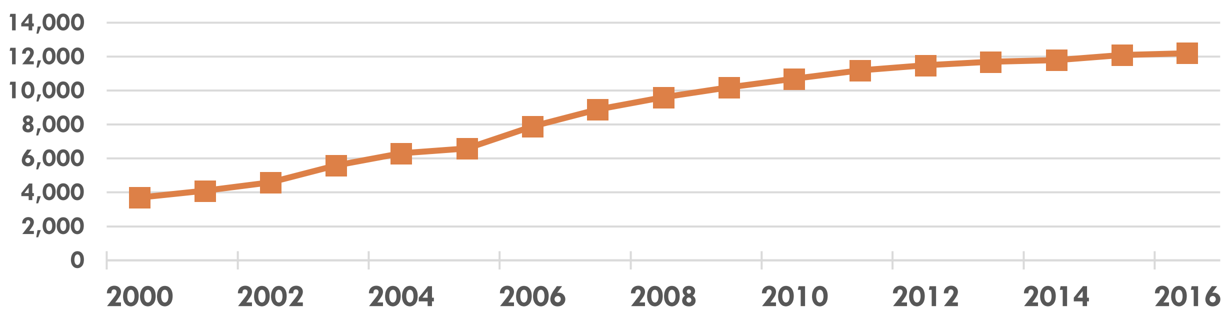
Table 3: Percent of Older Adults receiving HCBS in their own homes*
(SFY 2012-2016)



* This represents people served in the HCBS programs who receive services in their own home rather than in a residentail setting, such as customized living or foster care
Source: DHS Warehouse

EW is the only HCBS program serving older adults that offers residential services. The services are Adult Foster Care, Customized Living and Residential Care.[1] The chart below (table 4) shows a steady rise in the number of people on EW that receive the most frequently-used residential service: customized living. In 2000, approximately 3,700 people received customized living services and in 2016 the number increased to 12,600. This trends mirrors the statewide growth in the availability of assisted living for both private pay individuals as well as those on EW.

Table 4: Number of People using Customized Living Services
(2000-2016)



Use of Nursing Home Services

The number of nursing home beds in Minnesota has decreased consistently over the last 25 years. The projection for the next 16 years continues this trend, with the number of actual

[1] Residential services are supportive services provided to a person in qualified settings. Customized living is a bundled set of services that include health-related components that may be offered by a home care provider in a registered Housing with Services setting. It is commonly referred to as assisted living.

beds in 2014 (30,879) decreasing to 22,825 projected beds by 2030. Occupancy in Minnesota's nursing homes has ranged between a high of 95.4 percent in 1993 to a low of 89.1 percent in 2014. This rather narrow range of occupancy has been maintained in recent years largely by taking beds out of service. Occupancy is important to monitor for two reasons. First, if occupancy were too high, consumers would have difficulty accessing nursing home services and would have limited choice. Second, low occupancy would put a financial strain on facilities and reduce the overall efficiency of the industry.

Looking Forward

Innovation can change the way we age. Minnesota has had an impressive history of developing a range of programs and services to provide LTSS. As a result, we can describe our state's overall LTSS system as "balanced." However, there are significant differences in communities across the state in the availability of existing HCBS and nursing home options. And, as we look forward to Minnesota becoming an older society, it is important to compare current capacity to projected future needs – and preferences. The permanent age shift presents an opportunity for us to create the kind of future we all want as we grow older. We can seize this opportunity by reimagining where we live and how we receive the help that we might need as we grow older.

How can I learn more?

Join the conversation! Go to the MN2030: Looking Forward website to find out more about the initiative and how you can get involved. There you will find tools to help you be a part of the conversation to shape our state's future.