

Overview of Long-Term Services and Supports in California

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This brief offers a basic primer on long-term services and supports (LTSS) in California within a national context. LTSS, also known as long-term care (LTC), provides assistance to people with disabilities of all ages, including older adults who need help with daily activities.

52% of Americans who reach **age 65** will someday need a **high level of help** with **everyday activities.**



Source: ASPE, 2015

Introduction

The number of individuals age 65 and older across the nation is projected to double in the next 50 years, from over 45 million in 2015 to over 95 million in 2065.¹ California's age 65 and older population stands at 4 million, which is projected to double to over 8 million by 2030.² Additionally, the projected average life expectancy has increased to over 81 years for women and over 76 years for men.³ Over 20 percent of older adults are living with five or more chronic conditions, and 26 percent of them also live with substantial functional limitations.⁴ With these changes in the older adult population, the demand for long-term services and supports (LTSS) is expected to increase in California and nationwide.

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This brief focuses on LTSS in California within a national context, providing a general overview of who uses these services and supports and how they are provided.

What are Long-Term Services and Supports?

LTSS, also referred to as long-term care (LTC), refers to a broad range of services by paid or unpaid caregivers that assist people who have limitations in their ability to care for themselves due to a physical, cognitive, or chronic health condition that is expected to continue for at least 90 days.⁵ These care needs may arise from 1) an underlying health condition as is most common among older adults, 2) an inherited or acquired disabling condition among younger adults, and/or 3) a condition present at birth.

A person who needs LTSS often requires assistance with one or more activities of daily living (ADLs) such as bathing, dressing, eating, transferring, and walking and/or instrumental activities of daily living (IADLs) including meal preparation, money management, house cleaning, medication management, and transportation. LTSS may include hands-on assistance, supervision, cueing or standby assistance as well as assistive technologies and devices. The installation of home modifications, such as ramps and grab bars, may also be considered LTSS.

Who Uses Long-Term Services and Supports?

Individuals who use LTSS include older adults as well as people under the age of 65 who live with a disability. In total, about 11 million Americans use community-based LTSS each year, with an additional 1.8 million receiving services in nursing homes.⁶ Because the likelihood of chronic illness and other physical and cognitive impairments increases with age, older adults use LTSS in higher proportions than younger adults.

A recent study projects that over half (52%) of adults who reach age 65 will someday require a high level of help with basic daily activities, though most will require help for less than two years. About one in seven, however will need LTSS for more than five years. In 2015, 6.3 million people aged 65 or older required a higher level of support with daily activities. By 2065 up to 15.7 million older adults may have similar LTSS needs.¹ In 2012 there were over 548,000 Californians over age 65 with a need for LTSS; this is expected to double by 2030.² It is important to note that not all individuals defined as needing LTSS actually are using services. Reasons for not using services includes cost, lack of access, lack of awareness, and other factors.

Some populations are more likely to need and use LTSS than others, and certain characteristics are more strongly associated with receiving that care in institutional or community-based settings. For example, women are more likely to use formal, paid LTSS than men (52% vs. 42%) and their lifetime costs are twice as high as men's (\$180,000 vs. \$91,000).¹ Women are more likely to use LTSS because they live longer and experience higher rates of disability than men. Women may also be more likely to use paid LTSS because they live longer and may lack a ready source for informal care supports in the community.



Who Provides Long-Term Services and Supports?

People receive LTSS from both paid and unpaid caregivers in a variety of settings, including:

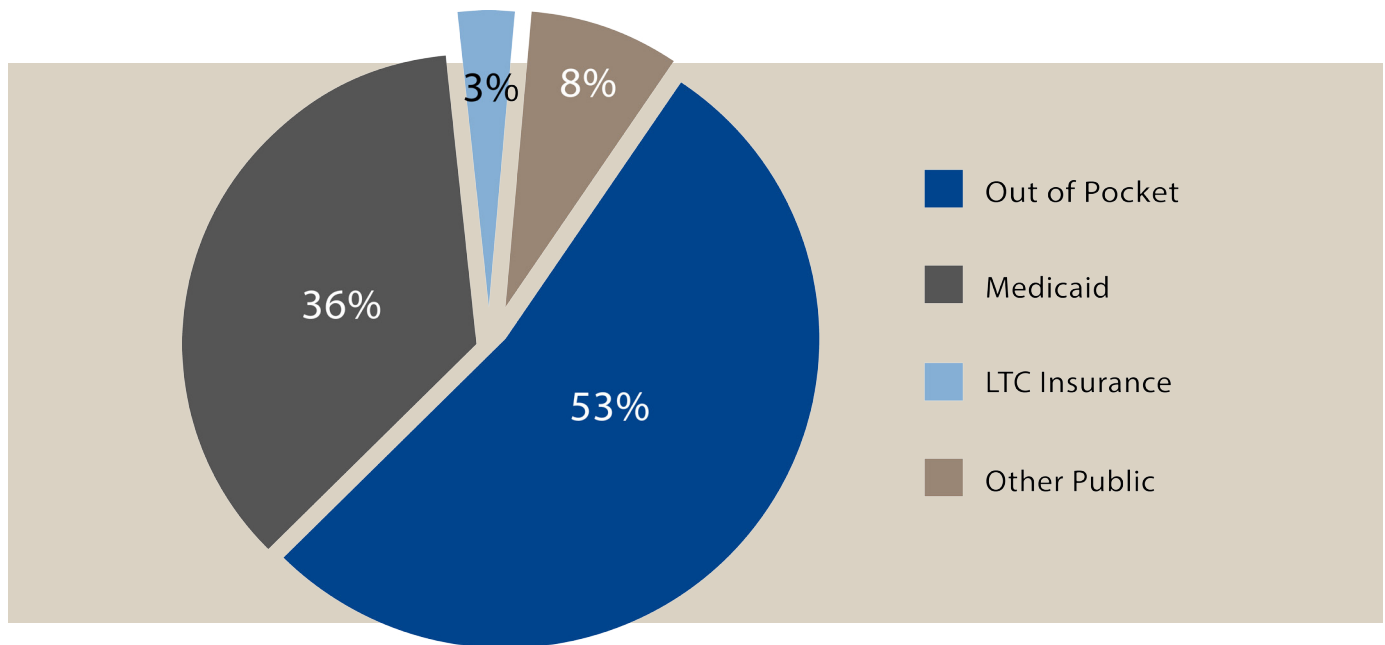
- Personal care services provided in one's home;
- Adult day care services provided in community settings;
- Assisted living in residential settings; and
- Nursing care in institutional settings such as nursing homes or intermediate care facilities.

Nationally, a large number of older adults (87%) who need LTSS receive it from unpaid caregivers. There are nearly 44 million unpaid caregivers nationally, 79 percent of whom provide care to an adult age 50 and older. The majority of unpaid caregivers in California are family members, with almost half providing care for a parent.⁷

Among Americans receiving LTSS in the community, only 13 percent rely on care from paid caregivers, with older adults being much more likely to rely on paid assistance than younger adults (18% vs. 8%).⁷ The majority of paid LTSS is provided by direct care workers, which include nursing assistants/nurse aides, home health aides, and personal and home care aides. Most of California's direct care workers are women (85%) and predominately provide care in private homes.⁸ Other services, such as meals and transportation, are provided by counties, municipalities, and other community-based organizations.

Who Pays for Long-Term Services and Supports?

The United States spends over \$300 billion on LTSS annually.⁹ For Americans over 65, more than half of their average lifetime spending comes directly from out-of-pocket payments made by individuals and their families. Medicaid finances over a third of spending and private long-term care insurance makes a small contribution of about 3 percent (Figure 1). Medicaid contributes more toward the average lifetime costs of institutional care (over 50%) whereas out-of-pocket spending covers the vast majority of the average lifetime costs for community-based care (68%).¹ While many caregivers are not paid for the support they provide, the estimated value of unpaid caregiving is substantial – approximately \$450 billion, increasing the total cost of LTSS nationally.¹⁰

Figure 1: LTSS Lifetime Expenditures By Payer¹

Summary

American families will experience an increasing need for LTSS, which in turn will place increasing pressure on the current service delivery systems. In California, the fastest growing population segment is those older than age 65.² People with multiple chronic conditions whose functional ability creates a need for LTSS often experience higher health care costs. LTSS accurately matched to need and ability can help people have better quality of life and manage health care costs by preventing unnecessary hospitalizations and treatments.¹¹ The challenge facing policymakers today, and on the near horizon, will be to ensure that all individuals with needs have access to quality LTSS in the setting of their choice.

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