



Long-Term Care in Indiana



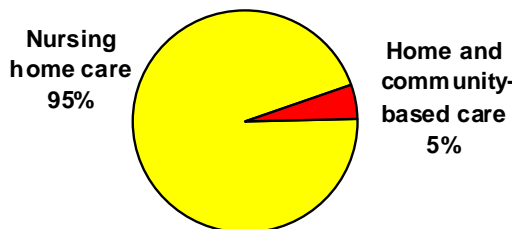
The number of Indiana residents age 85 and older is projected to grow by 48 percent by 2030.

Indiana's older population can be at greater risk for chronic illnesses and in need of long-term care. Thirteen percent of Indiana's population is age 65+ with over 118,000 residents age 85+.¹ Indiana's age 85+ population – the age group that is most likely to need long-term care services – will grow 48% from 2007 to 2030.² This makes Indiana the 36th ranked state in the projected growth rate of the 85+ population.

Most prefer to receive long-term care at home; however, Indiana spends almost all of the state's Medicaid funds on institutional care.

The majority of Americans age 50+ (89%) want to stay in their homes for as long as they can.³ More than 1 million Indianans rely on Medicaid, and eight percent are age 65+.⁴ Home and community-based service (HCBS) waivers allow Medicaid recipients to receive Medicaid funding for in-home care. In Indiana, Medicaid allows some to choose in-home care instead of nursing home care. In 2006, 4,052 Indianans 65+ with disabilities received a waiver.⁵ In 2010, there are 463 people 18+ who are waiting to receive a waiver.⁶ On average, the Medicaid program can provide HCBS to three people for the cost of serving one person in a nursing home.⁷

Indiana spends only five percent of its Medicaid long-term care dollars for older people and adults with physical disabilities on home and community-based care – ranking it one of the lowest states (48th) in spending on home care services for this population.⁸



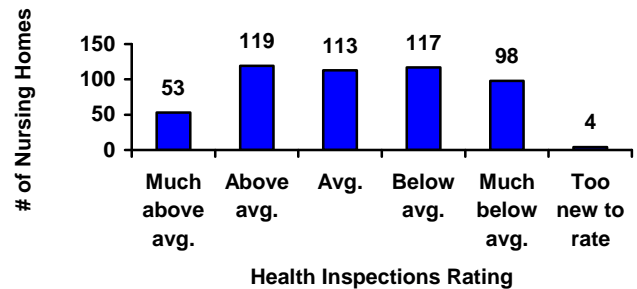
In addition, 720,000 Indianans are providing family caregiving to a loved one at home. This care is valued at \$7.8 billion.⁹

Indiana's average nursing home private pay rate in 2008 was \$190 per day.

In 2007, Indiana's nursing homes had an occupancy rate of 81%.¹⁰ Nursing home care is the most expensive form of long-term care. In 2008, Indiana had the 25th most expensive nursing homes in the country, with an average private pay daily rate of \$190.¹¹ Indiana had lower average rates for Medicare-certified home health aides (\$24/hr) and adult day care (\$51/day), but its rate for private pay home health aides was right at the national average (\$19/hr).¹²

Two-thirds of Indiana's nursing homes rated below average in health inspections.

The Centers for Medicare and Medicaid Services (CMS) created a five-star quality rating to help consumers compare nursing homes. CMS rates nursing homes on health inspections, staffing, and quality measures.



The health inspection process is comprehensive and conducted by a trained team of objective surveyors.¹³ Recent studies have found that non-profit nursing homes generally deliver higher quality of care.¹⁴ In 2007, 70% of Indiana's nursing homes were for profit (26%, non-profit; 4%, government-owned).¹⁵

Few Americans have long-term care insurance.

Nationally, about 7 million long-term care insurance policies were in effect in 2005, and the typical purchaser was age 61 with assets over \$100,000.¹⁶ Cost is a major factor in the decision to purchase long-term care insurance. In 2008, premiums for a married couple in their sixties were about \$3,000 a year.¹⁷ Indiana has not adopted the most recent long-term care insurance recommendations from the National Association of Insurance Commissioners (NAIC).¹⁸

End Notes

The data utilized in this report is the most recent publicly available data collected for all states.

¹U.S. Census Bureau, Population Division. Estimates of the Resident Population by Selected Age Groups for the United States and Puerto Rico: July 1, 2008. Released May 14, 2009. URL: <http://www.census.gov/popest/states/asrh/SC-EST2008-01.html>

²Gibson, Mary Jo, Fox-Grage, Wendy, Houser, Ari. *Across the States 2009: Profiles of Long-Term Care and Independent Living: Executive Summary, State Data, and Rankings*. Page 34. AARP Public Policy Institute. Washington, D.C. URL: http://www.aarp.org/research/ppi/ltc/Other/articles/across_the_states_2009_profiles_of_long-term_care_and_independent_living.html

³Providing More Long-term Support and Services at Home: Why It's Critical for Health Reform. AARP Public Policy Institute, June 2009. URL: http://www.aarp.org/research/ppi/ltc/hcbs/articles/fs_hcbs_hcr.html

⁴The Kaiser Family Foundation, statehealthfacts.org. State Medicaid Fact Sheets, 2006-2007: Indiana. URL: <http://www.statehealthfacts.org/mfs.jsp?rgn=16&rgn=1&x=10&y=13>

⁵Ibid. *Medicaid 1915(c) Home and Community-Based Service Waiver Participants, by Type of Waiver, 2006*. Data Source: The Kaiser Commission on Medicaid and the Uninsured (KCMU) and The University of California at San Francisco's (UCSF) analysis based on The Centers for Medicare & Medicaid Services (CMS) Form 372, December 2009, Table 5. "Medicaid 1915(c) Home and Community-Based Service Programs: Data Update" available at <http://www.kff.org/medicaid/7720.cfm>. URL: <http://www.statehealthfacts.org/comparetable.jsp?ind=241&cat=4>

⁶Legislative Services Agency Office of Fiscal and Management Analysis. Fiscal Impact Statement on HB 1325. January 2010. URL: <http://www.in.gov/legislative/bills/2010/PDF/FISCAL/HB1325.02.pdf>

⁷Providing More Long-term Support and Services at Home: Why It's Critical for Health Reform. AARP Public Policy Institute, June 2009. URL: http://www.aarp.org/research/ppi/ltc/hcbs/articles/fs_hcbs_hcr.html

⁸Gibson, Mary Jo, Fox-Grage, Wendy, Houser, Ari. *Across the States 2009: Profiles of Long-Term Care and Independent Living: Executive Summary, State Data, and Rankings*. Page 45. AARP Public Policy Institute. Washington, D.C. URL: http://www.aarp.org/research/ppi/ltc/Other/articles/across_the_states_2009_profiles_of_long-term_care_and_independent_living.html

⁹Ibid. Page 44.

¹⁰Ibid. Page 66.

¹¹Ibid. Page 59.

¹²Ibid. Page 60.

¹³Centers for Medicare and Medicaid Services. Note: These data are updated monthly. Data for this brief was pulled on November 3, 2009. URL: <http://www.medicare.gov/NHCompare/Include/DataSection/Questions/ProximitySearch.asp>.

¹⁴BMJ 2009 (British Medical Journal); 339:b2732. URL: www.pnhp.org/nursing_home

¹⁵The Kaiser Family Foundation, statehealthfacts.org. Table: *Distribution of Certified Nursing Facilities by Ownership Type, 2007*. Data Source: C. Harrington, H. Carrillo, and B. Blank. Table 7, "Nursing, Facilities, Staffing, Residents, and Facility Deficiencies, 2001 Through 2007," Department of Social and Behavioral Sciences, University of California, San Francisco, accessed September 2008. Available at <http://www.pascenter.org>. Based on the Online Survey, Certification, and Reporting system (OSCAR), Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services. URL: <http://www.statehealthfacts.org/comparetable.jsp?ind=412&cat=8&sub=97&yr=62&typ=2>

¹⁶Kassner, Enid. Long-Term Care Insurance Fact Sheet. AARP Public Policy Institute. June 2009. URL: http://www.aarp.org/research/ppi/ltc/ltc-ins/articles/LTCI_fact_sheet_2009_08.html

¹⁷Tumlinson, Anne, Aguiar, C. and Watts, M. Closing the Long-Term Care Funding Gap: The Challenge of Private Long-Term Care Insurance. Kaiser Family Foundation. Page 6. June 2009. URL: <http://www.kff.org/insurance/upload/Closing-the-Long-Term-Care-Funding-Gap-The-Challenge-of-Private-Long-Term-Care-Insurance-Report.pdf>

¹⁸Gibson, Mary Jo, Fox-Grage, Wendy, Houser, Ari. *Across the States 2009: Profiles of Long-Term Care and Independent Living*. Page 28. AARP Public Policy Institute. Washington, D.C. URL: http://www.aarp.org/research/ppi/ltc/Other/articles/across_the_states_2009_profiles_of_long-term_care_and_independent_living.html