

OVERVIEW



WE FACE THE **LARGEST POPULATION** OF SENIORS IN AMERICAN HISTORY
THE **DEMAND FOR SENIOR CARE** IS GROWING

#1 in Choice of Setting and Provider¹

Minnesota is a care leader

#2 Overall²

#3 in Quality of Life and Quality Care³

89% of Minnesotans agree that people over age 65 have a **RIGHT** to receive care and basic housing⁴

FACE AGING — MN —

86% of Minnesotans agree that the **STATE** should help fund support services for seniors who cannot afford to pay⁵

OUR CHALLENGES



GROWING DEMAND FOR CARE is quickly outpacing the supply of **PROFESSIONAL CAREGIVERS** and availability of **AFFORDABLE HOUSING**

THE SOLUTION **STABLE FUNDING IS KEY** to invest in our workforce and prepare for the dramatic increase in the demand for senior care.



THE DEMAND



THE SENIOR BOOM

56%

While the state is projected to see an 8.6% growth in overall population, **ITS SENIOR POPULATION WILL SOAR BY 56% BY 2030⁷**

72%

The number of people 65 and older will **GROW 72% BY 2040¹⁴**



By 2030, there will be **20,000 FEWER K-12 students and 455,000 MORE SENIORS¹³**

48%

An estimated 48% of people **OVER THE AGE OF 55 HAVE NOTHING SAVED**; among people aged 50-64, the average savings is \$135,000 but \$108,000 in debt¹²

70%
BY 2030, 70% OF PEOPLE 65+ WILL NEED SOME TYPE OF LONG-TERM CARE⁶

WE WILL NEED ADDITIONAL SERVICES AND MORE CAREGIVERS TO SUPPORT THEM IN THE FUTURE.

Depending on the care a senior is receiving, they may need to receive home care services or reside in assisted living

There is very little support for low-income seniors to pay for housing

2%

Only 2% of Americans have **LONG-TERM CARE INSURANCE** to help defray the cost of care¹¹



ONE OF EVERY FOUR Minnesota adults will be over the age of 65 by 2030⁸

55% of people in nursing homes rely on **MEDICAL ASSISTANCE⁹**







22% of people in assisted living rely on **GOVERNMENT ASSISTANCE¹⁰**

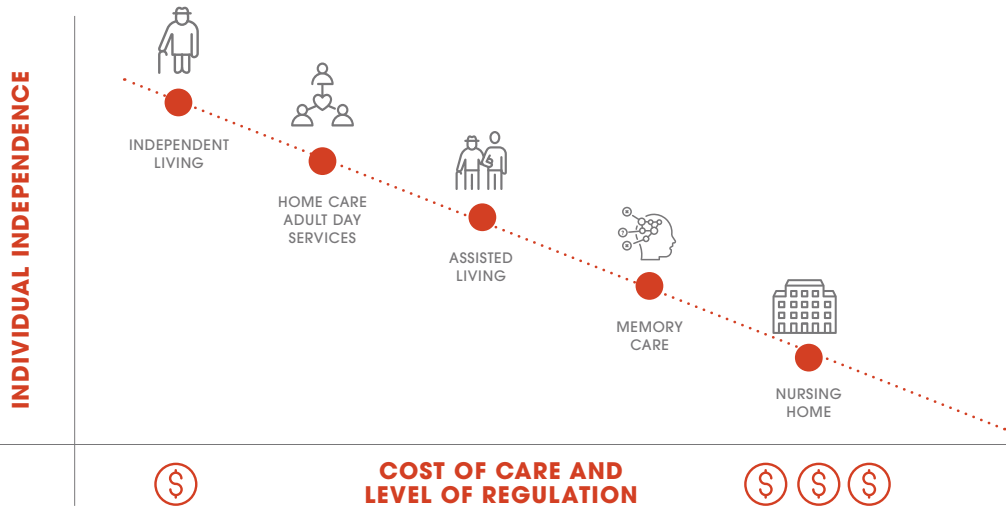
WHAT ARE THE OPTIONS FOR SENIOR CARE?



OPTIONS



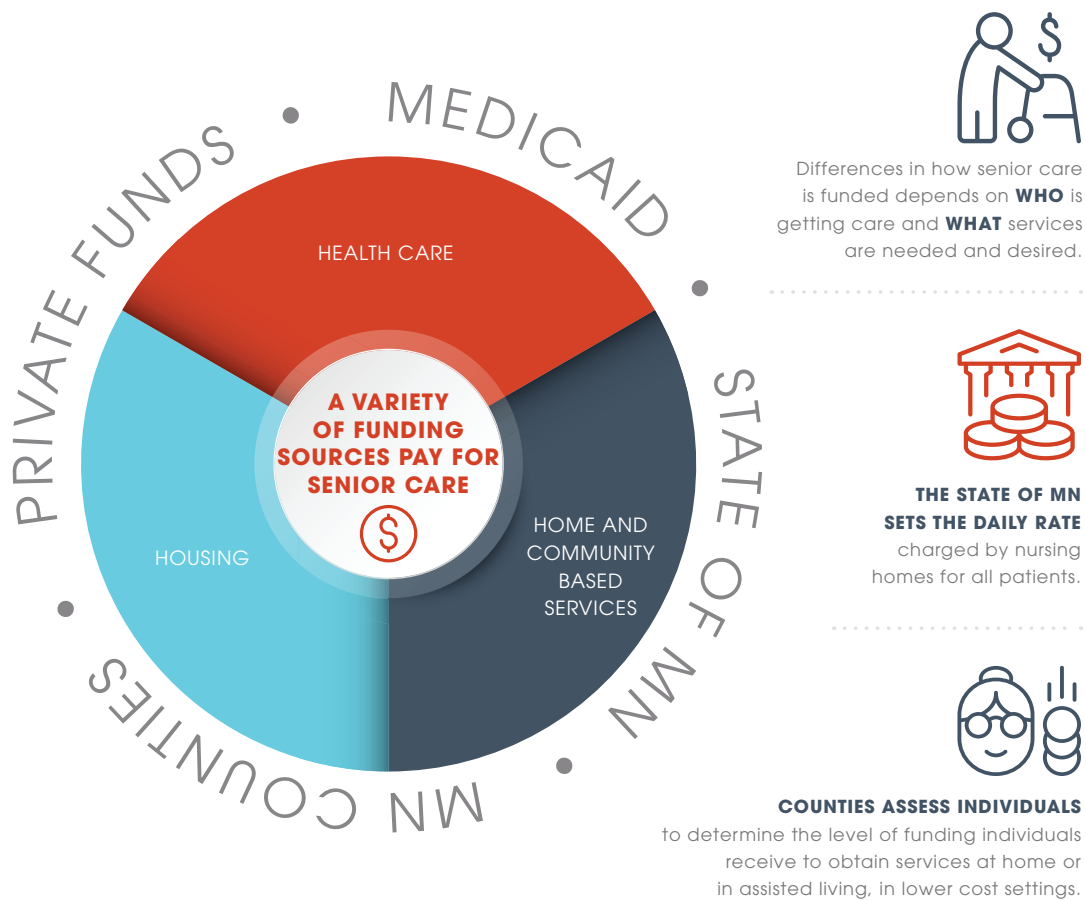
						
	INDEPENDENT LIVING	HOME CARE ADULT DAY SERVICES	ASSISTED LIVING	MEMORY CARE	NURSING HOME	HOSPICE
EXAMPLES OF CARE OFFERED	Non-medical assistance with meals or chores	Assistance with certain personal care, therapy, activities, some medical services	Medical and non-medical assistance	Medical and non-medical assistance	Skilled nursing medical care	End-of-life medical care
LOCATION OF CARE PROVIDED	Own home or rented apartment	Lives at home, but receives services either in home or away from home	Rented apartment at assisted living community	Most settings	Nursing home	All settings
ESTIMATED MONTHLY COST RANGE¹⁵	\$1,200-\$6,000	\$1,800-\$6,000	\$3,800-\$5,000	\$8,000-\$11,000	\$10,000-\$11,000	\$3,500-\$6,000



FUNDING



STATE GOVERNMENT'S ROLE IN FINANCING SENIOR CARE



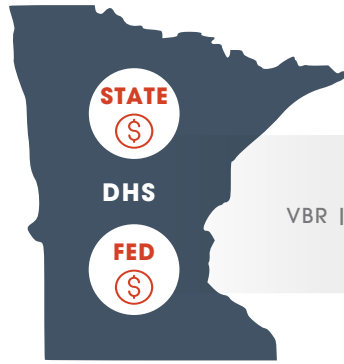
Minnesota's Rate Equalization law **PROHIBITS** nursing homes from charging private pay residents higher daily rates than residents whose care is paid for by Medical Assistance.

Cost of Nursing Home Care for Patients Paying with Private Funds = Cost of Nursing Home Care for Patients Paying with Medical Assistance

FUNDING IS NOT KEEPING UP WITH THE GROWING DEMAND FOR SENIOR CARE SERVICES

NURSING HOME FUNDING

THE STATE OF MINNESOTA DETERMINES NURSING HOME RATES



THE STATE ALLOCATES \$, THEN THE FEDERAL GOVERNMENT PROVIDES MATCHING FUNDS

VALUE BASED REIMBURSEMENT (VBR)

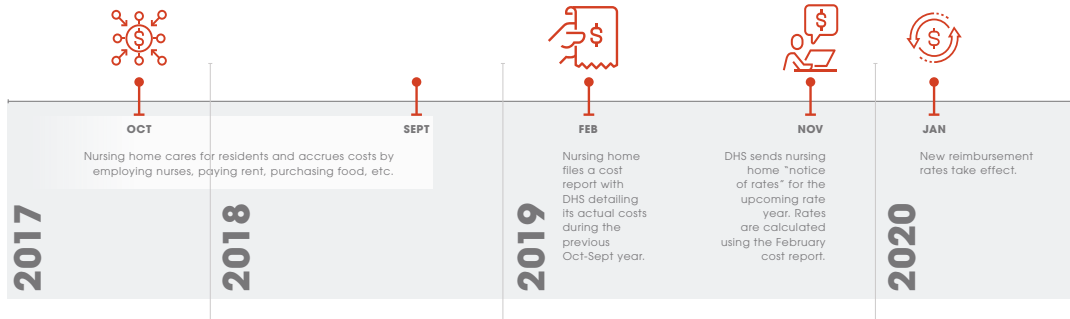
After years of inadequate funding, the adoption of VBR in 2015 is stabilizing nursing home funding to ensure that state aid payments to nursing homes are based on the actual cost of care, including wages and benefits, and quality outcomes.

HERE'S HOW VBR WORKS:

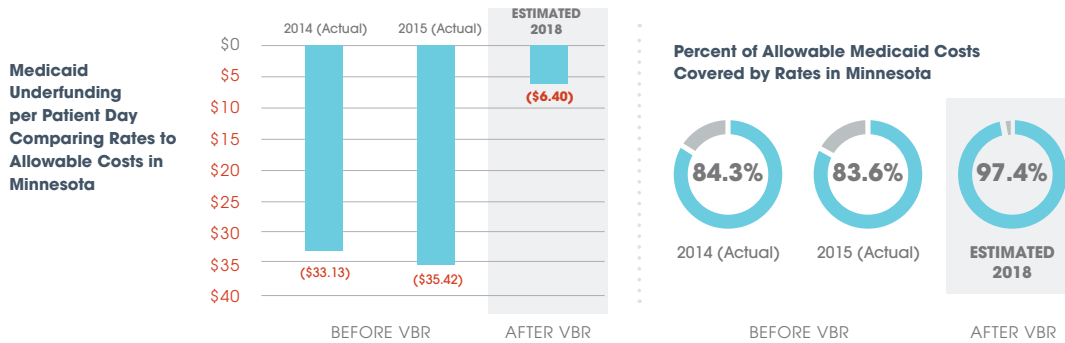
Nursing homes submit reports to DHS that demonstrate the cost of care provided to patients in the last year. DHS audits the reports, then DHS reimburses nursing homes up to 24 months later based on the **AUDITED ACTUAL CARE-RELATED COSTS** up to the state-determined limit.

DHS establishes each nursing home's limit based, in part, on each facility's **QUALITY SCORE**.

VBR **REWARDS GOOD PERFORMANCE** by allowing more opportunity for investment in caregiver wages and employee benefits, while limiting growth in administrative costs.



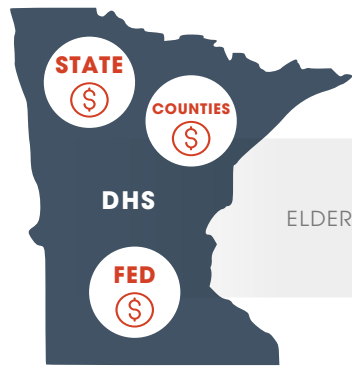
VBR REDUCES THE SHORTFALL BETWEEN MEDICAID REIMBURSEMENT AND ALLOWABLE MEDICAID COSTS¹⁶



SALARIES, BENEFITS AND PAYROLL TAXES COMPRISE 64.6% OF NURSING FACILITY COSTS¹⁷



ELDERLY WAIVER FUNDING



THE STATE ALLOCATES \$, THEN THE FEDERAL GOVERNMENT PROVIDES MATCHING FUNDS

ELDERLY WAIVER



DIRECT AID TO INDIVIDUALS FOR SERVICES PROVIDED AT HOME OR IN ASSISTED LIVING

- ▶ NON-MEDICAL ASSISTANCE WITH MEALS/CHORES
- ▶ TRANSPORTATION
- ▶ ASSISTED LIVING (except housing costs)
- ▶ ADULT DAY SERVICES
- ▶ HOME MEDICAL CARE

GOVERNMENT ASSISTANCE IS PROVIDED TO **INDIVIDUALS FOR ASSISTED LIVING AND HOME AND COMMUNITY BASED SERVICES** THROUGH A PAYMENT PROGRAM CALLED ELDERLY WAIVER

ELDERLY WAIVER

WHO QUALIFIES?



SENIORS AGE 65 OR OLDER who are financially eligible for Medical Assistance



And who **NEED NURSING HOME LEVEL OF CARE** as determined by the person-centered long-term care assessment process at the county level

WHAT'S THE BENEFIT?



Allows seniors choice of services in a non-nursing home setting, including assisted living, home care, adult day services, transportation, chores, and other services

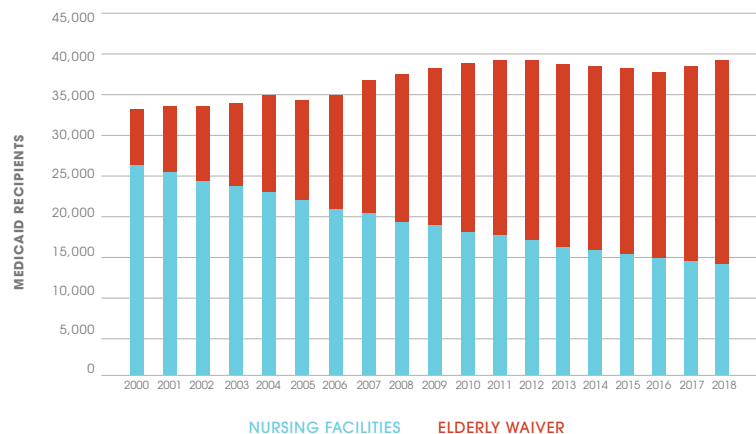


Helps people live in their homes or a community setting and avoid more costly care



Elderly Waiver aid does not cover housing costs.

Elderly Waiver Program Saves the State of MN money¹⁸



CAREGIVERS



CAREGIVING IS
A PROFESSION
AND **DEMAND
EXCEEDS
SUPPLY**

<p>HEALTH CARE</p>	<p>Taking care of elderly patients requires skills, expertise and compassion.</p>		<p>PERSONAL CARE</p>
<p>Caregivers play an important role in ensuring safety and quality care.</p>		<p>HOUSEHOLD CHORES AND TRANSPORTATION</p>	<p>COMPANIONSHIP</p>

OVER 100,000 PEOPLE WORK EACH DAY TO PROVIDE QUALITY CARE AND SUPPORT FOR MINNESOTA SENIORS



Over the next decade, we will need an **ADDITIONAL 25,000 CAREGIVERS** to meet the demands of the rising number of seniors living in Minnesota

Minnesota experienced a net loss of **1,231 NURSING ASSISTANTS IN 2018**



4,000 NURSING HOME ADMISSIONS

were denied in 2017 due to staff shortages and our inability to meet the growing demand for care

INVESTMENTS IN SENIOR CARE

will enable us to attract people to the caregiving workforce through better salaries, benefits and incentives for workers





LTCI is a collaboration of **MINNESOTA'S TWO SENIOR CARE PROVIDER ASSOCIATIONS** - LeadingAge Minnesota and Care Providers of Minnesota



LTCI members provide services to **MEET THE NEEDS OF SENIORS** across the continuum of care



Together, our members serve **SENIORS** in all the places they call home



LTCI members employ **100,000 PROFESSIONAL CAREGIVERS** in Minnesota

What is Face Aging MN?

Face Aging MN is a statewide campaign to raise awareness about the issues that accompany the reality of a rapidly aging society.

Our goal is to create a conversation about aging that engages families, community leaders, caregivers and legislators; a conversation that ultimately leads to a shift in society's view of aging from a burden that we manage to a responsibility that we embrace.

We have the ability — and the responsibility — to work together as Minnesotans to address the needs of our rapidly aging society. Face Aging MN is Minnesota's voice to raise awareness and embrace this change.

faceagingmn.org



¹Long Term Services and Supports State Scorecard, sponsored by the AARP Foundation, Commonwealth Fund, SCAN Foundation and AARP Public Policy Institute

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⁴Survey of a random sample of 800 adult residents in Minnesota commissioned by the Long-Term Care Imperative conducted by Morris Leatherman Co. of Minneapolis between June 13 to 25, 2018. The total sample surveyed accurately represents the demographics of Minnesota's adult population.

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⁶"What Is The Lifetime Risk of Needing and Receiving Long-Term Services and Supports?" U.S. Department of Health and Human Services (HHS), Office of Disability, Aging and Long-Term Care Policy (DALTCP) and the Urban Institute

⁷Minnesota Compass, Wilder Research

⁸Minnesota State Demographic Center

⁹Minnesota Department of Human Services

¹⁰Long Term Care Imperative, Housing with Services Legislative Survey, 2019

¹¹"The State of Long-Term Care Insurance" by Eric C. Nordman, CPCU, CIE Director, Center for Insurance Policy and Research and the National Association of Insurance Commissioners, May 2016

¹²"Most Households Approaching Retirement Have Low Savings," United State Government Accountability Office Report to the Ranking Member, Subcommittee on Primary Health and Retirement Security, Committee on Health, Education, Labor, and Pensions, U.S. Senate, May 2015

¹³Minnesota State Demographic Center

¹⁴Minnesota State Demographic Center

¹⁵Genworth 2019 Cost of Care Survey

¹⁶Information and data on shortfalls in medicaid funding based on report prepared by Eljay, LLC for the American Health Care Association

¹⁷Source: 9-30-2016 Medicaid Cost Report. All Reported Nursing Facility Costs.

¹⁸2018 DHS Medicaid Forecast