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Financing Long-term Care in Hawai'i: A Survey of Residents 18 and Older

March 2006



Financing Long-term Care in Hawai'i: A Survey of Residents 18 and Older

**Data Collected by Woelfel Research, Inc.
Report Prepared by Jennifer H. Sauer**

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Highlights

- ▶ Most people in Hawai'i say it is extremely (44%) or very (36%) important to have long-term care services that would help them or a family member stay at home as long as possible.
- ▶ If they became ill or disabled and needed long-term care services, over eight in ten people in Hawai'i say they would prefer to receive those services in their home by family or friends (21%), home care professionals (19%), or a combination of both (42%).
- ▶ Most people in Hawai'i are not confident they can afford the cost of nursing home care services for even 1 year (Not at all confident: 49%; Not very confident: 26%), and significantly more are not confident they afford this type of care for three years (Not at all confident: 62%; Not very confident: 19%).
- ▶ Although respondents are more confident they could pay for home health aide care than for nursing home care, at least four in ten indicate they are not confident they could pay for one year (Not at all confident: 25%; Not very confident: 15%) or three years (Not at all confident: 31%; Not very confident: 16%) of care provided by a home health aide.
- ▶ Almost two-thirds (63%) of respondents say they would strongly support, and another one in five (22%) would somewhat support a state long-term care plan for *all* residents regardless of income.
- ▶ Nearly two-thirds (64%) of people in Hawai'i think the cost of long-term care services should be shared between the individual and the state, and most are willing to contribute to such a plan.

Background

While growing older increases the likelihood of acquiring chronic conditions and disabilities that demand long-term care and services, people of all ages of who are frail, chronically ill, or disabled may require such services. In fact, about 11.5 million people aged 18 and older are limited in the number of daily activities they can perform for themselves, such as bathing, dressing, and eating independently, or engaging in chores like laundry, housework, cooking or running errands.^{1,2}

For many people with long-term care needs, the Medicaid program plays a significant role in their care and quality of life. Medicaid is the single largest source of financing for long-term care, with national expenditures totaling \$86.3 billion in 2003. The program provides long-term care services in states to older persons and individuals with disabilities. Most state Medicaid long-term care dollars are spent on institutional care rather than care in the community, even though most people would prefer to remain in their homes as they age and community-based care costs less than nursing home care. However, for people who do not qualify for Medicaid or Medicare assistance, long-term care services must be paid out-of-pocket or through an employer benefit or insurance plan.³

Continuing increases in health care costs, the aging of the population, and the resultant growing demands for long-term care services are expected to contribute to large increases in public spending to cover long-term care costs. The Federal government and the states are looking for ways to control those costs as well as serve individuals in the setting of their choice.

Methodology

AARP commissioned Woelfel Research, Inc. to gauge the need for financing long-term care services in Hawai'i. A disproportionate stratified sample of adult residents age 18 or older were interviewed between February 22 and 27, 2006 and a total of 700 interviews were completed. This survey yielded an 11 percent response rate and a 92 percent cooperation rate,⁴ and has a sampling error of plus or minus 3.7 percent.⁵ Survey responses of the general population were weighted to match the distribution of population by age, sex, and county according to the 2000 U.S. Census for Hawai'i.

¹ AARP Public Policy Institute, 2006.

² Source: U.S. Census Bureau, Housing and Household Economic Statistics Division, Last Revised: December 10, 2004, <http://www.census.gov/hhes/www/disability/sipp/measure.html>

³ Cummins, R. *Let Us Choose: A Survey of Floridians Age 35+ on Long-Term Care Choices*, January 2006.

⁴ The response rate is Response Rate 3 and the cooperation rate is Cooperation Rate 3 from the following publication: The American Association for Public Opinion Research. 2000. *Standard Definitions: Final Dispositions of Case Codes and Outcome Rates for Surveys*. Ann Arbor, Michigan: AAPOR.

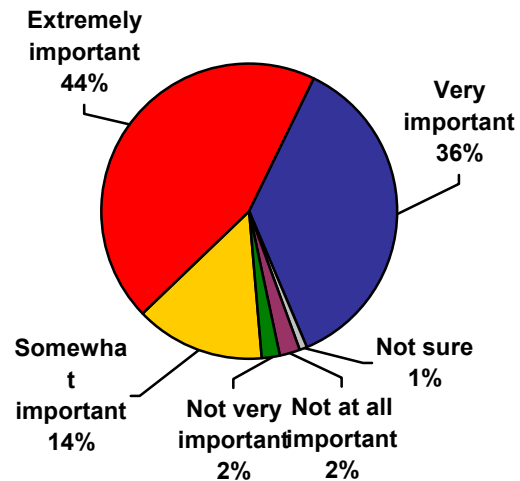
⁵ This means that in 95 out of 100 samples of this size, the results obtained in the sample would fall in a range of 3.7 percentage points of what would have been obtained if every person in Hawai'i age 18 or older had been surveyed.

Top-Line Findings

Eight in ten people in Hawai'i say it is extremely or very important to have long-term care services that would help them or a family member stay at home as long as possible.

Most people in Hawai'i say that if they or any member of their family became ill or disabled and needed long-term care services, it is extremely or very important to have such services available that would enable them to stay at home as long as possible. Another one in seven say it is somewhat important to them, and very few respondents view the idea of home care as not important.

The Level of Importance of Having Long-term Care Services at Home
(n = 736 Residents 18+)



One-quarter of all people in Hawai'i say they or a family member needed long-term care services in the *last* five years, and two in five say it is likely that they or someone in their family will need long-term care services in the *next* five years.

Twenty-five percent of all respondents report that they or a member of their family have needed long-term care services in the last five years, and most of those respondents (85% of 184 respondents who needed long-term care) have actually received such services in that time. Additionally, one in five say it is extremely (10%) or very (10%) likely that they or a family member will need long-term care services in the near future, and another one in five (21%) report that it is somewhat likely. Still, over half of all respondents 18 and older indicate an unlikelihood of needing long-term care services in the near future (not very likely: 30%; not at all likely: 26%).

Should they need long-term care services, most respondents would prefer to receive that care in their home by family or friends, home care professionals, or a combination of both.

If they became ill or disabled and needed long-term care services, over eight in ten people in Hawai'i say they would prefer to receive those services in their home. Among those who indicate a preference for home care, about one in five say they would like to have help from family or friends or home care professionals, and twice as many respondents would like to be cared for at home by some combination of help from family or friends and home care professionals. Significantly fewer say would prefer to receive long-term care services in a residential care facility or a nursing home.

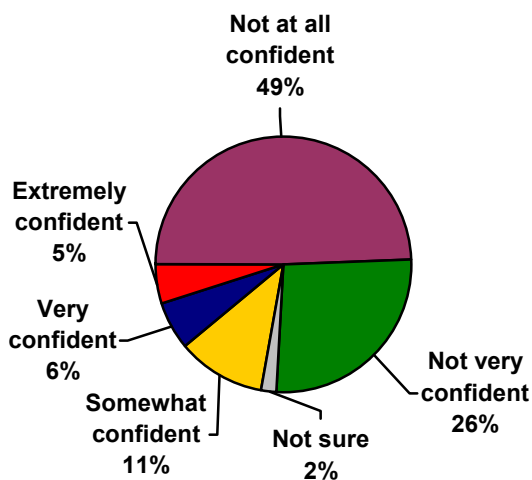
Type of Long-term Care Option Preferred	% (n=736 Residents 18+)
At home, with help from family or friends	21%
At home, with help from home care professionals	19%
At home, with help from family or friends AND home care professionals	42%
Residential care facility	7%
Nursing home	4%
Not sure	6%

Most people in Hawai'i are not confident they can afford the cost of nursing home care services for even 1 year.

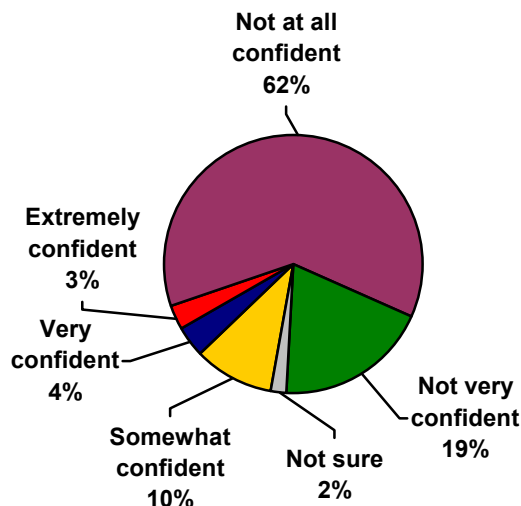
According to the recent *MetLife Market Survey of Nursing Home & Home Care Costs*, the average daily cost of a semi-private room in a nursing home in Hawai'i is about \$239 a day, and for a private room the average cost is \$262 a day.⁶ For purposes of this survey, respondents were asked to consider the low average daily cost of a semi-private room in Hawai'i - \$199 a day or about \$73,000 for one year and about \$ 218,000 for three years (see Questions 7 and 8 in Annotated Questionnaire in Appendix).⁷

Given this information, people in Hawai'i were asked how confident they are that they could afford the cost of nursing home care for *one* year and then for *three* years. One half report they are *not at all confident* they could afford the cost of nursing home care for one year if they had to pay for the entire cost themselves, and significantly more indicate they could not afford nursing home care for three years. At least another one in five respondents say they are not very confident about being able to afford the cost of nursing home care themselves for one year or three years.

**Level of Confidence:
Affording Nursing Home Care for 1 Year**
(n=736 Residents 18+)



**Level of Confidence:
Affording Nursing Home Care for 3 Years**
(n=736 Residents 18+)



⁶ Metlife Mature Market Institute, *The MetLife Market Survey of Nursing Home & Home Care Costs*. September 2005.

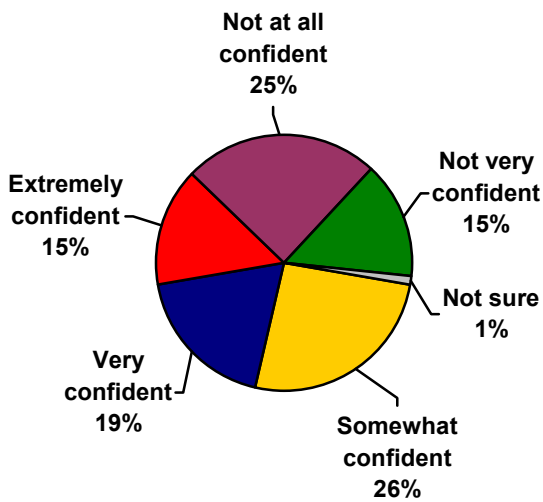
⁷ Total dollar figures for nursing home care were calculated assuming 365 days per year.

Most people in Hawai'i are not confident they can afford the cost of a home health aide for even 1 year.

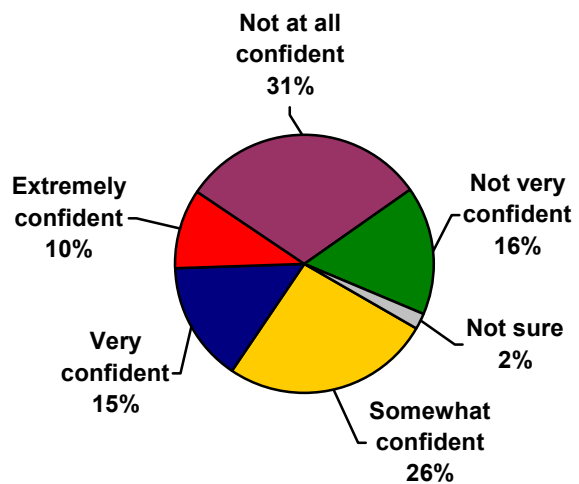
The average hourly rate for a home health aide in Hawai'i is \$19.⁸ Respondents were asked to consider such care on a daily basis for just two hours a day for a total of about \$9,000 a year or about \$27,000 for three years (see Questions 5 and 6 in Annotated Questionnaire in Appendix).⁹

While respondents are more confident they could pay for home health aide care than for nursing home care, at least four in ten indicate they are not confident they could pay for one or three years of care provided by a home health aide.

**Level of Confidence:
Affording Home Health Aide for 1 Year**
(n=736 Residents 18+)



**Level of Confidence:
Affording Home Health Aide for 3 Years**
(n=736 Residents 18+)



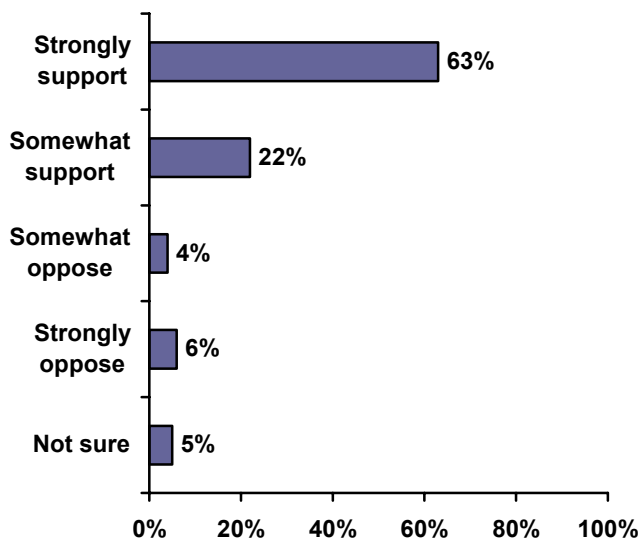
⁸ Metlife Mature Market Institute, *The MetLife Market Survey of Nursing Home & Home Care Costs*. September 2005.

⁹ Total dollar figures for home health aide care were calculated assuming two hours per day five days per week for twelve months per year.

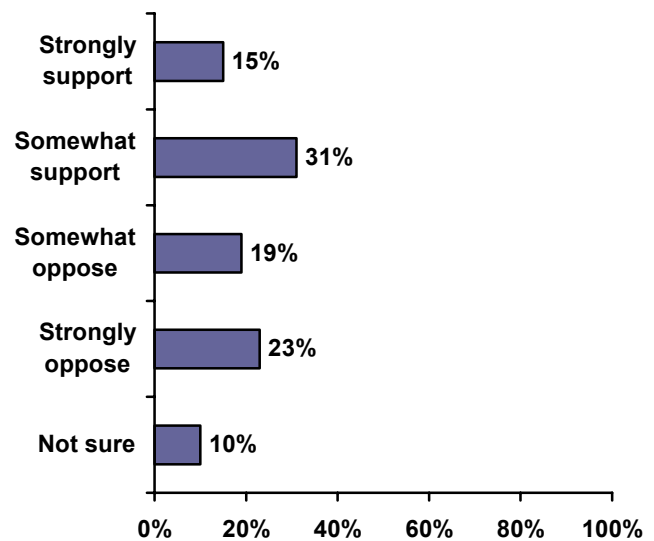
Almost two-thirds of respondents say they would strongly support a state long-term care plan for *all* residents.

People in Hawai'i show higher support for a state plan that would make long-term affordable to all residents than for a plan benefiting only lower-income residents. In fact, over six in ten strongly support, and another one in five somewhat support, a state long-term care plan meant for all residents regardless of income. Among those who do not strongly support a state long-term care help for all residents, respondents are fairly divided and about one in ten say they simply are not sure if they would support or oppose a state long-term care plan for only lower income residents.

Level of Support for State Long-term Care Plan Available to All People in Hawai'i
(n=736 Residents 18+)



Level of Support for State Long-term Care Plan Available to Lower-income People in Hawai'i
(n=276 Residents 18+)



The majority of people in Hawai'i think the cost of long-term care services should be shared between the individual and the government.

Nearly two thirds of respondents say both the individual and the government should pay for long-term care expenses. However, close to one in five think the costs of long-term care should be paid mostly by the individual receiving the care, and another thirteen percent say the costs should be paid primarily by the state.

How Long-term Care Services Should Be Paid For In Hawai'i	% (n=736 Residents 18+)
The cost of long-term care should be shared between the individual and the government	64%
The costs of long-term care should be paid primarily by the state	13%
The costs of long-term care should be paid for mostly by the individual receiving the care – either through insurance or savings.	18%
Not sure	5%

Almost two-thirds of people in Hawai'i are willing to contribute \$10 or more a month to help support a state long-term care plan, and one-quarter of Hawai'i AARP members are willing to contribute more than \$20 a month for a state long-term care plan.

People in Hawai'i are willing to contribute to a state long-term care plan. In fact, though most indicate a willingness to contribute less than \$20 per month, one-quarter say they would contribute more than \$20 per month. Just over one in five say they would contribute less than \$10 per month.

How Much Money People in Hawai'i Are Willing To Contribute To A State Long-term Care Plan	% (n=736 Residents 18+)
Less than \$10 per month	22%
\$10 but less than \$15 per month	17%
\$15 but less than \$20 per month	20%
More than \$20 per month	26%
Nothing	6%
Not sure	8%

Summary of Findings

The issue of long-term care is one that continues to resonate with the people of Hawai'i especially in terms of how they want to receive that care when the time comes. Receiving long-term care in their own home is very important to most people in Hawai'i, and they are willing to pay more for these services. In addition, most say they would like to be cared for in their home by their family or friends or by a home care professional. Interestingly, people in Hawai'i are not confident they could afford such services, particularly nursing home care.

While people in Hawai'i believe it is very important for the state to help its citizens pay for long-term care services, they also believe that financing these services should be shared between the individual and the state, and many are willing to contribute between \$10 and \$20 per month to such a plan. Given that long-term care coverage is a benefit people must purchase on their own or receive through an employer plan unless they qualify for such assistance under Medicare or Medicaid, it is not surprising that more people in Hawai'i would support a state plan for all residents rather than only lower income residents. In sum then, a state long-term care plan in Hawai'i would be strongly supported by residents, particularly if it enables them to receive services and be cared for in their own homes.

Survey Demographics

Over one-third (36%) of the respondents are age 50 or older, and thirty-seven percent are between the ages of 18 and 49. Half of respondents are women (51%). Six in ten (59%) respondents are married, while 22 percent have never been married. Close to one in five respondents hold high school diplomas or the equivalent (18%), while 47 percent have a college degree or higher. Fifty percent are employed full-time and 12 percent are employed part-time. Another 22 percent are retired. Six in ten respondents (61%) say they vote in nearly all state elections, and another 15 percent say they vote most of the time. One quarter of respondents (24%) report an annual household income less than \$35,000, and 12 percent say their household income is \$35,000 but less than \$50,000, while half have an income of \$50,000 or more. Over one-third of respondents identify themselves as Caucasian (36%), and about one in six identify themselves as Japanese American (16%) or Hawaiian/part Hawaiian (11%). Slightly more than one in ten (13%) identify themselves as Korean, Native American, or Hispanic. Only 7 percent say they are of the Filipino race, and less than 5 percent say they are either Chinese American or Black/African American.

APPENDIX A

Annotated Questionnaire

Hawai'i Residents 18 and Older

HAWAII LONG-TERM CARE SURVEY

(n =736, Response Rate = 11%, Cooperation Rate = 92%, Margin of Error = 3.7%)
 (Percentages may not add to 100% due to rounding or multiple response.)

During this interview we'd like to discuss with you long-term care. Long-term care, as you may know, refers to services provided over an extended period of time either at home, in a community setting, in an assisted living facility, or in a nursing home. People of all ages who are ill, disabled, or frail and need assistance with regular daily activities, like bathing, dressing, preparing meals or eating, may receive long-term care services.

1. **In the last 5 years**, have you or a member of your family, such as your spouse, parents, brothers or sisters, or grandparents, *needed* long-term care?

<u>%</u>	
25	Yes
75	No
*	DON'T KNOW [DO NOT READ]
*	REFUSED [DO NOT READ]

- 1a. And have you or that family member received long-term care services in the last five years? (n=184: You or family member needed long-term care)

<u>%</u>		
85	Yes	[SKIP TO QUESTION 2]
16	No	
0	DON'T KNOW [DO NOT READ]	[SKIP TO QUESTION 2]
0	REFUSED [DO NOT READ]	[SKIP TO QUESTION 2]

- 1b. What is the MAIN REASON for not being able obtain needed long-term services in the last five years? (n=29: You or family member did not obtain long-term care)

<u>%</u>	
1	Not accessible/convenient
33	Couldn't afford
6	Preferred to wait
3	Not covered by insurance
18	Not knowing where to turn/didn't have telephone numbers to get help
3	Care at home
9	Not needed
6	Other: _____
21	Don't know

2. How likely is it that you or a family member will need long-term care in the next five years?

Would you say it is extremely likely, very likely, somewhat likely, not very likely, or not at all likely?

<u>%</u>	
10	Extremely likely
10	Very likely
21	Somewhat likely
30	Not very likely
26	Not at all likely
3	DON'T KNOW [DO NOT READ]
0	REFUSED [DO NOT READ]

3. There are some long-term care options available for people who are disabled, ill, or elderly.

If you or a family member needed long-term care services, how would you prefer to receive that care?

Would you prefer such care be provided: [READ LIST] [RANDOMIZE OPTIONS 1-5]

<u>%</u>	
21	At home, with help from family or friends?
19	At home, with help from home care professionals?
42	At home, with help from family, friends, AND home care professionals?
7	In a residential care facility such as a <i>board and care home</i> or assisted living
4	In a nursing home?
1	Or some place else? [Please Specify: _____]
6	DON'T KNOW [DO NOT READ]
*	REFUSED [DO NOT READ]

4. If you or a family member became ill or disabled and needed long-term care services, how important would it be to have services that would help you or your family member to stay at home as long as possible?

Would you say it is extremely important, very important, somewhat important, not very important, or not at all important?

<u>%</u>	
44	Extremely important
36	Very important
14	Somewhat important
2	Not very important
2	Not at all important
1	DON'T KNOW [DO NOT READ]
*	REFUSED [DO NOT READ]

5. On average, 2 hours of daily home care by a home health aide in Hawaii could cost about \$9,000 per year. If you had to pay for the entire cost yourself, how confident are you that you could afford the cost of home care for 1 year? *Are you extremely confident, very confident, somewhat confident, not too confident, or not at all confident that you could pay for this kind of help?*

<u>%</u>	
15	Extremely confident
19	Very confident
26	Somewhat confident
15	Not very confident
25	Not at all confident
1	NOT SURE/DON'T KNOW [DO NOT READ]
*	REFUSED [DO NOT READ]

6. How confident are you that you could afford the cost of home care for 3 years which could cost about \$27,000 [for 3 years of care]?

<u>%</u>	
10	Extremely confident
15	Very confident
26	Somewhat confident
16	Not very confident
31	Not at all confident
2	NOT SURE/DON'T KNOW [DO NOT READ]
*	REFUSED [DO NOT READ]

7. On average, nursing home care in Hawai'i can cost about \$73,000 per year. If you had to pay for the entire cost yourself, how confident are you that you could afford the cost of nursing home care for 1 year?

<u>%</u>	
5	Extremely confident
6	Very confident
11	Somewhat confident
26	Not very confident
49	Not at all confident
2	NOT SURE/DON'T KNOW [DO NOT READ]
1	REFUSED [DO NOT READ]

8. How confident are you that you could afford the cost of nursing home care for 3 years which could cost about \$218,000 [for 3 years of care]?

<u>%</u>	
3	Extremely confident
4	Very confident
10	Somewhat confident
19	Not very confident
62	Not at all confident
2	NOT SURE/DON'T KNOW [DO NOT READ]
1	REFUSED [DO NOT READ]

9. Which comes closer to how you think long-term care services should be paid for? (ROTATE ORDER)

<u>%</u>	
18	the costs of long term care should be paid mostly by the individual receiving care— either through insurance or savings
13	the costs of long term care should be paid primarily by the state
64	the costs of long term care should be shared between the individual and the state
5	DON'T KNOW [DO NOT READ]
*	REFUSED [DO NOT READ]

10. Would you support or oppose a state plan that made long-term care affordable to all residents in Hawaii regardless of income? [ASK: “Is that strongly or somewhat?”]

<u>%</u>	
63	Strongly support [Skip over next question]
22	Somewhat support
4	Somewhat oppose
6	Strongly oppose
5	Not sure [DO NOT READ]
1	Refused [DO NOT READ]

11. How strongly would you support or oppose a state plan that made long-term care available to only low-income residents of Hawaii? [ASK: “Is that strongly or somewhat?”] (n=276: Do not strongly support making LTC affordable to all residents of Hawaii)

<u>%</u>	
15	Strongly support
31	Somewhat support
19	Somewhat oppose
23	Strongly oppose
10	Not sure [DO NOT READ]
2	Refused [DO NOT READ]

12. Hawaii may need to generate money to help pay for state long-term care benefits for residents. How much money would you be willing to contribute per month to help support a long-term care plan in Hawaii? (alternate order – read half of respondents a through d and half d through a)

<u>%</u>	
22	Less than \$10 per month
17	\$10 but less than \$15 per month
20	\$15 but less than \$20 per month
26	More than \$20 or more per month
6	Nothing [DO NOT READ]
8	Not sure [DO NOT READ]
1	Refused [DO NOT READ]

Thank you, now I just need some statistical information.

D1) On which island do you live?

<u>%</u>		QUOTAS
72	Oahu	400
12	Hawaii	100
11	Maui	100
5	Kauai	100

D2) How old were you on your last birthday? _____

<u>%</u>	
14	18-29
46	30-49
14	50-59
15	60-74
8	75+

D3) Which of the following best describes your highest level of education?

<u>%</u>	
2	Less than high school graduate
18	High school graduate
31	Some college or technical school
47	College graduate or more
2	Refused (Do not read)

D4) Which of the following best describes your marital status?

<u>%</u>	
59	Married
22	Single, never married
16	Divorced/widowed/separated
3	Not married, living together
1	Refused

D5) Are you currently.... (Read List. Record One RESPONSE)

<u>%</u>	
50	Employed full time
12	Employed part-time
22	Retired, not working
4	Homemaker [SKIP TO QUESTION D6]
5	Unemployed and looking for work [SKIP TO QUESTION D6]
6	Something else [SKIP TO QUESTION D6]
2	Don't know / Refused (Do not read)

D5a) Does your current or previous employer offer [insert a-c]....(n=629: Currently employed or retired and not working)

	Yes	No	DK	Refused
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
<i>ROTATE</i>				
a. Long-term care insurance	33	54	12	2
b. Paid leave to provide care-giving to family member	37	51	11	2
c. Flexible work arrangements to care for family member	52	38	9	2

D6) What is your race?

<u>%</u>	
37	White/Caucasian
3	Black/African American
4	Chinese
7	Filipino
16	Hawaiian/part Hawaiian
16	Japanese
13	Other
4	Refused

D7) Which of the following best describes your voting behavior in state elections, that is elections for Hawai'i Governor and State Legislators, held in the past ten years? Would you say you have voted in nearly all, most, some or a few of the state elections?

<u>%</u>	
61	Nearly all
15	Most
8	Some
10	A few
4	None
1	Don't know
1	Refused (Do not read)

D8) Which of the following best represents your household income in 2005?

<u>%</u>	
8	Less than \$15,000
5	\$15,000 – but less than \$25,000
10	\$25,000 - but less than \$35,000
12	\$35,000 - but less than \$50,000
18	\$50,000 - but less than \$75,000
32	\$75,000 or more
14	Refused (Do not read)

D9) Gender

<u>%</u>	
49	Male
51	Female

Thank you for your time and responses to this survey.

AARP
Knowledge Management
For more information contact Jennifer H. Sauer at:
202.434.6207 or email: jsauer@aar.org