Who Will Care For Us?

Long-Term Care and the Long-Term Workforce

PAUL OSTERMAN
OUR LONG TERM CARE SYSTEM IS HARDLY A SYSTEM

- It is confusing to consumers
- It is too expensive
- It has two shaky foundations
  - Medicaid
  - Unpaid family caregivers
- It is an afterthought in the health care system
Our policy to date is to muddle through. BUT:

- The well being of tens of millions of people depends on this “system”

And....

- These numbers will explode in the coming decades and the lack of a system will impose tremendous human and budgetary costs
THERE IS ALSO A BROADER LABOR MARKET PROBLEM

- 25% of adult Americans work in jobs paying poverty level wages.

- The LTC system is part of the problem
  - The median wage for Aides is $10/hour, $12/hour for CNAs
BACKGROUND AND CONTEXT
PROJECTED LIFETIME NEED FOR LTSS FOR PEOPLE TURNING 65 IN 2015

WHERE CARE IS PROVIDED

11 million in homes
1.4 million in nursing homes
1.0 million in assisted living and CCRCs
ANNUAL COSTS FOR FULL TIME CARE

Nursing Homes $95K
Homecare Aide $45K
### WHO PAYS: 2015 DOLLARS FOR PEOPLE TURNING 65 THAT YEAR AND WHO USE CARE

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Medicaid</td>
<td>34%</td>
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<tr>
<td>Medicare</td>
<td>10%</td>
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<tr>
<td>Private Insurance</td>
<td>3%</td>
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<tr>
<td>Out of Pocket</td>
<td>53%</td>
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Total average expenditures $266,000 but this is a considerable underestimate because only HIPPA level care considered for homecare

source: ASPE Issue Brief, February, 2016
MY FOCUS IS ON PAID DIRECT CARE WORKERS (AIDES AND CNA’S)

- The supply of family caregivers will decline relative to demand

- Thinking deeply about their role offers a strategy for improving the system AND making it more affordable to clients and to the public purse

- Addressing their situation is part of a larger American challenge: our large low wage job market and pervasive inequality
### DIRECT CARE WORKERS

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
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<tbody>
<tr>
<td>Number of Homecare Aides</td>
<td>1,958,000</td>
</tr>
<tr>
<td>+ Number under the table</td>
<td>301,000</td>
</tr>
<tr>
<td>Number of CNAs</td>
<td>1,112,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3,371,000</strong></td>
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DIRECT CARE WORKERS

2016 annual earnings homecare aides $17,700

2016 annual earnings CNAs $21,000
## WHO ARE THE AIDES

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Women</td>
<td>88%</td>
</tr>
<tr>
<td>Immigrants</td>
<td>27%</td>
</tr>
<tr>
<td>People of Color</td>
<td>57%</td>
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<td>At least some college</td>
<td>47%</td>
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WHY IS COMPENSATION SO LOW?
This is the standard story, with considerable truth

But, consider that while 61% of SNF resident are on Medicaid only about 20% of AL/CCRC residents are on Medicaid.

Yet wages for CNAs in SNFs and AL/CCRC are basically the same.

Reimbursement cannot be the whole story
Annual earning gains for having at least some college

Direct Care (CNA and HHA) + 6%
Retail sales + 15%
Waiter/waitress + 22%

Why? Little opportunity to be productive!
“These are minimum wage people”

”What if they put the cat’s eye drops in the client’s eye”

“Most people, when they hear we’re a Home Health Homecare Aide, they look at us like we’re the scum of the earth. I’ll try to tell them certain things about the client and they act like they didn’t hear anything that I said …”
LIMITATIONS

Can’t be more productive because cannot do more

- Not part of care team
- Scope of practice
- Culture of medicine
POLICY STEPCHILD

- No serious homecare demonstrations (are some for SNFs)

- Policymakers focus on finances and fraud, not on improving care via improving the jobs
THIS IS NOT VIALBLE GOING FORWARD

- Baby boom ages
- Family caregivers less available

Shortages of Direct Care Workers
AVAILABILITY OF FAMILY CAREGIVERS

Caregiver Support Ratio, United States

Source: AARP Public Policy Institute calculations based on REMI (Regional Economic Models, Inc.) 2013 baseline demographic projections.

Note: The caregiver support ratio is the ratio of the population aged 45–64 to the population aged 80-plus.
<table>
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<tr>
<th>Period</th>
<th>Growth of paid Direct Care Workforce</th>
<th>Growth of Population 65+</th>
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<tbody>
<tr>
<td>2016-2030</td>
<td>+6.3%</td>
<td>+50.4%</td>
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<tr>
<td>2016-2040</td>
<td>+13.1%</td>
<td>+60.8%</td>
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And even this may be too optimistic……
DECLINING IMMIGRATION

SEAL THE BORDERS
STOP THE INVASION
SAVE OUR COUNTRY
COMPETING JOBS WILL BECOME MORE ATTRACTIVE

1 million Walmart workers get a raise on Saturday
by Chris Isidore  @CNMN Money

Target Is Raising Its Minimum Wage and Is Making a Big Pledge for 2020
WILL TECHNOLOGY SAVE US?
TECHNOLOGY CAN IMPROVE CARE

- Communications with health team
- Devices, e.g. smart refrigerators in home and notifications in SNFs
- Help with lifting and other functions
- BUT, unlike in other fields it is very unlikely to replace workers
THE SOLUTION

IMPROVE THE JOB
STRATEGY

Expand scope of practice
Train
Shift work to Aides, saving the system money
Claim a share of the savings for Aides
“To be specific, Paul, assisting is not them actually putting in the eye drops. They would place the eye drop in the client’s hand and put their hand over the client’s hand and can guide them to put the drops in the eye. That’s the difference between assisting versus if they were actually administering the eye drops.”

➢ This varies by State but is an issue everywhere
CONSISTENT WITH EMERGING GENERAL HEALTH CARE REFORMS

- Managing chronic conditions
- Managing transitions
- Teams and “working to the top of the license”/ patient centered medical homes
- Greater use of non-licensed personnel, e.g. Medical Assistants and Community Health Workers
EVIDENCE: HOMECARE AIDES

- Small demonstrations with Aides
- Mt. Sinai Visiting Doctors
- Evidence on comparable occupations
  - Community Health Workers
  - Medical Assistants
EVIDENCE: SNF

- Culture Change
- Green House
- PACE
THE POWER-PLAYERS SHOULD BE INTERESTED

- Managed Care, for all it’s problems is the way to get traction because their interest is not protecting scope of practice but rather meeting health needs as cheaply as possible.

- State Medicaid programs should have a similar incentive: save the system money by enhancing the role of Aides.
WHY SHOULD THEY BE INTERESTED?

Save money

- Chronic conditions do not become acute
- Avoid 911
- Avoid re-hospitalization
- Shift some work from nurses to Aides

Improve quality of care

- Better trained Aides and CNAs
THE POLITICS

- Changing scope of practice limits
- Underfunding and mis-aligned Medicaid incentives
- Negative attitude in health care/medicine towards long term care
- In homecare: disability community and training
BUT ON THE PLUS SIDE

Pressures For Change

Projections of shortages that will hit the middle class

Opportunities to save money

“Muddling through” will be increasingly dysfunctional

Makes broad sense

Consistent with broader trends in health care reform
Long Term Care is an opportunity waiting for political leadership. The coalition is there to be had. This is not retail. A worker/consumer coalition awaits.
AND A FUNDAMENTAL QUESTION

Is LTC a public/communal or private/family responsibility?
THANK YOU!

#SLOATANIEREUNION