Long-Term Care

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In the United States today, we are at a demographic threshold. Not only are people generally living longer, but the members of the baby boom generation -- a population cohort of 78 million people born between 1946 and 1964 -- are approaching the age of 60. As a result, our country's elderly population will increase substantially in the coming years, putting a serious strain on employer-sponsored retirement plans, the Social Security system, the healthcare delivery system, the Medicare program, and other services and programs for the aged.

But the needs of the elderly are not limited to retirement income and medical care. As people age they become more likely to develop a chronic condition that prevents them from functioning normally -- they may not be able to move about easily or dress or feed themselves, or they may suffer from disorientation or impaired memory. When such a loss in physical or cognitive functioning occurs, a person needs long-term care-home healthcare, assisted living, nursing home care, or other services.

These services are expensive, and if they are needed for an extended time, the cost can be substantial. How can the average person pay for long-term care? And how can we as a society ensure that the need for long-term care is met without placing such a burden on government benefit programs that they become no longer viable? That is the focus of this course.

Long Term Care

To fully understand long-term care funding, long-term care insurance, and state partnership programs, which will be discussed in the chapters that follow, we must first understand long-term care itself. What exactly is meant by long-term care? When is it needed? What services and settings does it include? And how much do these services cost?

What Is Long-Term Care?

Long-term care is a broad range of services provided over a prolonged period, the purpose of which is to minimize or compensate for a person's loss of physical or mental functioning resulting from an illness, disability, cognitive impairment (such as Alzheimer's disease), or simply the frailties of old age.

To understand long-term care, it is helpful to understand how it differs from acute care.

- **Acute care** is medical treatment for an illness or injury. Its purpose is typically to cure the patient and restore previous levels of functioning. Acute care is provided by physicians, nurses, and other medical professionals, and it normally takes place in a hospital, clinic, or doctor's office. It typically lasts a relatively short time.

- **Long-term care**, unlike acute care, is not primarily intended to cure or treat a medical condition. Instead, it focuses on coping with a person's reduced level of physical or cognitive functioning over an extended time, sometimes indefinitely. Some long-term care services are rendered by healthcare professionals, such as nurses and therapists, but it is more often provided by non-professional personnel, such as home health aides, or by informal caregivers, such as family and friends.

Coping with a person's reduced level of functioning can include medical treatment, skilled nursing care, and various kinds of therapy. But it more typically involves assisting a person with the following:

- basic functions, such as bathing, dressing, getting in and out of bed, going to the toilet, and eating (called activities of daily living, or ADLs -- see below);
- household chores, such as meal preparation and cleaning;
- life management, such as shopping, money management, and taking medications; and
- transportation.

Long-term care also often involves the supervision required by a person with a cognitive impairment so that he will not harm himself or others.

When Is Long-Term Care Needed?

Whether a person needs long-term care and what care she needs are determined by a healthcare professional, such as a physician, nurse, or medical social worker experienced in long-term care. An important part of the process is an assessment of the person's ability to perform activities of daily living (ADLs), basic functions required for a person to take care of herself. The inability to perform ADLs is the most reliable and objective indicator of the need for long-term care services. The following six ADLs are commonly used to assess this need:

- **bathing** -- washing oneself by sponge bath or in a tub or shower (including getting into and out of the rub or shower);
- **dressing** -- putting on and taking off all clothing and any necessary braces, fasteners, or artificial limbs;
- **toileting** -- getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene;
- **transferring** -- moving into or out of a bed, chair, or wheelchair;
- **continence** -- being able to maintain control of bowel and bladder function or, when unable to maintain control, being able to perform associated personal hygiene (including caring for catheter or colostomy bag); and
- **eating** -- feeding oneself by getting food into the body from a receptacle such as a plate, cup, or table, or by a feeding rube or intravenously.

The inability to perform ADLs constitutes functional (or physical) impairment. However, some people can perform all ADLs but still need long-term care because of a cognitive impairment, a condition (such as Alzheimer's disease) that causes a significant diminishment of reasoning, intellectual capacity, or memory and results in confusion, disorientation, impaired judgment, or memory loss.

Long- Term Care Settings and Services

Long-term care can take place in a number of different settings. These include the home of the person receiving care, community-based facilities (such as adult day centers), residential facilities (such as assisted living residences), and nursing homes. Long-term care is provided by a variety of individuals, including healthcare professionals such as nurses or therapists, who provide skilled care -- as well as nonprofessional personnel, family, and friends, who provide personal care (assistance with basic living functions and household chores) and supervisory care (the close supervision of a cognitively impaired person to ensure his health and safety).

Thanks to new technology and new arrangements for care, today there is a wide variety of settings in which long-term care can be delivered. Improved technology means that services once provided only in hospitals and nursing homes can now be delivered at home or elsewhere. Innovative care settings include assisted living residences, adult day centers, and others.

Most people prefer to receive care in their home instead of entering a facility, and today home is where most care is provided. Remaining at home reinforces a person's sense of independence and allows him to maintain accustomed habits and daily routines. For someone with diminishing cognitive abilities, a familiar environment can provide cues for cognition, and a person with reduced physical functioning can arrange his home in way that makes coping with his particular limitations easier. In contrast, a nursing home resident lives in an unfamiliar place and must usually follow institutional regimens.

Very commonly, family caregivers make it possible for an elderly person to remain at home. AARP estimates that family caregivers provided more than $390 billion of LTC services in 2008 (that’s more than three times the costs borne by Medicaid). But often these people are overwhelmed by the demands of providing care -- many have jobs, children, and other responsibilities, and some are elderly and frail themselves. In response to this problem, an innovative approach to long-term care has developed: aging in place. Aging in place lets the person stay at home, and needed services are provided there or in the community. These services help the person avoid entering a nursing home and ease the burden on family caregivers. Aging in place is made possible by the following:

- **home health care**, in which paid personnel come into the home to provide personal care, supervisory care, nursing, therapy, and homemaker/chore services;
- **community-based care**, which includes adult day centers, senior centers, and congregate meal sites, as well as transportation services and home-delivered meals; and
- **residential care**, which allows the elderly to maintain their own independent living spaces while also having access to needed personal care and household support services. This includes assisted living residences and continuing care retirement communities.

Many families call on a **home health care provider** when a person needing care prefers to stay at home but requires services that cannot easily or effectively be provided solely by family and friends. Home health care agencies deliver a wide range of services in the client's home, including medical, nursing, or therapeutic treatment; assistance with the activities of daily living; and supervision. There are also independent home health care providers -- nurses, therapists, and home health aides who provide similar care and services but are not affiliated with an agency. States generally certify or license home health care agencies and sometimes independent providers as well.

Adult day centers are an increasingly popular way of providing community-based assistance to functionally and cognitively impaired adults. They are open during customary business hours, allowing family caregivers to work during the day and care for the impaired person during evenings and weekends. They provide supervision, personal care, help with managing medications, and other supportive services. Social, recreational, and educational activities may also be offered to participants. Many are run by nonprofit agencies, and the cost is sometimes based on the ability to pay.

Respite care is long-term care provided for a limited period to give a family caregiver a break. It may last for a few hours so that the caregiver can take care of personal business, or it may be for several days to allow him to take a vacation or just relax. Respite care is provided by home healthcare agencies, independent home care providers, assisted living residences, and nursing homes for a fee. There may also be community-based services that provide informal respite care in homes.

Nursing homes (also called skilled nursing facilities) offer a wide range of services, including 24-hour nursing care, supervision, assistance with ADLs, and rehabilitative services such as physical, occupational, and speech therapy. Although some people stay in them for a short period of recovery and/or rehabilitation after a serious illness or operation and then return home, the traditional role of these facilities is providing long-term care for the chronically ill or disabled. Typically, families seek nursing home care when a relative's condition reaches the point where it is no longer possible to safely care for her at home, even with paid help, or when the cost of round-the-clock care at home becomes too great.

Nursing homes are highly regulated. They must be licensed by state governments, and in order to receive Medicaid and Medicare benefits, they must also be certified by those programs. Licensure and certification are intended to ensure that residents are cared for in a safe physical environment and that they receive high-quality care from qualified providers, and regulators closely monitor facilities. However, quality can and does vary from one nursing home to another.

Assisted living residences are designed for those who want a community living arrangement and who may need some household help or personal care but do not require the level of care provided by a nursing home. Residents of these facilities live in their own individual room or apartment, but they also have access to the support services that a community setting makes possible. These services typically include up to three meals a day; assistance with personal care; help with medications, housekeeping, and laundry services; 24-hour onsite staff to respond to emergencies; and social programs. Facilities of this type are known by many different names, and they vary considerably in the type and level of services they provide and in the extent to which residents enjoy privacy or must share accommodations, with costs varying accordingly. Assisted living residences are regulated in all states, but states' requirements vary.

Continuing care retirement communities (CCRCs), sometimes called life care communities, offer several levels of care in one location. For instance, many CCRCs offer independent housing (for those who need little or no supportive care or services), assisted living housing, and a nursing home, all on one campus. An individual can obtain different services as his needs change, without having to move to a new community. Thus, a resident who is no longer able to live independently can move from the independent area to the assisted living area, or he can receive home care in his living unit. And if his condition worsens, he can enter an onsite or affiliated nursing home.

Adult foster care is much like foster care for children. Elderly adults who need help functioning or who cannot live safely on their own live with a foster family. Foster families provide room and board as well as 24-hour supervision and assistance with ADLs, either to an individual or a small group. Sometimes those receiving care pay for these services; in other instances, a government program pays for foster care. State licensure of this type of facility, as well as the terminology used for it, vary greatly.

Board and care homes (also called residential care facilities) are usually small residential facilities, with 20 or fewer residents. Residents receive all meals as well as personal care and 24-hour protective supervision. Board and care homes are not appropriate for those who need the level of care provided in a nursing home, because nursing and medical attention are usually not provided on the premises. As with adult foster care, terminology and state licensure vary greatly.

Hospice care provides services and support for the dying and their families. Hospice patients usually have a life expectancy of six months or less. The purpose of hospice care is not primarily to treat the patient's medical condition, which is incurable, but rather to improve the quality of life during the time that remains. Care focuses on pain and symptom management, social services, and emotional and spiritual support for the terminally ill and their families. Hospice care may be provided in the patient's home or in a facility. It is provided by a team that includes registered nurses, licensed professional nurses, home health aides, social workers, therapists, chaplains, bereavement counselors, and sometimes volunteers. Hospice services are generally fully or partially covered by Medicare, Medicaid, private insurers, and prepaid health plans.

The Cost of Long-Term Care

The cost of long-term care varies according to the service provided and the geographic location. (Source: Met Life's Mature Market Institute http://www.metlife.com/mmi/?WT.mc_id=vu1243)

- A semiprivate room in a nursing home in the United States cost an average of $191 per day in 2008, with an average annual cost of about $69,700. The cost of a private room averaged $212 per day, ranging from $127 in Louisiana to $577 in Alaska.
- The average cost of a Medicare-certified home health aide in 2008 was $38 per hour, with local costs ranging from $17 to $49.
- The average base rate for a one-bedroom unit in an assisted living residence was $3,031 per month in 2008, with a range of $2,135 to $4,708 according to locality. (In many residences this base rate does not include personal care or various other charges.)

The total amount a person spends on long-term care in her lifetime depends both on the price of services and on how long she uses those services. A few statistics will give an idea of what one should expect: According to one study, the average nursing home stay is 2.5 years, but 17 percent of stays exceed five years. Based on a yearly cost of approximately $70,000, the average stay would cost about $175,000, and a five-year stay would cost more than $350,000.

But many people receive home healthcare or residential care for a considerable time, often years, before they enter a nursing home (if they ever do). For example, in 2001, the average stay in an assisted living residence was about

three years. So the true lifetime cost of long-term care is typically much more than the cost of an average nursing home stay.

Moreover, these figures are based on current prices, and most people are concerned about needing long-term care in the future, not today. In recent decades, long-term care costs have been increasing by an annual rate of about 5 percent, and it is estimated that in 2030 a four-hour visit from a home health provider could cost $325, an annual stay in an assisted living residence could start at $109,300, and the yearly cost of a nursing home could be $190,600.

Insert comparison maps of nursing home costs by states 2002 v 2006