Background Brief on …

Seniors and Long-Term Care

Prepared by: Rick Berkobien

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Legislative Committee Services
State Capitol Building
Salem, Oregon 97301
(503) 986-1813

Today there are 36 million people in the United States over 65 years of age, 453,000 of whom reside in Oregon, based on Census information for 2003. The elderly population is expected to more than double by the year 2050, according to U.S. Census Bureau projections, and Oregon's aging population is growing at a rate above the national average. By 2025, it is projected that one out of every five Oregonians will be over the age of 65. Oregon's fastest growing senior population is those age 85 and older. This group is projected to double in size in the next 20 years.

Medicaid and Non-Medicaid Long-Term Care Programs

In 1981, in light of serious financial trouble, the Oregon Legislature consolidated the state's unit on aging and its Medicaid[1] long-term care program. The Senior Services Division (now the Department of Human Services' **(DHS)** Seniors and People with Disabilities Division) received a Title XIX waiver from the federal government that allowed the state to spend Medicaid nursing facility dollars on community-based care. Since 1981, community-based care in Oregon has become prevalent and Oregon's Medicaid long-term care program is considered one of the most successful in the nation. Oregon is one of the few states to spend more of its Medicaid dollars for community-based care than for nursing home care. Many of Oregon's services for seniors and people with disabilities are monitored by local Area Agencies on Aging **(AAAs)** (see below).

In-Home Care Services

Seniors and people with disabilities can receive services in their own home or apartment to assist them in living more independently while "aging in place." Following is a list of in-home care services available:

Oregon Project Independence **(OPI)** - A General Fund program that receives no federal match, like Medicaid services. OPI provides in-home services to seniors who require the same level of care as people in nursing homes, but who typically do not qualify for Medicaid. Services include meal preparation, shopping, home health care, housekeeping and similar services. From July 1st, 2005 through February 28th, 2006 2,973 people were served through OPI. The program was established in Oregon well before the Title XIX waiver, mentioned above, was implemented. The 2005 Legislative Assembly authorized the Department of Human Services to develop plans to

provide these services to younger adults with disabilities as well, as a lower-cost alternative to more expensive care.

Home Care Worker **(HCW)** *program* - Allows providers to work directly for the person receiving care, so clients can control and direct their own care services. These providers are screened for criminal histories by the state and are hired by the client. There are about 11,000 home care workers employed in the state of Oregon. Many clients in this program receive Medicaid, but the program is also used by people in OPI. The Home Care Commission was created by Ballot Measure 99 (2000) and grants home care workers the ability to formally organize. These workers have been subsequently organized by the Service Employees International Union, and the first collective bargaining agreement was signed July 1, 2005.

Spousal pay - The state pays a spouse who provides care to their partner in their own home. There is no federal Medicaid match for the spousal pay program. Other adult family members can be paid through the HCW program or relative adult foster home programs (see footnote #2), for which the state can receive Medicaid matching funds.

Respite-care or adult-daycare services – These are services that can provide relief during the day or for extended periods for family members or other caregivers.

Adult Foster Homes

Adult foster homes **(AFHs)** are individual, private residences licensed to provide care for five or fewer individuals. A wide variety of residents are served in adult foster homes, from those only needing room and board and minimal personal assistance to those requiring total custodial care and a skilled nursing staff. AFHs are inspected, licensed and monitored by the state or an AAA. There are approximately 1,750 commercial[2] AFHs in Oregon with about 8,200 beds available. Approximately 33 pecent of commercial AFH residents are Medicaid clients.[3]

Assisted Living Facilities

Assisted living facilities **(ALFs)** are residential settings with six or more private apartments. The units are fully wheelchair accessible, have kitchenettes, and offer full dining room services, housekeeping, and call systems for emergency help. Oregon operated the first ALFs in the country. The state inspects, licenses, and monitors these facilities. In 2001, legislation was passed to place a two-year moratorium on construction of new ALFs and residential care facilities (see below) in an attempt to restrict the overbuilding of facilities. There are 196 ALFs in Oregon with approximately 10,276 available beds. There are approximately 4,002 ALF residents that are Medicaid clients.

Residential Care Facilities

Residential care facilities **(RCFs)** serve six or more residents. They offer room and board with 24-hour supervision, assistance with physical care needs, medication monitoring, planned activities, and often transportation services. Some offer private rooms and some registered nurse consultation services. They are inspected, licensed, and monitored by the state. There are 233 RCFs in Oregon with about 7,017 beds. Approximately 2,275 residents are Medicaid clients. Over the past several years the largest growth in RCFs has been in units providing specialized dementia care services.

Nursing Facilities

Nursing facilities provide nursing care on a 24-hour basis in a more institutional environment. They provide skilled care, rehabilitation, and end-of-life care. They are required to have licensed nursing staff in the facility 24 hours per day. Many residents have medical and behavioral needs that cannot be met in other care settings such as ALFs or AFHs. Nursing facilities are inspected, licensed, and monitored by the state in compliance with both state and federal regulations. There are 143 nursing facilities in the state, of which 133 accept Medicaid clients. Of the 12,195 beds in the nursing facilities which accept Medicaid, approximately 4,906 residents are Medicaid-funded.

During the 2003 Session, House Bill 2747 was passed, imposing a provider tax on nursing facilities for the purpose of generating revenue to increase payments to nursing facilities serving Medicaid-funded residents. For more information, see the Legislative Fiscal Office publication,

Health Care Provider Taxes. The Nursing Facility Provider Tax is currently scheduled to sunset after the first year of the 2007-2009 Biennium.

Service Priority Levels

Oregon uses "service priority levels," which are categories that indicate a person's need for assistance when receiving state-funded care. At the start of the 2001-03 biennium, the state used 17 categories, which are based upon the need for assistance with activities of daily living such as eating, toileting, mobility, bathing, and dressing. Priority Level 1 clients are the most impaired and typically require nursing facilities care. Those in Priority Level 17 were the least impaired and usually receive care at home. Eligibility is based on impairment and income level. All people must be eligible to require nursing facility services and must have incomes below 300 percent of Supplemental Security Income (about $1,635 per month). Due to budget shortfalls, services to those in Priority Levels 14 – 17 were eliminated.

Area Agencies on Aging

Area agencies on aging provide or oversee local aging services. They vary in how they are structured, services provided, and under what auspices they operate. Some are part of a county government and others are part of Councils of Governments.

AAAs are categorized based upon the type of services they offer and the financial relationship they have with DHS. "Type A" AAAs administer the federal Older Americans Act **(OAA)**, which funds Meals on Wheels, senior centers and other services. They also administer the OPI program funds. "Type B" programs administer OAA and OPI programs, as well as manage the Medicaid long-term care program for both seniors and persons with disabilities. In locations where Type A programs operate, state DHS offices manage both Medicaid long-term care programs for the elderly and the disabled.

Under statute, AAAs can manage Medicaid long-term care and other related programs. Over the years, AAAs in more populated parts of Oregon have assumed this responsibility. Consequently, DHS relies heavily upon AAAs to provide long-term care case management, eligibility determination services for food stamps and the Oregon Health Plan, and OAA and OPI services.

Some AAAs are "contract" agencies, meaning they are operated by local government managers who provide oversight of state employees. Others are "transfer" AAAs, meaning they operate the Medicaid long-term care program completely under a local governing entity management and staff (i.e., there are no state employees).

Financial Assistance

A "homestead exemption" tax credit program is available for seniors as a way to remain independent in their own homes. The program exempts a portion of a home's value from property taxes. Oregon law provides a property tax deferral for qualifying low-income seniors. State government pays the taxes to the county, maintains the account, and charges six percent interest, which is also deferred. When the person passes away, the estate repays the property taxes in full to the state. Although this deferral program gives seniors some flexibility around paying their property taxes, their heirs are still ultimately liable. Seniors groups and some state leaders are examining a full or partial homestead exemption for seniors in Oregon.

The 1999 Legislature passed House Bill 2901, which allowed disabled people to qualify for Oregon's current deferral program, and also expanded the program to qualify seniors making $27,500 or less. The cap will be adjusted annually for inflation).

Protecting Seniors from Fraud and Abuse

The 1995 Legislature passed the Elder Abuse Prevention Act, which allows seniors in Oregon to obtain restraining orders against people in cases of abuse or threats of abuse. It also allows prosecution for first-degree criminal mistreatment if a person injures, abandons, endangers, or defrauds an elderly person in their care.

House Bill 3388 (1999) expanded the Elder Abuse Prevention Act to add to the definition of abuse the mailing of a sweepstakes promotion to certain elderly people. Senate Bill 6 (1999) provides a cause of action against anyone who wrongfully takes money from an elderly person. Senate Bill 106 (2005) further extended protections to seniors from abuse and neglect.

Office of the Long Term Care Ombudsman

The mission of the Office of the Long Term Care Ombudsman is to enhance the quality of life, improve the level of care, protect the individual's rights, and promote the dignity of each Oregon citizen residing in a long-term care facility. The agency monitors care in long-term care facilities and investigates reports of abuse and mistreatment. If a complaint is substantiated, the Ombudsman reports it to DHS, which can investigate and penalize the facility if necessary. The Ombudsman has a staff of eight and a budget of $1.89 million, as well as approximately 190 trained and certified volunteers around the state to regularly visit facilities.

Staff and Agency Contacts

Julia Huddleston, Dept. of Human Services
Medicaid funding and payment issues
503-945-6392

Cindy Hannum, Dept. of Human Services
Nursing homes and Community-based long-term care facilities
503-945-5833

Rick Berkobien, Legislative Committee Services
503-986-1485

End Notes:

1. The federal/state public financing program for providing health and long-term care coverage to low-income people. Federal financial assistance is provided to states for coverage to specific groups of people and benefits through federal matching payments based on a states' per capita income. In Oregon, the federal share is approximately 60 percent of Medicaid expenditures.
2. Does not include the 2,300 relative adult foster homes that are normally operated by families to primarily serve a single family member.
3. The number quoted for Medicaid-funded residents in adult foster homes, assisted living facilities, residential care facilities and nursing homes is an average since facilities vary in the number of Medicaid clients they accept and in their vacancy rates.