



# Paying the LTSS bill: a Study of Private- and Public-Pay Patterns in Minnesota

2021 Home & Community-Based Services Conference

## PARTNERS

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## PRESENTATION

- Background
- Goals of the study
- Study activities
- Study results

# Background

- Study was approved for funding through the Moving Home Minnesota / Money Follows the Person Rebalancing Project in the summer of 2019
- Request for Proposals for a contractor was released in the fall of 2019
- Contract was executed with the University of Indianapolis Center for Aging and Community (UINDY) on April 17, 2020 and ran through September 30, 2021
  - Subcontractors included: Indiana University, Knowledge Services, and Sage Squirrel
- An 8-person DHS project team worked closely with the contractors on the study

# Goals of the study

1. Document patterns in older Minnesotans' private resource spenddowns:
  - A. for individuals living in assisted living settings
  - B. for individuals living in their own homes
  - C. for individuals with different demographic characteristics
  
2. Identify potential policy and system changes to:
  - A. Extend older Minnesotans' private resources
  - B. Incentivize in-home service arrangements as compared to residential service arrangements

# Our Five Research Questions

- What are the LTSS market, economic, and demographic trends that impact spenddown patterns?
- What are the private resource spend down experiences and patterns for individuals, both married and single, in assisted living settings, and that result in Elderly Waiver enrollment? How do these experiences and patterns differ based on demographic characteristics of people receiving services, and/or based on the characteristics of the setting?
- What are the private resource spend down experiences and patterns for individuals, both married and single, purchasing home and community-based services in their own home, and that result in Elderly Waiver enrollment? How do these experiences and patterns differ based on demographic characteristics of people receiving services, and/or based on the types of services they receive?
- What are some potential policy and system changes that might help extend older Minnesotans' private resources available to help meet their needs in the community?
- What are some potential policy and system changes that might incentivize in-home service arrangements as compared to residential service arrangements?

# A Multi-Pronged Approach

- Utilizing existing data for context and historical perspective
  - Literature review
  - National scan of key national organizations and other states
  - Retrospective data analysis of 2019 Elderly Waiver (EW) participants
- Collecting new data to better understand current experiences
  - Telephone survey of brand new EW participants
  - Online survey of assisted living providers

# Literature Review

- Scanned existing research and literature for related works
  - Academic publications
  - Grey papers
  - Government (Federal and state) white papers
- Minimal work has been done to assess these questions
  - Growing trends of aging population<sup>1</sup> and higher HCBS utilization, funded by Medicaid.<sup>2</sup>
  - Participants who spend down are a small portion of the population,<sup>3</sup> and typically have fewer financial resources at the start.<sup>4</sup>



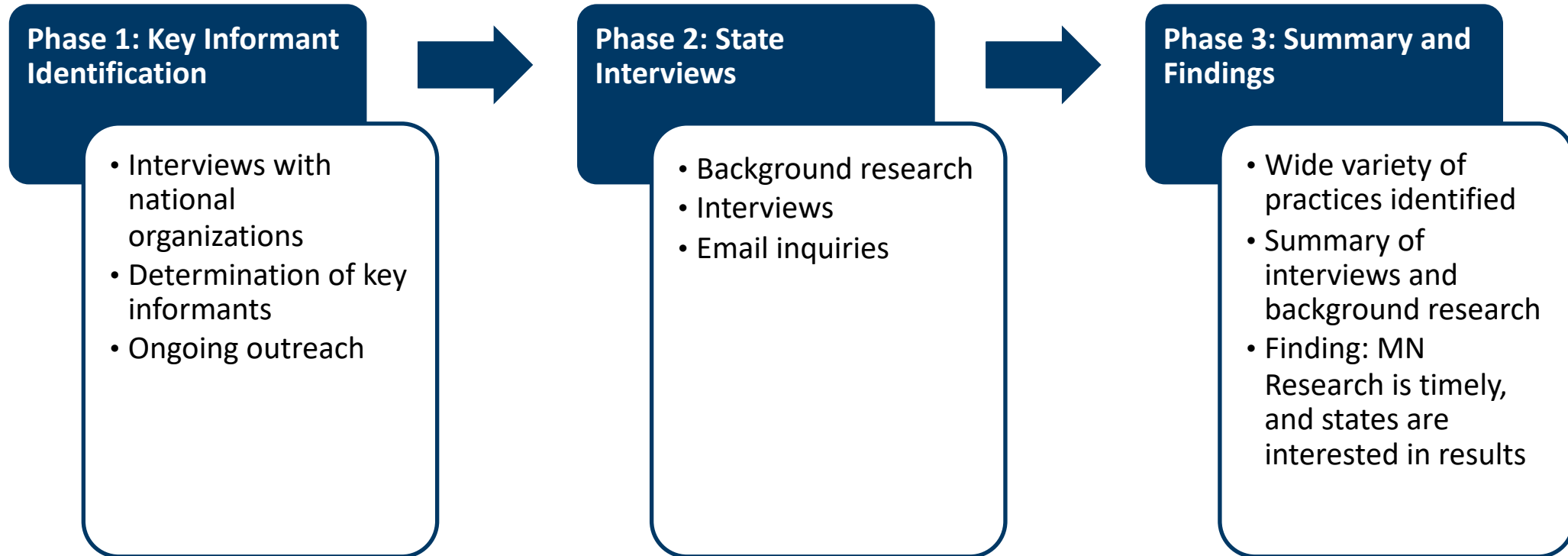
# Literature Review References

1. Blewitt, L. A., Alarcon Espinosa, G., Hest, R., & Woodhouse, M. (2018). Minnesota Long-Term Services and Support Projection Model (Report). *Minneapolis, MN: State Health Access Data Assistance Center.*
2. Millsap, A. (in press). Medicaid Spending Is Taking Over State Budgets. *Forbes.*
3. Wiener J.W., Anderson W.L., Khatutsky, G., Kaganova Y. and O’Keeffe J. (2013). Medicaid spend down: New estimates and implications for long-term services and supports financing reform. <http://www.thescanfoundation.org/rti-international-medicaid-spend-down-new-estimates-and-implications-long-term-services-and-supports>
4. Yocom, C.L. et al. (2014, May). Financial Characteristics of Approved and Methods Used to Reduce Assets to Qualify for Nursing Home Coverage. <https://www.gao.gov/assets/670/663417.pdf>





# National Scan



# National Scan Themes

- State policies around **asset protection** play an important role in spenddown outcomes.
- **Programs that target the “pre-Medicaid” population**, including both programs that are 100% state-funded or that are Medicaid demonstration programs, are essential components in slowing spenddown.
- Maintaining **family caregivers** is key to avoiding placement in congregate residential settings, such as nursing facilities or assisted living.
- It is important that states provide **robust and timely Options Counseling** to help people examine available LTSS options and make determinations about which are the best fit for their preferences, needs and personal resources .



# Asset Protection & Long-Term Care Insurance

- Washington has initiated a new public long term care insurance program, funded by a tax on wages; this is a promising practice to keep an eye on.
- State asset limits on Medicaid eligibility may impact housing choices by people who need Medicaid-funded LTSS.



# “Pre-Medicaid” eligibility programs

- Indiana’s CHOICE program is a good example of a state funded program that has been modernized to meet more targeted needs in a more flexible manner.
- The state of Washington is experiencing promising early results from a Medicaid 1115 Transformation waiver, the Medicaid Alternative and Targeted Supports to Older Adults program.



# Family & Informal Caregivers

- The OAA National Family Caregiver program is the backbone of many state caregiving programs.
- The Washington 1115 Transformation waiver is one example of how states might provide Medicaid-funded caregiver supports.
- Hawaii has implemented the Kupuna Caregiver program that provides a cash stipend to support caregivers helping someone remain in their home and community.
- The Wisconsin Alzheimer Family Caregiver Support program provides counties with funding that they can use to build community resources or provide direct supports to caregivers providing assistance to persons with Alzheimer's or other dementias.



# Options Counseling

- All of the responding states stated that they provide options counseling but the robustness of the counseling, eligibility, standards and funding varied widely.
- Wisconsin Options Counselors are available in every county of the state to provide structured, high quality decision support and care planning to anyone who asks for it. They promote this program through doctor's offices and other settings in hopes that people will "get to know them before they need them."
- Increasing use of Medicaid administrative claiming to support provision of options counseling.



# RETROSPECTIVE DATA ANALYSIS

## Phase 1: Data Discovery

- Data Discovery
- Identify and understand available data



## Phase 2: Building the Data Set

- Cohort building
- Data matching
- De-identification and finalization of data set



## Phase 3: Data Analysis

- Discovery of trends and patterns of utilization
- Correlation of impacting factors



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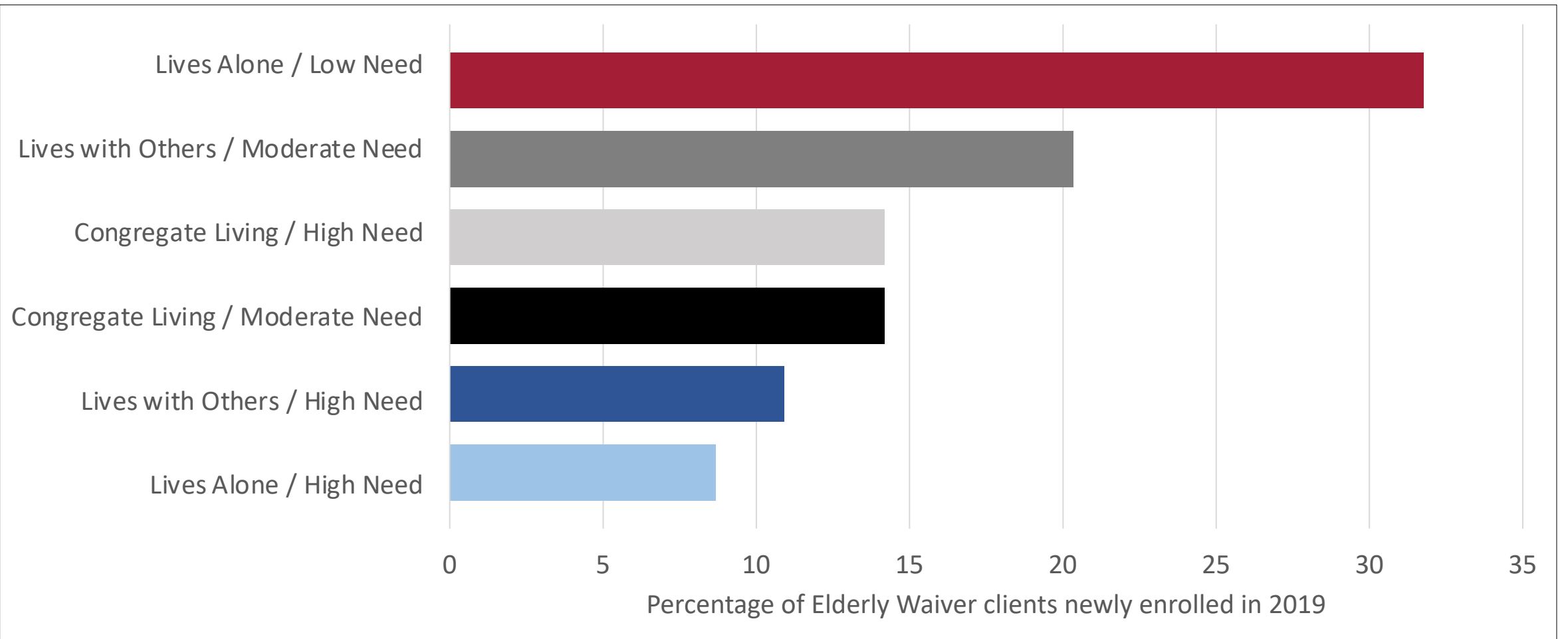


# RETROSPECTIVE DATA ANALYSIS THEMES

- Identification of similarity clusters
- Participants typically follow one of two trajectories
- Identification of consistent interaction with the MN LTSS system prior to Elderly Waiver enrollment



# SIMILARITY CLUSTERS



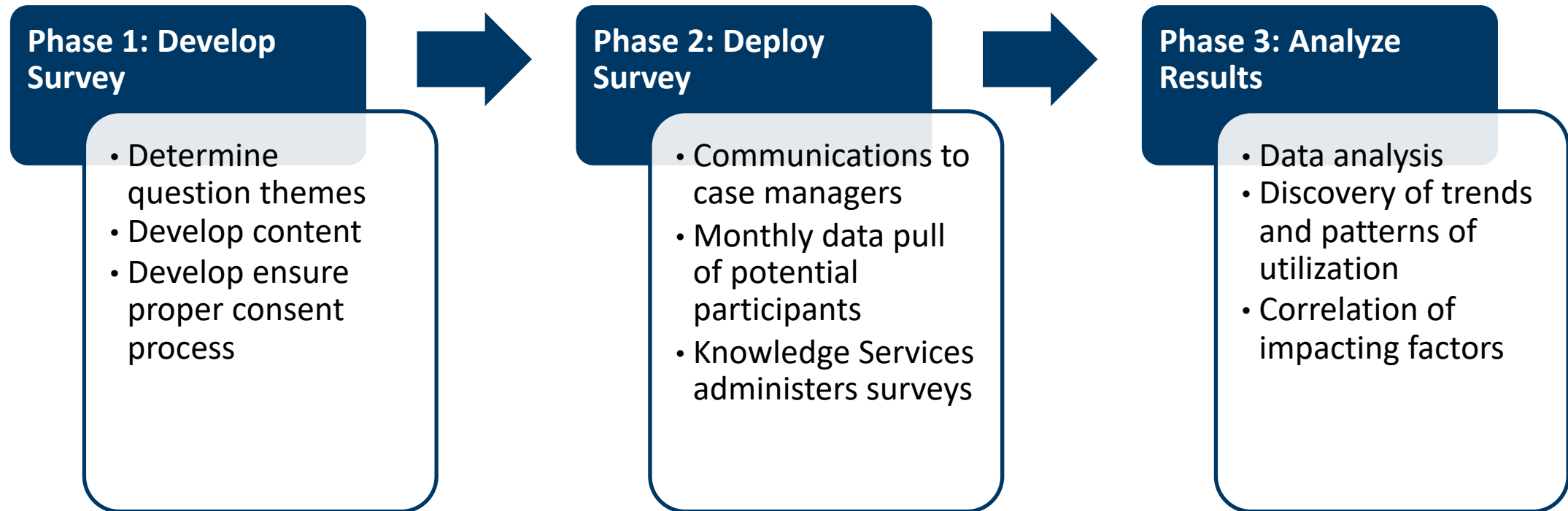
# TRAJECTORIES

- Two major trajectories were identified from the 2019 enrollee data
  - Individuals who had low personal resources long term with persistent Medical Assistance (MA) enrollment who then aged into eligibility for EW.
  - Individuals who relied on family or informal care as long as possible until needs were too high or too many to be met by informal support or until their assets met EW eligibility requirements.

## EARLY INTERACTION WITH LTSS SYSTEM

- Able to link data across other health-related datasets within the MN system
  - Senior LinkAge Line
  - MN Health Care Program
  - MDS data
- The majority have engagement with MN programs prior to Elderly Waiver enrollment

# ELDERLY WAIVER PARTICIPANT SURVEY



## THEMES FOR EW PARTICIPANTS AT HOME

- Nearly one third reported thinking and talking in advance about how to pay for services once needed,
  - Worry about having enough money to pay for help was most common
  - More than 50% called the Senior LinkAge Line<sup>®</sup> or talked to someone at the state about programs as part of their planning.
- More than 75% of EW at Home respondents indicated they had considered AL, but the most frequently cited reason for not choosing AL was not being ready yet.

## THEMES FOR EW PARTICIPANTS AT HOME

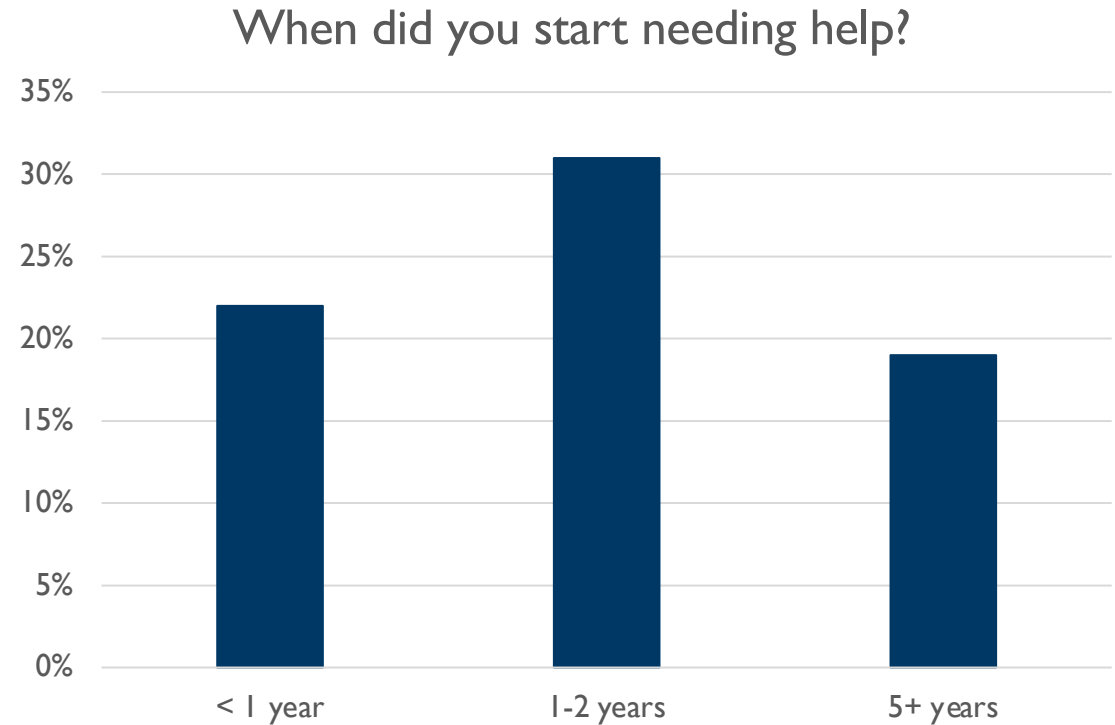
- Almost 80% of EW at Home respondents reported needing help at home starting within the past two years; 41% said they had started needing help only within the last year. Family is the most frequently cited source of support when needing help.
- Very few paid for help before EW enrollment.
  - Costs of services and expensive repairs to the home or everyday expenses were the reasons most often cited for being unable to pay for one's own needs as long as expected.

## THEMES FOR EW PARTICIPANTS IN ASSISTED LIVING

- 40% reported thinking and talking in advance about how to pay for services once needed
  - Worry about having enough money to pay for help was most common
  - 58% knew there were programs to help
  - 80% reported planning on applying to programs at some time

# THEMES FOR EW PARTICIPANTS IN ASSISTED LIVING

- The primary source of help cited most frequently is family, with 91% of EW in AL respondents indicating family as their primary source of help.
- 95% of EW in AL respondents indicated family helped them make their decision. Reasons included:
  - Family encouragement
  - Needing too much help to stay in one's home
  - Concerns about safety at home





## THEMES ACROSS THE GROUPS

- At Home respondents were significantly more likely to report needing help at home for less than two years, compared to AL respondents who were more likely to report needing help at home for three years or more
- AL respondents were significantly more likely than EW at Home respondents to report family as a source of support once they started needing help.
- More AL than At Home respondents indicated they thought they could get help from a government program
  - Of the At Home respondents who thought they could get help from a government program, a significantly higher percentage thought they could pay for services specifically with Medicare.

## THEMES ACROSS THE GROUPS

- More EW at Home respondents reported having called the Senior LinkAge Line® or someone at the state and generally tried to find out about programs that might help them pay for services.
- May indicate that this group is more likely to have taken this step in making their decision to remain at home.

# ASSISTED LIVING PROVIDER SURVEY

## Phase 1: Develop Survey

- Determine question themes
- Develop content
- Program Survey
- Pilot with small group of providers



## Phase 2: Deploy Survey

- Distribute via email to all AL providers in MN
- Regular reminders to complete survey



## Phase 3: Analyze Results

- Data analysis
- Discovery of trends and patterns of utilization

## THEMES FROM THE PROVIDER SURVEY

- Most common reasons for non-participation in EW are payment rate and that the program is complicated or cumbersome.
- Most common questions prospective residents and/or their families ask about financial options once they spend down their private resources are those related to how the EW program works.

## THEMES FROM THE PROVIDER SURVEY

- Of those participating in EW:
  - 19% report they require new residents to have a minimum amount of income/assets at time of move in.
  - 26% indicated they have a waiting list for prospective residents who would use EW at the time of move-in.
  - Slightly more than one-third of facilities report a limit on the number of residents who can be supported by the EW. Among these facilities, more than half (57%) report having a limit of 5 or fewer.
  - Of those with shared units, 34% indicated they require residents using EW to reside in these units.

## THEMES FROM THE PROVIDER SURVEY

- Two-thirds expect the new Assisted Living License will impact their policies and practices related to EW.
- Many providers commented on the impact of COVID-19:
  - Dramatic increases in operational cost;
  - Reductions in census;
  - Administrative delays for new residents
- Some providers are accepting more EW residents to try and make up for low occupancy, others may limit their participation in EW

## WHAT DID WE LEARN?

- We observed two general trajectories of entry to EW which are important to consider:
  - People with low resources, persistent Medical Assistance (MA) enrollment, who aged into eligibility
  - People who relied on family/informal care until needs/assets met eligibility
- Across both trajectories, there is progressive need that builds over years before individuals join EW.

## WHAT DID WE LEARN?

- Family and informal caregivers play a critical role for EW clients with enrollment often triggered by family/informal caregivers reaching a tipping point or a lack of family/informal caregiver.
- Options Counseling plays a role in helping Minnesotans access supports and services, but for many it comes at the wrong time in the decision-making process, particularly those who receive an offer of Housing Options Counseling.



## WHAT DID WE LEARN?

- Enhanced access to information and education about long term services and supports may be beneficial in two areas.
  - Broader education and access where people typically get their information and identification of an earlier stage in the planning process to provide targeted information will assist individuals in having the necessary information at the right point in the trajectory to make effective decisions.
  - Broader outreach and education efforts should include healthcare providers across a variety of professions as individuals often look to these professionals for guidance along the trajectory.

# Opportunities for Impact

- Upstream programmatic interventions
- Additional caregiver supports
- Options Counseling
- Enhanced education and outreach

# Upstream programmatic interventions

- Utilize the contacts before Medical Assistance (MA) or Elderly Waiver (EW) eligibility
- Build on the existing Essential Community Supports and Alternative Care programs
  - Expand funding to include more people
  - Expand services to better align to the early supports needed to remain at home.

# Critical Role of Family Caregivers

- Further study of the efficacy and gaps in existing supports and programs for family and informal caregivers
- Evaluation of the feasibility of expanding existing programs.

# Options Counseling

- Increase access and availability of Options Counseling to points before people have made decisions about how they want to receive LTSS.
- Educate healthcare professionals about referring people for Options Counseling as LTSS or other support needs become evident.

# Enhancement of Education and Outreach

- Broader upstream outreach and access to information, including strengthening Minnesota's existing Own Your Future initiative
- Review information given at time of contacts that precede MA eligibility

# Accessing reports based on the study

- The study resulted in five reports:
  - Final Report
  - Assisted Living Provider Survey Report
  - Elderly Waiver Participant Survey Report
  - Secondary Data Analysis Report
  - National Scan Report
- The reports are available on the following Minnesota Department of Human Services webpage: <https://mn.gov/dhs/ew-spenddown-study>

# Thank you!

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