The Nuts and Bolts of Long-term Care In Rhode Island: Demographics, Services and Costs

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ABSTRACT

Nearly 8,000 people reside in Rhode Island's (RI's) 84 nursing homes at any single point in time. Many of these people are highly vulnerable because of illness or frailty. In this article, we describe the reasons that RI residents seek care from nursing homes, the associated costs (with a focus on Medicare and Medicaid payment), and different ways to assess nursing home quality. We also describe the home- and community-based services that can help people remain in the community. A resource list provides additional information for those seeking to better understand RI nursing homes and long-term care supports and services.

KEYWORDS: Economics, demographics, nursing home, skilled nursing facility, Rhode Island

INTRODUCTION

Each year, tens of thousands of Rhode Island (RI) residents are admitted to a nursing home for skilled care following a medical event or hospitalization (post-acute care) or for custodial care on a more permanent basis (long-term care). Altogether, nearly 8,000 residents reside in the state's 84 nursing homes at any single point in time.[1]

DEMOGRAPHICS

RI nursing homes are mostly independent facilities (60.7%), although a large minority belongs to a multi-facility organization (39.3%) (**Table 1**). Likelihood of admission increases with age, as well as among those with low income and low family and social support.[2] Residents are predominantly female (72.1%) and non-Hispanic white (93.4%) (**Table 2**).[3] More than half (55.5%) are aged 75 years or older.[3]

Locally, hospital patients are most-commonly discharged to nursing homes for post-acute care as a result of septicemia, osteoarthritis of the hip or knee, hip fracture or dislocation, or heart failure.[4] In contrast, long-term care residents' most-common health problems range from injury and surgery to the frailty and cognitive impairment that often accompanies aging (**Table 3**): many residents are dependent on staff for help with activities ranging from bathing (95.8%) to toileting (79.5%) and eating (43.2%); more than half are chair bound (57.2%), have cognitive impairment (moderate or severe, 64.6%), or dementia (52.4%); and nearly as many have depression (44.2%).

COVERAGE AND COSTS

In 2012, RI nursing home costs averaged $8,517/month for a shared room and $9,277/month for a private room.[5] Expenses include skilled (nursing, therapy, and medications) and custodial care, as well as room, board, housekeeping, and other overhead costs. Most residents are covered by Medicare, Medicare Advantage, or Medicaid, or pay out-of-pocket.

Approximately one-third of RI Medicare patients have fee-for-service (FFS) Medicare and two-thirds have Medicare Advantage, a private health plan that furnishes Medicare benefits. Medicare Part A (hospital insurance) provides FFS Medicare patients with limited coverage for nursing home care (**Table 4**).[6,7]

Table 1. Rhode Island Nursing Home Characteristics, June 2014 (N=84)

Characteristic	
Nursing Home Control, n (%)	
Hospital-based	0 (0.0)
Independent	51 (60.7)
Multi-facilities	33 (39.3)
Nursing Home Ownership, n (%)	
For profit	66 (78.6)
Government	0 (0.0)
Non-profit	18 (21.4)
Patients by Payer, n (%)	
Medicaid	5,281 (66.4)
Medicare	732 (9.2)
Other	1,941 (24.4)

Source: American Health Care Association, 2014

Table 2. Rhode Island Nursing Home Residents' Demographics, 2012 (N=8,221)

Demographics	n (%)
Age (Years)	
≤64	715 (8.7)
65-74	929 (11.3)
75-84	2,014 (24.5)
≥85	4,563 (55.5)
Female	5,927 (72.1)
Male	2,293 (27.9)
Race/Ethnicity	
Black, not Hispanic origin	304 (3.7)
Hispanic or Latino	164 (2.0)
White, not Hispanic origin	7,678 (93.4)
Other	66 (0.8)

Source: Centers for Medicare & Medicaid Services Nursing Home Compendium, 2013

Table 3. Rhode Island Nursing Home Residents' Medical Conditions, June 2014 (N=7,953)

Condition	n (%)
Mental Status	
Behavior Symptoms	1,622 (20.4)
Dementia	4,167 (52.4)
Depression	3,513 (44.2)
Psych Diagnosis	2,314 (29.1)
Mobility	
Ambulatory*	5,065 (63.7)
Bedfast	108 (1.4)
Chair bound	4,549 (57.2)
Pain Management†	3,977 (50.0)
Skin Integrity	
Pressure Ulcers	387 (4.9)
Pressure Ulcers at Admission	190 (2.4)
Preventative Skin Care	6,797 (85.4)
Special Care	
Hospice	437 (5.5)
IV Therapy	103 (1.3)
Mechanically altered diet	2,362 (29.7)
Special Rehab	2,108 (26.5)
Tube feeding	167 (2.1)
Total ADL Dependence	
Bathing Dependent	7,619 (95.8)
Eating Dependent	3,436 (43.2)
Toileting Dependent	6,792 (85.4)
Transferring Dependent	6,323 (79.5)

*Ambulate independently or with assistive devices
†Residents with a specific plan to control difficult to manage or intractable pain
Source: American Health Care Association, 2014

Medicare Advantage plan requirements vary by plan. Unless residents have long-term care insurance – and very few do – they must pay out of pocket for long-term care. Few can afford to do this for long; if their resources are exhausted, they turn to Medicaid. As a result, Medicaid is RI's largest payer for nursing home care, covering two-thirds (66.4%) of all post-acute and long-term care (**Table 1**).[8] In 2012, there were more than 1.9 million Medicaid bed days[9] among 7,978 residents; in contrast, there were 88,000 Medicare bed days.[1] Medicaid coverage is simpler, in some respects, because it is dictated by Medicaid eligibility (income and assets) and the clinical need for care (**Table 4**).

ECONOMICS OF CARE

Nearly eight in 10 (78.6%) RI nursing homes are for-profit (**Table 1**), although most are operating on a deficit. Why? As described above, the majority of RI nursing home residents are covered by Medicaid. Medicaid reimburses a flat daily rate that varies based on individual patients' acuity.[10] Although Medicaid reimbursement differs by state, on average it is lower than reimbursement by other payers and in some states, including RI, it can be lower than the actual cost of providing care.[11] In 2010, RI Medicaid patients accrued costs of, on average, $212/day and facilities were reimbursed $196/day, resulting in an operating deficit of $16/day per Medicaid resident and a net loss of nearly $30M in one year.[12]

In 2013, RI implemented a plan to constrain spending by enrolling long-term care residents with Medicaid into a health maintenance organization (HMO). Today over two-thirds of long-term care nursing home residents are enrolled in Neighborhood Health Plan of Rhode Island's Rhody Health Options.[13] However, Rhody Health Options receives Medicaid reimbursement rates and may therefore encounter similar operating deficits as Medicaid.

Table 4. Medicare and Medicaid Coverage

Eligibility	Fee-for-Service Medicare	Medicare Advantage	Medicaid
Overall	Based on age (≥65 years), end-stage renal disease diagnosis (any age), or certain disabilities (<65 years)	Based on age (≥65 years), end-stage renal disease diagnosis (any age), or certain disabilities (<65 years)	For certain population groups (children, pregnant women, parents, seniors, individuals with disabilities) or based on income/assets. Rhode Island has flexibility for coverage based on waivers.
Post-Acute Care	Medicare Part A (hospital insurance) provides limited coverage ≤100 days to patients who: • Have a recent inpatient hospital stay ≥3 days,* • Be admitted to a Medicare-certified nursing facility <30 days of the prior hospital stay, and • Be in need of skilled services such as nursing or therapy. For the first 20 days, 100% of costs are covered; for days 21-100, patients pay a co-pay (in 2014, $152.00/day) and Medicare pays the balance.	Requirements vary by plan; some may be exempt from the three-day hospital stay requirement, but most have higher co-pays	Covers inpatient, comprehensive services (e.g., post-acute and long-term care services) as part of institutional benefits. This includes state-licensed/certified nursing facilities for those in need of skilled services, such as nursing or therapy. Patients may need to meet level of care requirements
Long-Term Care	No coverage	No coverage	

Source: U.S. Department of Health and Human Services, 2014; Kaiser Family Foundation, 2012; Medicaid.gov, 2014
*This requirement makes it important for hospital patients to understand whether they are being held for observation (a short-term treatment or assessment before a decision is made regarding a hospital stay or discharge) or admitted as inpatients.

QUALITY OF CARE

Nursing home economics provide important context to the ongoing debate among nursing home providers, stakeholders, and researchers regarding the relationship between reimbursement rates and overall quality of care. There is a widely-accepted connection between reimbursement and resources, since reimbursement serves as nursing homes' primary source of revenue and their revenue, in turn, determines their ability to secure resources.[14]

Because Medicaid is the single-largest payer for nursing home care[11] and Medicaid reimbursement (as outlined above) can fall short of the actual costs of care,[15] researchers frequently use payer mix as a marker for overall quality of care. For example, investigators at Brown University's Center for Gerontology and Health Care Research found that facilities with the highest proportions of Medicaid residents — 85% or more — have fewer nurses, lower occupancy rates, and more health-related deficiencies.[17]

Nursing home quality is subjective and can include the physical environment, nursing care, clinical outcomes, relationships with staff or other residents, or other criteria. When choosing amongst facilities, experts suggest that people ask questions, visit in person to see how facilities look, sound, and smell, and use data to make comparisons. Both Medicare and the Rhode Island Department of Health (HEALTH) publish data to inform consumers.[15,16] HEALTH is also one of only four states nationwide to require all nursing homes to evaluate resident and family satisfaction each year,17 with results published on HEALTH's website.[19]

HEALTH monitors nursing home quality by performing inspections. Most facilities also have programs to improve the quality of care and experiences they provide residents. This includes participating in local and national initiatives, such as the national *Advancing Excellence in America's Nursing Homes* campaign,[18] and collaborating with Healthcentric Advisors, the New England Medicare Quality Improvement Organization (QIO). Healthcentric Advisors leads quality improvement initiatives that target national priority topics ranging from care transitions to patient safety, and is a national leader in improving person-directed care.[19]

HOME- AND COMMUNITY-BASED SERVICES

For those unable to live at home, assisted living is a growing trend to provide the help or supervision necessary to remain in the community (**Table 5**). In RI, an assisted living facility is any residence for two or more adults that provides lodging, meals, and personal assistance.[20] In 2012, assisted living costs averaged $3,898/month – less than half of the average nursing home costs ($8,517-$9,277/month).[5] However, residents usually pay out-of-pocket (assisted living is not a covered healthcare service) and these facilities do not substitute for nursing homes: they can manage medications, support activities of daily living, and provide social activities, but in most circumstances they cannot provide skilled nursing care for more than 21 days without HEALTH's approval.[21] Nationally, 69% of assisted living residents come from the community – not a hospital, rehabilitation center, or nursing home.[28]

When asked, most people will say that they prefer to stay at home. Home- and community-based services (HCBS) can help them do just that, by providing the wrap-around and supportive services necessary for disabled and elderly people to maintain independence (**Table 5**). The overarching goal of these programs is to "provide cost-effective services that will ensure that [patients] receive the appropriate services in the least restrictive and most appropriate setting."[22] Reducing costs is a secondary goal, though some policymakers

Table 5. Rhode Island Home- and Community-Based Services

Programs/Services	Details	Coverage
Assisted Living	Residences with lodging, meals, and personal assistance, including medication management, support activities of daily living and social activities	$3,898/month, usually paid for out-of-pocket by residents
Adult Day Services	Offer care during the day and can include assistance with personal care and medications, recreational and social activities, and meals	Services covered by Medicaid under Rhode Island's Section 1115 Waiver
Balancing Incentive Program	Designed to work separately or in concert, provides a network of HCBS services for seniors who want to remain in the community	Provided for patients with incomes up to 300% of the Social Security Income Federal Benefit Rate (in 2013, $2,130/month for an individual)
Home Health Care	Provides assistance for seniors who cannot live alone, yet want to remain in the community. Includes assistance with activities of daily living, medication management, homemaker services, and meals.	Services covered by Medicaid under Rhode Island's Section 1115 Waiver
Money Follows the Person	Provides targeted support for nursing home residents who transition back to the community	
Program of All-Inclusive Care for the Elderly (PACE)	Serves frail adults ≥55 years who have chronic health needs and want to live at home. These adults are nursing home-eligible. Transportation is provided to a central site that includes medical care and other services.	Services covered by Medicaid under Rhode Island's Section 1115 Waiver

Source: Rhode Island Executive Office of Health and Human Services

acknowledge that HCBS costs can be higher than nursing home care, if people need significant support.

Although there are numerous HCBS available throughout RI, most are run by state agencies such as the Rhode Island Executive Office of Health and Human Services (EOHHS, which administers Medicaid) and its Division of Elderly Affairs (DEA). The DEA-led Aging and Disability Resource Center, THE POINT, is a referral service that maintains a comprehensive directory of services available throughout RI and connects people with available programs. THE POINT also helps people to apply for EOHHS or DEA funding assistance, which is awarded based on need, income, or Medicaid eligibility.[23]

Under RI's Section 1115 Waiver,[24] EOHHS may use Medicaid funds for programs that further state objectives, such as providing care in the least restrictive setting.[25] Under the Medicaid State Plan's core and preventative services programs, people can receive personal care (e.g., assistance with activities of daily living), home health services, and homemaker services, such as preparing meals and light housekeeping. Additional services may include comprehensive case management, assistance with transitional care, or referral to other HCBS, such as adult day services, assisted or shared living, or Program of All-Inclusive Care for the Elderly (PACE, a program serving frail adults 55 and older who have chronic health needs and want to live at home).

EOHHS has two additional HCBS programs: Money Follows the Person and the Balancing Incentive Program.[26] Money Follows the Person provides targeted support for patients who transition from a nursing home back to the community. The Balancing Incentive Program provides new or expanded HCBS for patients with incomes up to 300% of the Social Security Income Federal Benefit Rate. These programs are designed to work separately or in concert, providing a network of services for seniors who want to remain in the community.

IN SUMMARY

RI's nursing home population includes nearly 8,000 people, many of whom are highly vulnerable because of illness or frailty, and the aging population is expected to place increasing demand on nursing homes in the coming years.[27] Characterizing nursing homes and HCBS resources can help consumers and providers better understand the industry and available services. **Table 6** provides resources for those seeking to better understand RI nursing homes and HCBS.

Table 6. Helpful Resources for Long-Term Care in Rhode Island

Resource	Description	Contact
Aging and Disability Resource Center, THE POINT	Provides information, referrals, and help getting started with programs and services for seniors, adults with disabilities, and their caregivers	adrc.ohhs.ri.gov or 401-462-4444
Alliance for Better Long-Term Care	As the Rhode Island Ombudsman for Long-Term Care, helps to protect the rights of elderly and disabled persons who live in long-term care settings and those who receive home health or hospice in the home	www.alliancebltc.com
LeadingAge-Rhode Island	A membership organization for non-profit providers of aging services, including nursing homes and assisted living residences, which aims to promote policy and practice that empowers people to live fully as they age	www.leadingageri.org
Healthcentric Advisors	As the New England Medicare Quality Improvement Organization (QIO), provides data, education, and assistance to help providers in all settings, including nursing homes, improve the quality of care they provide to patients	www.healthcentricadvisors.org
Medicare's Nursing Home Compare	Publishes data to help consumers compare nursing homes based on the care and outcomes that their residents experience	www.medicare.gov/nursinghomecompare
Rhode Island Division of Elderly Affairs	Focuses specifically on preserving the independence, dignity, and capacity for choice for seniors, adults with disabilities, families and caregivers	www.dea.ri.gov
Rhode Island Department of Health's Healthcare Quality Reporting Program	Publishes data to help consumers compare nursing homes based on the care and outcomes that their residents experience; includes resident and family satisfaction	www.health.ri.gov/nursinghomes/about/quality
Rhode Island Executive Office of Health and Human Services	Provides consumers aged 65 years and older with information about services to help them get the right care, at the right place, at the right time	www.eohhs.ri.gov/Consumer/Elders.aspx
Rhode Island Health Care Association	A membership organization of for-profit nursing homes, which aims to provide its members with information, education, and tools that enhance residents' quality	www.rihca.com
The Economic Progress Institute's Guide to Government Assistance	Provides information about government assistance programs and community-based resources that help low- and modest-income Rhode Islanders meet basic needs	www.economicprogressri.org

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Disclaimer

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