ECONOMIC AND DEMOGRAPHIC TRENDS IMPACTING STATE POLICY AND PROGRAMS

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Senior Director, NASUAD
August 29, 2019
NASUAD Overview

National association that represents state agencies providing LTSS and other services and supports to older adults and people with disabilities

- 56 members (50 states, District of Columbia, 5 territories)

Led by a board of directors comprised of state agency officials

Provides direct technical assistance, research, regulatory and policy analysis to states

Facilitates state-to-state information sharing via teleconferences/webinars, e-mail surveys, policy committees, and national conferences

Educates and advocates for state agency interests in front of Congress and the Federal government
Study Methodology

- Two separate, parallel web-based surveys of state agencies:
  - One focused on aging services with emphasis on OAA;
  - One focused on health and LTSS, with emphasis on Medicaid.

- Survey response rate:
  - Aging Survey: 51 responses
  - LTSS Survey: 48 responses

- Review of data:
  - Comparison to prior reports and other available information sources
  - Follow-up interviews with state agencies when questions or discrepancies required resolution
Overall Themes from Survey

■ Theme 1: Abuse, Neglect, and Exploitation Reports Continue to Surge
■ Theme 2: Economic Recovery Led to Expenditure Growth but Impact Varies
■ Theme 3: As States Reorganize, OAA Funding Continue to Decrease as a Proportion of Agency Budgets
■ Theme 4: Funding Increases are Directly Linked to Increases in Services and Not Increased Agency Staffing
■ Theme 5: Changing Consumer Preferences are Leading to Differentiated Service Demands
■ Theme 6: Medicaid HCBS Enrollment Growth Continues Nationwide
■ Theme 7: States are Making Changes to Expand Benefits and Increase Provider Payments
■ Theme 8: States are Increasingly Focused on HCBS Quality but Efforts to Pay for Quality Lag
Abuse, Neglect, and Exploitation Reports Continue to Surge
States Continue to See Increases in Abuse, Neglect, and Exploitation

States with Changes in Types of Abuse Since 2016

- Self-neglect
- Neglect by others
- Physical abuse
- Emotional abuse
- Sexual abuse
- Financial exploitation

Number of States

- Increased
- Decreased
- Stayed the same
State-Reported Average Change

State Reported Change in Types of APS Reports

- **Financial Exploitation**
  - Median: 13.45
  - Average: 17.83

- **Sexual Abuse**
  - Median: 6.34
  - Average: 8.5

- **Emotional Abuse**
  - Median: 9
  - Average: 8.95

- **Physical Abuse**
  - Median: 11
  - Average: 11.32

- **Neglect By Others**
  - Median: 8.5
  - Average: 15.51

- **Self Neglect**
  - Median: 8
  - Average: 17.87

Percentage Change

[Bar chart showing the percentage change for each type of APS report]
States Investing in APS to Combat Trends

Change in APS Funding Since 2017

- Increased Over 15%
- Increased 11%-15%
- Increased 6%-10%
- Increased 3%-5%
- Increased <3%
- Stayed the Same
- Decreased <3%
APS FTEs Remain Relatively Stable

Change in APS Staffing Since 2016
...But Caseloads Grow

Change in APS Worker Caseloads since 2017

- Increased: 30
- Decreased: 4
- Stayed the same: 10
Economic Recovery Led to Expenditure Growth but Impact Varies
Economic Growth Leading to State Funding Growth

Change in Year over Year State Only Funding

- Increased by 0-5%
- Increased by 5-10%
- Increased by 10-20%
- Increased by greater than 20%
- Remained the same
- Decreased by 0-5%
- Decreased by 5-10%
- Decreased by 10-20%
- Decreased by more than 20%

Number of States

<table>
<thead>
<tr>
<th>Change in Year over Year State Only Funding</th>
<th>FY16-17</th>
<th>FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased by 0-5%</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>Increased by 5-10%</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Increased by 10-20%</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Increased by greater than 20%</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Remained the same</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decreased by 0-5%</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Decreased by 5-10%</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Decreased by 10-20%</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Decreased by more than 20%</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
Agency Expenditure Changes Driven by Policy and Finance

State Agency Expenditure Change FY16 - FY 17

Source: NASUAD/AARP 2018 Economic Survey
Agency Expenditure Changes Driven by Policy and Finance

State Agency Expenditure Change FY17 - FY 18

Source: NASUAD/AARP 2018 Economic Survey
As States Reorganize, OAA Funding Continue to Decrease as a Proportion of Agency Budgets
Agencies Have Large, Multi-Faceted Budgets

Size of State Agency Budgets FY2017

- Between $1 and $25 million: 18
- Between $25 and $50 million: 6
- Between $50 and $100 million: 6
- Between $100 and $150 million: 7
- Between $150 and $250 million: 11
- More than $250 million: 3

Legend:
- Between $1 and $25 million
- Between $25 and $50 million
- Between $50 and $100 million
- Between $100 and $150 million
- Between $150 and $250 million
- More than $250 million
Agencies Have Large, Multi-Faceted Budgets

Size of Aging Agency Budgets: FY2018

- Between $1 and $25 million: 17
- Between $25 and $50 million: 5
- Between $50 and $100 million: 6
- Between $100 and $150 million: 11
- Between $150 and $250 million: 9
- More than $250 million: 3
OAA as a Portion of State Agency Budgets

Proportion of Budget that is OAA Funding

- Less than 1%
- Between 1% and 5%
- Between 5% and 15%
- Between 15% and 30%
- Between 30% and 50%
- Between 50% and 75%
- More than 75%

8, 10, 3, 9, 13, 7
Funding Increases are Directly Linked to Increases in Services and Not Increased Agency Staffing
Only 4 States Considering Budget-Related Reductions

<table>
<thead>
<tr>
<th>Strategies Under Consideration due to Budget Shortfall</th>
<th>Number of States</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative Strategies</strong></td>
<td></td>
</tr>
<tr>
<td>Eliminate unfilled staff positions</td>
<td>1</td>
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<tr>
<td>Program restructuring to reduce administrative costs</td>
<td>1</td>
</tr>
<tr>
<td>Reorganization of duties</td>
<td>1</td>
</tr>
<tr>
<td>Form new partnerships to leverage resources</td>
<td>2</td>
</tr>
<tr>
<td>Restructuring service delivery models</td>
<td>1</td>
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<tr>
<td><strong>Program Strategies</strong></td>
<td></td>
</tr>
<tr>
<td>Apply limits to the amount, duration or scope of services</td>
<td>2</td>
</tr>
<tr>
<td>Adjust eligibility/limit enrollment</td>
<td>1</td>
</tr>
<tr>
<td>Eliminate programs</td>
<td>1</td>
</tr>
<tr>
<td>Eliminate services</td>
<td>1</td>
</tr>
<tr>
<td>Increase beneficiary cost-sharing</td>
<td>3</td>
</tr>
</tbody>
</table>
But Not Increasing Administrative Capacity

Change in State Agency FTEs Since 2017

- Increased by 0-5%
- Increased by 5-10%
- Increased by 10-20%
- Stayed the Same
- Decreased by 0-5%
- Decreased by 5-10%
- Decreased by 10-20%
Changing Consumer Preferences are Leading to Differentiated Service Demands
# Change in Service Demands

<table>
<thead>
<tr>
<th>Rank</th>
<th>State Reported Services with Increased Demand</th>
<th>Total Number of States Selecting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adult Protective Services</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Home-Delivered Meals</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Family Caregiver Support</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>Transportation</td>
<td>16</td>
</tr>
<tr>
<td>5</td>
<td>Aging and Disability Resource Center</td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>Personal Care Assistance</td>
<td>14</td>
</tr>
</tbody>
</table>
## Change in Service Demands

<table>
<thead>
<tr>
<th>Rank</th>
<th>State Reported Services with Decreased Demand</th>
<th>Total Number of States Selecting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Congregate Meals</td>
<td>17</td>
</tr>
<tr>
<td>2</td>
<td>Adult Day Social Services</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Adult Day Health Services</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Senior Community Service Employment Program</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Legal Assistance Development</td>
<td>7</td>
</tr>
</tbody>
</table>
Medicaid HCBS Enrollment Growth Continues Nationwide
HCBS Enrollment Continues to Increase

Change in Medicaid HCBS Enrollment

- Increased
- Decreased
- Stayed the same

FY16-17  FY17-18
Change in HCBS Enrollment FY2016-2017

Percent Change in Enrollment

- Increased <3%
- Increased 3%-5%
- Increased 6%-10%
- Increased 11%-15%
- Increased Over 15%
- Stayed the Same
- Decreased <3%
- Decreased 3%-5%
- Decreased 6%-10%
- Decreased 11%-15%
Change in HCBS Enrollment FY2017-2018

- Increased <3%
- Increased 3%-5%
- Increased 6%-10%
- Increased 11%-15%
- Increased over 15%
- Stayed the Same
- Decreased <3%
- Decreased 3%-5%
States are Making Changes to Expand Benefits and Increase Provider Payments
Nearly Half of States Increased or Added HCBS Services
Over Half Increased Provider Payments

State Reimbursement Changes

Yes, changes were made to increase overall provider payments
Yes, changes were made to reduce provider payments
Yes, changes were made to change methodology that may not have impacted overall payment
No, changes were not made
States are Increasingly Focused on HCBS Quality but Efforts to Pay for Quality Lag
Quality of Life Goals are an Emerging Part of Planning

LTSS Assessment Tools that Capture Quality of Life Goals

- Yes: 19
- No: 25
Opportunities to Expand Use of Information Collected

Data Used for the Following Purposes

- Measure Whether Outcomes were Achieved
- Support Program Quality Improvement Efforts

Number of States

- Yes
- No
Closing Thoughts
Finances Are Good, but Warning Signs Remain

- Revenue collections have increased and state aggregate expenditures have also grown;
- Program enrollment has placed pressure on aging, disability, and LTSS programs;
- There has not been a corresponding national growth in state employee workforce to offset the loss of administrative infrastructure that occurred during the economic downturn;
- Overall network is stabilized by the strong economy but faces significant threats from any future downturn that may occur.
For additional information:

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Trends from the States: Promising Practices and Emerging Innovations in Long-Term Services and Supports

Wendy Fox-Grage
Senior Strategic Policy Advisor
AARP Public Policy Institute
Long-Term Services and Supports Solutions

Discover state innovations in long-term services and supports. It’s time to pick up the pace of change!

www.longtermscorecard.org
Strengthening No Wrong Door

How seven No Wrong Door Systems—sometimes called Aging and Disability Resource Centers—are promoting person- and family-centered practice.
Reducing Nursing Home Stays

How four highly ranked or significantly improved states reduced the risk of long-term nursing home care after a hospitalization.
Supporting Community Living for Veterans

How aging and disability network agencies, Veterans Affairs Medical Centers, and Veteran Benefits Offices in seven states have forged partnerships to better support Veterans in community living.
Supporting Family Caregivers in Managed Long-Term Services and Supports

How progressive managed care plans are supporting family caregivers who are caring for plan members with self-care needs.
Expanding Self-Direction

How four states used innovative strategies to develop and expand self-directed services programs, coordinate and personalize service options, promote stakeholder engagement and outreach, and implement training programs for individuals to self-direct their long-term services and supports.
Providing Home and Community-Based Services beyond Medicaid

How state-funded home and community-based services programs can supporting low-income older adults and/or people with physical disabilities and their family caregivers to live with maximum independence at home.
Helping People with Mobility Needs Access Transportation

How mobility managers in five states are being transportation coordinators for older adults, people with disabilities, veterans, and other members of the riding public.
To Be Published in 2020

• Long-Term Services and Supports State Scorecard

• Promising Practices in Medicaid Eligibility Determinations for Long-Term Services and Supports (Bob Mollica)

• Promising Practices in Locally-Funded Home and Community-Based Services (Bob Applebaum)

• Promising Practices in Affordable Housing and Services (Leading Age)
Overall Ranking

Missouri

State Rankings

- Overall: 27
- Affordability and Access: 4
- Choice of Setting and Provider: 10
- Quality of Life & Quality of Care: 43
- Support for Family Caregivers: 47
- Effective Transitions: 37
Percent of nursing home residents with low care needs

<table>
<thead>
<tr>
<th>Year</th>
<th>Baseline Scorecard</th>
<th>2017 Scorecard</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Data Year</td>
<td>State Rate</td>
</tr>
<tr>
<td>2012</td>
<td>22.2%</td>
<td>2014</td>
</tr>
</tbody>
</table>
Choice of Setting and Provider

Exhibit 1: State Ranking on Affordability and Access Dimension

Source: State Long-Term Services and Supports Scorecard, 2017.
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