



**Advisory Council on Aging  
South Dakota's  
Long Term Care Study Update  
Final Report  
Presented on May 28, 2015**

**History of Abt Long Term Care Study**

2007 Long Term Care Study examined:

- Evaluation of utilization and cost of services to the aging population across the continuum.
- Projected future long term care needs and capacity.
- Identified and recommended policy options based on best practices.



## Key Findings from 2007 Long Term Care Study

The study identified several key findings which included:

- Rapidly aging population - number of elders projected to double including elderly disabled.
- Geographic mismatch between the places where services existed and the places where the elderly population was expected to grow over the next 20 years.
- Historically high rates of nursing home bed utilization and low rates of use of home and community-based services compared to national indicators.

## Key Findings from 2007 Long Term Care Study (Con't)

The study identified several key findings which included (Continued):

- Rural and frontier areas faced particularly low availability of home and community based services (adult day facilities, senior centers, nutrition programs, homemaker services, and in-home services).
- Aging skilled nursing facilities.
- Labor force not keeping pace with growth of elders – particularly direct care workers.

## Policy Recommendations of 2007 LTC Study

Study included several policy recommendations and identified three scenarios to address future demand for services:

- Scenario 1 – do nothing.
- Scenario 2 – take moderate steps to address future demand.
- Scenario 3 – take aggressive approach to address future demand.

## 2008 LTC Task Force Recommendations

2008 - Task Force charged with developing recommendations and use most aggressive approach to addressing future demand. The Task force developed seven recommendations:

1. Develop a Single Point of Entry system for long-term care services.
  - Completed - Aging Disability Resource Center (ADRC) model implemented in October 2009.

## 2008 LTC Task Force Recommendations

2. Expand and enhance existing home and community-based services.
  - Ongoing - enhancements through Adult Services and Aging waiver renewal. Implementing Money Follows the Person to transition individuals from nursing homes to community-based services where appropriate. Convened provider workgroup to develop rule changes to facilitate serving individuals with dementia in assisted living settings.

## 2008 LTC Task Force Recommendations (Continued)

3. Implement an access critical nursing facility model.
  - Completed - legislation (SB140 – 2011 session) formally established access critical designation.
4. Right-size the nursing facility industry by realigning moratorium bed levels to reflect projected demand for nursing facility services.
5. Expand nursing facilities through a Request for Proposals (RFP) process developed by state agencies for areas in the state that will need additional nursing facility services.
  - Completed - legislation (SB196 – 2012 session) to allow for expansion of high need areas through an RFP process.

### 2008 LTC Task Force Recommendations (Continued)

6. Maintain a sustainable financial infrastructure for the current and future system of care. Workgroup could not come to consensus on approach.
7. Collect data and analyze the need for additional assisted living facilities.
  - In progress.

### 2015 Abt Long Term Care Study

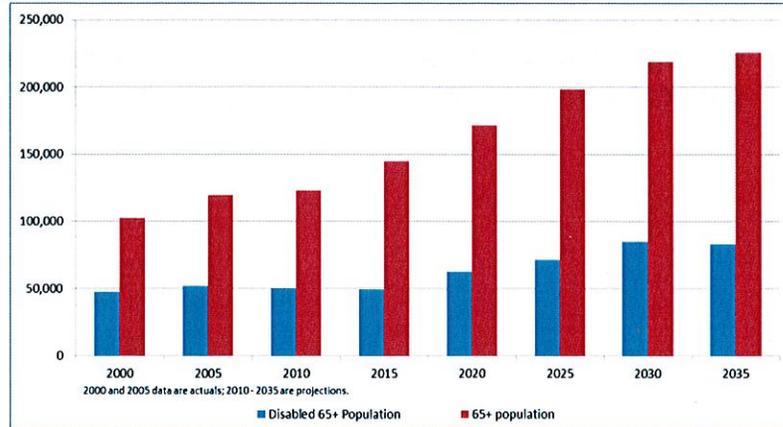
2015 Long Term Care Study updated projections for demographic trends, service delivery challenges; and project future demand for long term care services.

## Key Findings from 2015 Update

### Elderly Population Estimates:

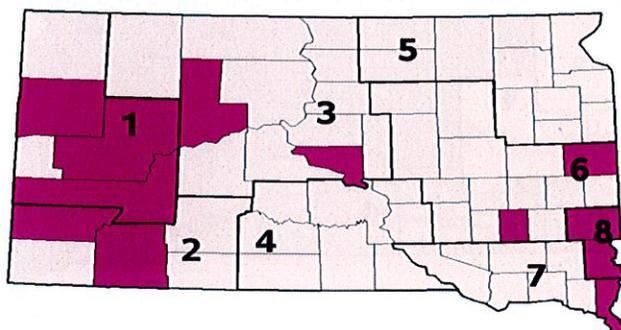
- Growth in elders has slowed relative to 2007 projections with elderly population expected to grow by 84% in the year 2035.
- Growth rates for elderly and disabled are again projected to be higher West River vs East River.
- Rapid City and Sioux Falls continue to see greatest growth rates as seniors migrate toward more urban areas and medical centers.

## Projections of SD Elderly and Disabled Population



Source: Abt Associates' analysis of South Dakota Data Center's Population Projections data, 2010 and American Community Survey.

## SD Counties Where Elderly Population is Expected to Double from 2010 to 2035 (in Dark Pink)



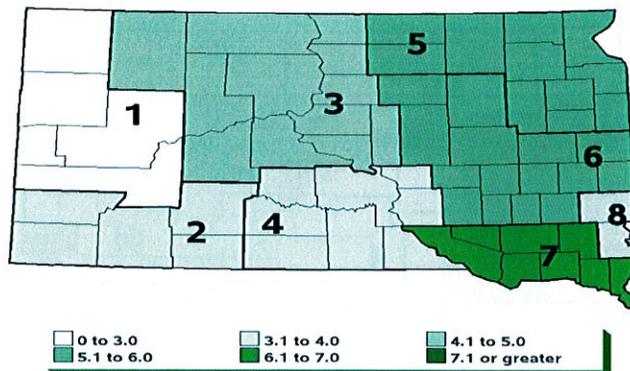
Source: Abt Associates' analysis of South Dakota Data Center's Population Projections data, 2015.

## Key Service Delivery Challenges

**Nursing Homes:** Nursing home capacity and utilization rates have continued to drop both in South Dakota and nationwide since the release of the first study.

- Nursing home utilization
  - 2007 Study – 6.4% utilization
  - 2015 Study – 4.7% utilization

## Number of Licensed Beds in Use per 100 Elderly Individuals - SD 2014



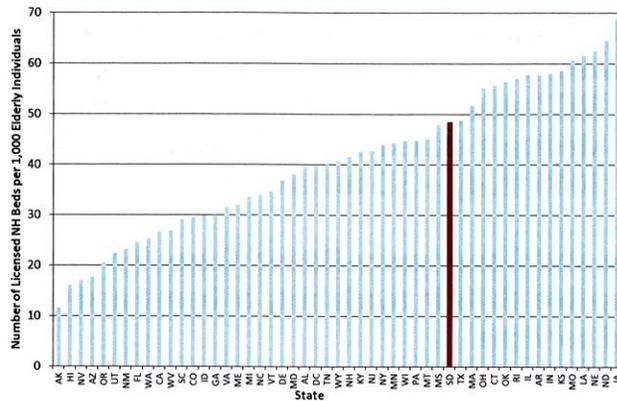
Source: Abt Associates' analysis of South Dakota Data Center's Population Projections data, South Dakota's Nursing Facilities Data, and Nursing Home Compare.

## Key Service Delivery Challenges

**Nursing Homes:** Nursing home capacity and utilization rates have continued to drop both in South Dakota and nationwide since the release of the first study.

- Nursing home capacity per 100 elderly
  - 2007 Study - SD 10<sup>th</sup> in the nation with 61 licensed beds per 1,000 elders
  - 2015 Study – SD 16<sup>th</sup> in the nation with 48 licensed beds per 1,000 elders

## National Comparison of State Nursing Home Capacity 2011



Source: Abt Associates' analysis of Henry J. Kaiser Family Foundation's Nursing Home Beds data and American Community Survey data. South Dakota utilization rates appear in red.

## Key Service Delivery Challenges (Continued)

**Assisted Living:** Assisted living capacity has increased slightly:

- 2007 study – SD 16th in the nation for available assisted living beds.
- 2015 study – SD 15<sup>th</sup> in the nation for available assisted living beds.

## Key Service Delivery Challenges (Continued)

**Home Health Care:** South Dakota continues to have the 2<sup>nd</sup> fewest Medicare skilled home health episodes:

- 2007 study – SD 2<sup>nd</sup> lowest in the nation for Medicare skilled care utilization.
- 2015 study – SD remains 2<sup>nd</sup> lowest nationally.

**Home and Community-Based Care:** No evidence of perceptible shifts in availability of home and community based services.

## Projections of Future Demand for Nursing Home Services - 3 Scenarios

**Scenario A:** Nursing home utilization rate will remain at its 2010-2014 average level of 4.7 percent of the elderly population.

- Assumes assisted living and community based services utilization remain at current levels.
- Given more recent trends in declining nursing home utilization – Scenario A likely overstated relative to nursing home demand.

### Projections of Future Demand for Nursing Home Services - 3 Scenarios (Continued)

**Scenario B:** Nursing home utilization rate will decline by 0.09 percentage points per year, or approximately one half the 2000-2014 rate of decline.

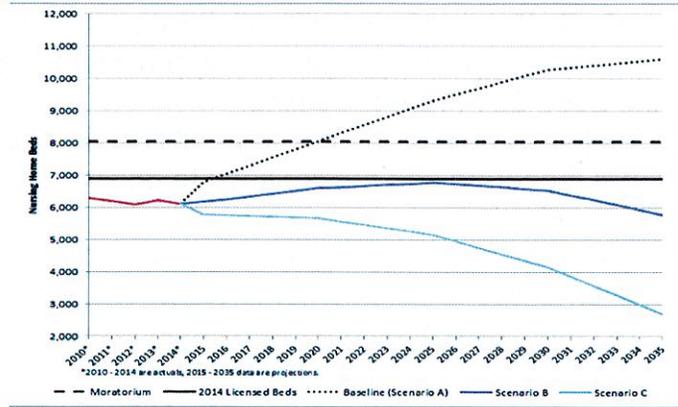
- Assumes recent nursing home utilization decline will moderate and not continue to decline at current rates.
- Assumes elders will increasingly seek out alternatives to nursing home care.
- SD must take additional steps to increase community based service capacity.

### Projections of Future Demand for Nursing Home Services - 3 Scenarios (Continued)

**Scenario C:** Nursing home utilization rate will decline by 0.14 percentage points per year, reaching a rate of 1.2 percent by 2035. Assumes recent nursing home utilization decline will moderate and not continue to decline at current rates.

- Assumes elders will seek out alternatives to nursing home care at higher rate than Scenario B.
- SD must take additional steps to increase community based service capacity.

### Forecast Number of SD Nursing Home Beds, 3 Scenarios 2000 - 2035



Source: Abt Associates' analysis of South Dakota's Nursing Facilities Data and South Dakota Department of Social Services' Nursing Home Occupancy Report.

### Conclusions and Recommendations

- Policy changes made by the state have successfully accelerated the decline in nursing home utilization, reducing the gap relative to national utilization rates. Assisted living utilization has increased in parallel, but no concurrent increases in skilled Medicare home health or home and community-based services have occurred.
- SD should continue to utilize options counseling through the ADRC to educate consumers and families about community-based care alternatives, in attempts to reduce nursing home admissions.

### Conclusions and Recommendations (Continued)

- Continue to expand and enhance HCBS and other community based care.
- Further explore care preferences and gather more information regarding informal or other supports that elders are utilizing in lieu of seeking assistance from state programs.

### Next Steps

- Released updated 2015 Abt Study and key findings.
- Formed workgroup to explore options to increase availability of community-based services and further explore information or other supports currently being utilized.