



Long Term Services and Supports (LTSS) Financing Initiative Overview and Next Steps

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Today's Speakers



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Welcome

Susan DeMarois, Director

Today's Webinar

- **Background and Context**
- **Profile of Aging in California**
- **Current State of LTSS Financing**
- **Challenges Faced by Middle Income Older Adults**
- **Overview of CDA's LTSS Financing Initiative**
- **Next Steps and Discussion**

Definition of LTSS

**Non-medical
functional
support**

**Help with
Activities of Daily
Living (ADL)**
(e.g., bathing, dressing,
eating, walking)

**Received in a
home or
institutional
setting**

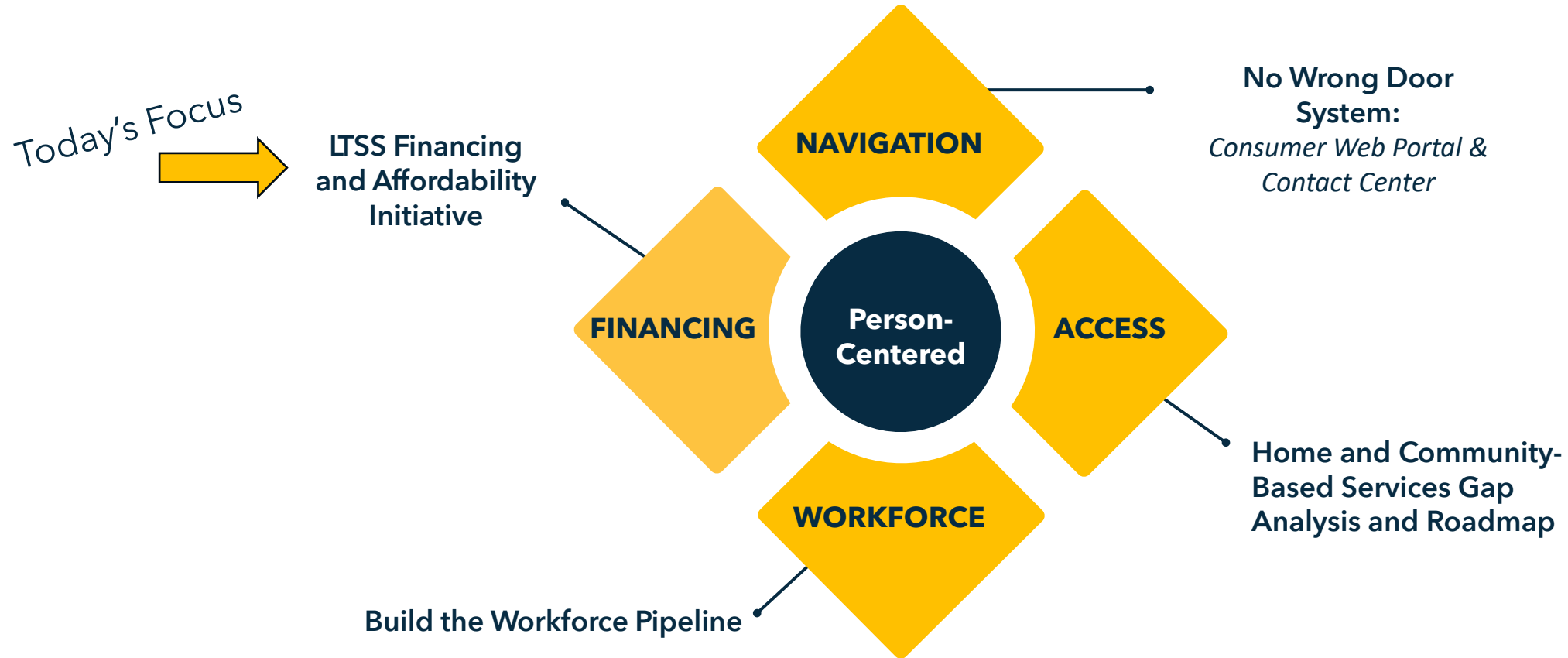
**Provided by
paid &/or
unpaid
caregivers**



Background and Context: California's Master Plan for Aging (MPA)

California's Master Plan for Aging:

Long-Term Services and Supports System Change



MPA: Addressing LTSS Affordability



Problem:

- Older adults, people with disabilities, and caregivers struggle to finance LTSS

Solution:

- Research best practices
- Define target population(s)
- Identify policy opportunities

Statutory Authority and Purpose

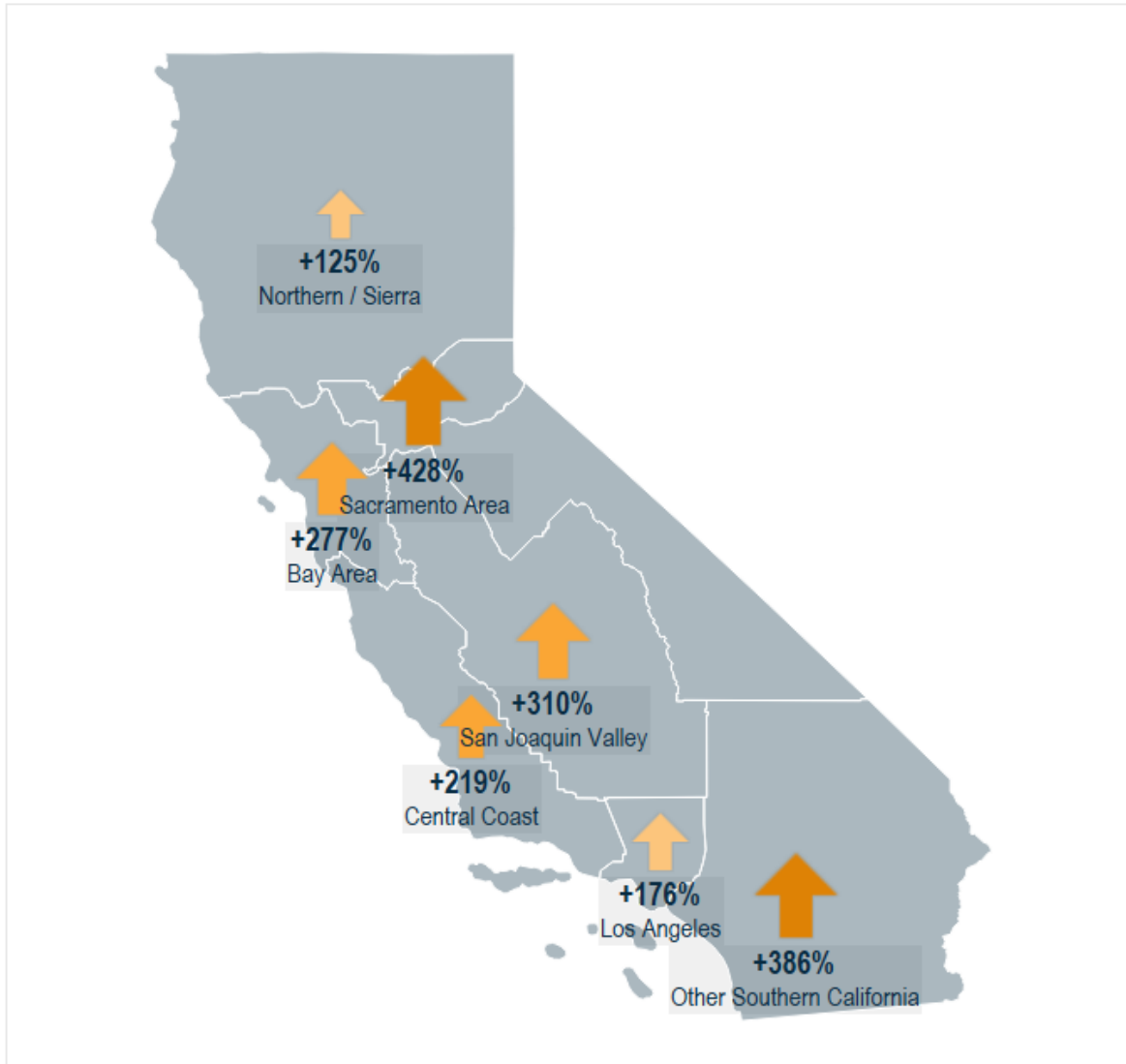
- **Authority:** \$5 million General Fund - Budget Act of 2022 AB 179 (Ting)
- **Initiative Purpose:** Conduct research and analyses and develop options for improving LTSS financing and affordability, in line with California's Master Plan for Aging



Profile of Aging in California

Urgency: Age 60+ Population Growth

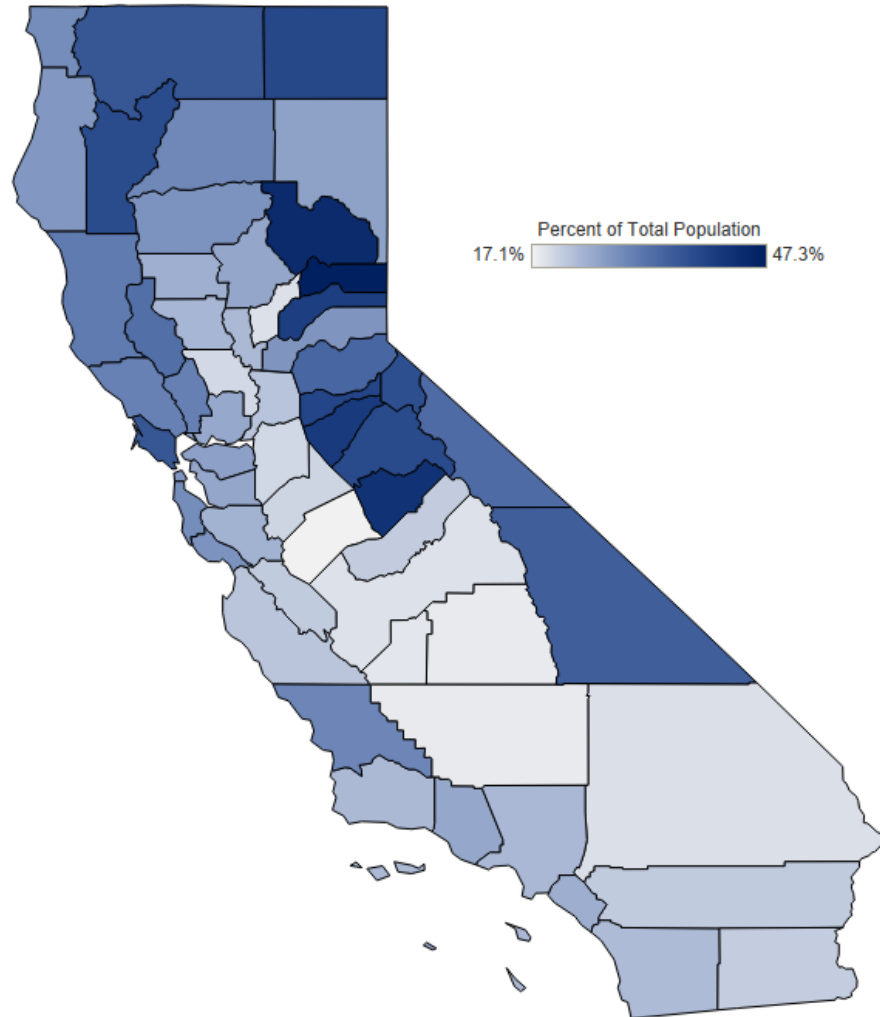
Age 60+ Population Growth by Region



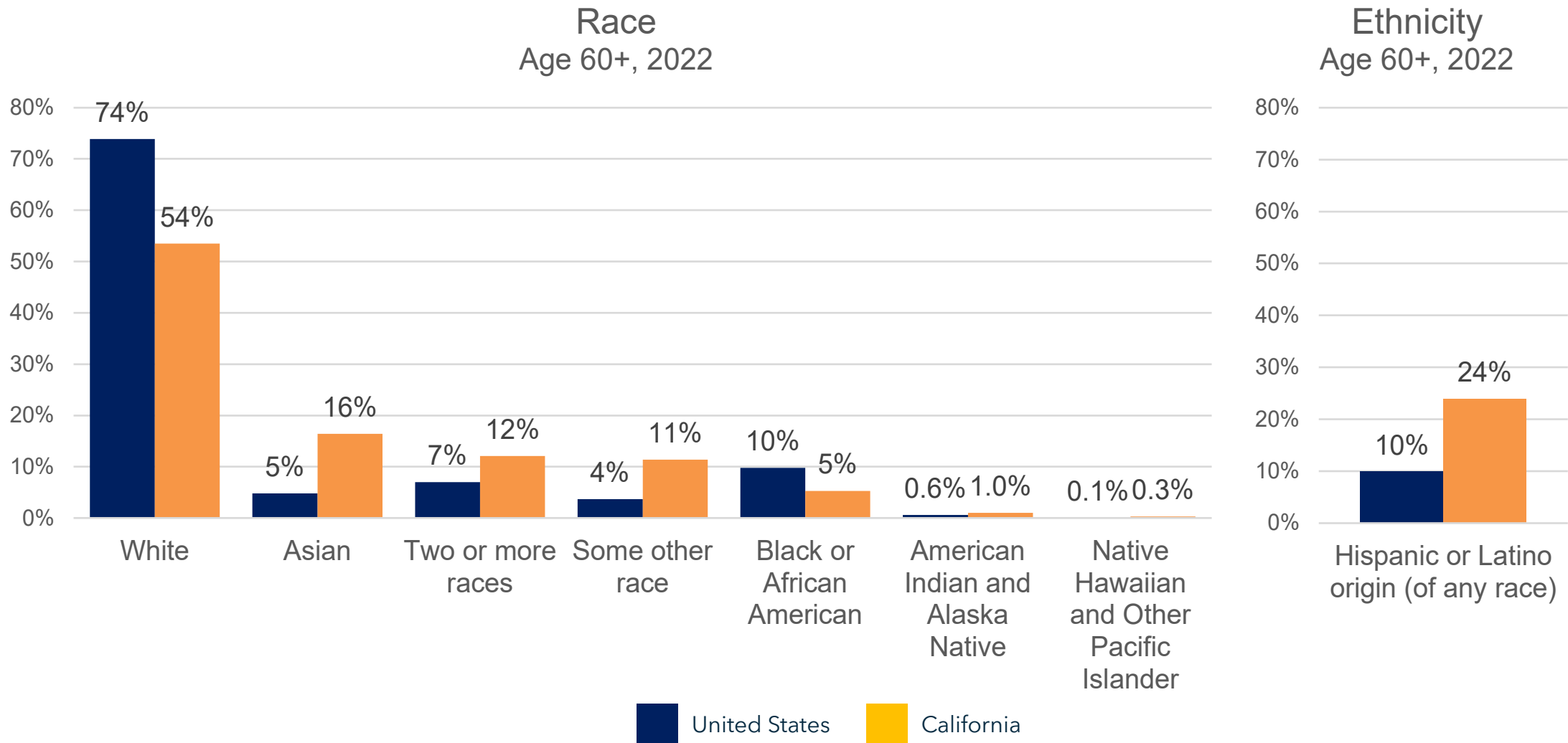
Region	60+ Population 1980	60+ Population 2020	60+ Population 2060	Percent Change 1980 - 2060
Bay Area	746,530	1,899,779	2,813,658	277%
Central Coast	211,858	553,666	675,919	219%
Los Angeles	1,051,737	2,203,145	2,905,068	176%
Northern / Sierra	170,819	413,170	383,766	125%
Other Southern California	768,108	2,357,135	3,736,250	386%
Sacramento Area	153,527	540,950	809,873	428%
San Joaquin Valley	294,359	776,222	1,206,895	310%

Today's Older Californians

Percent of Total Population
By County, 2022

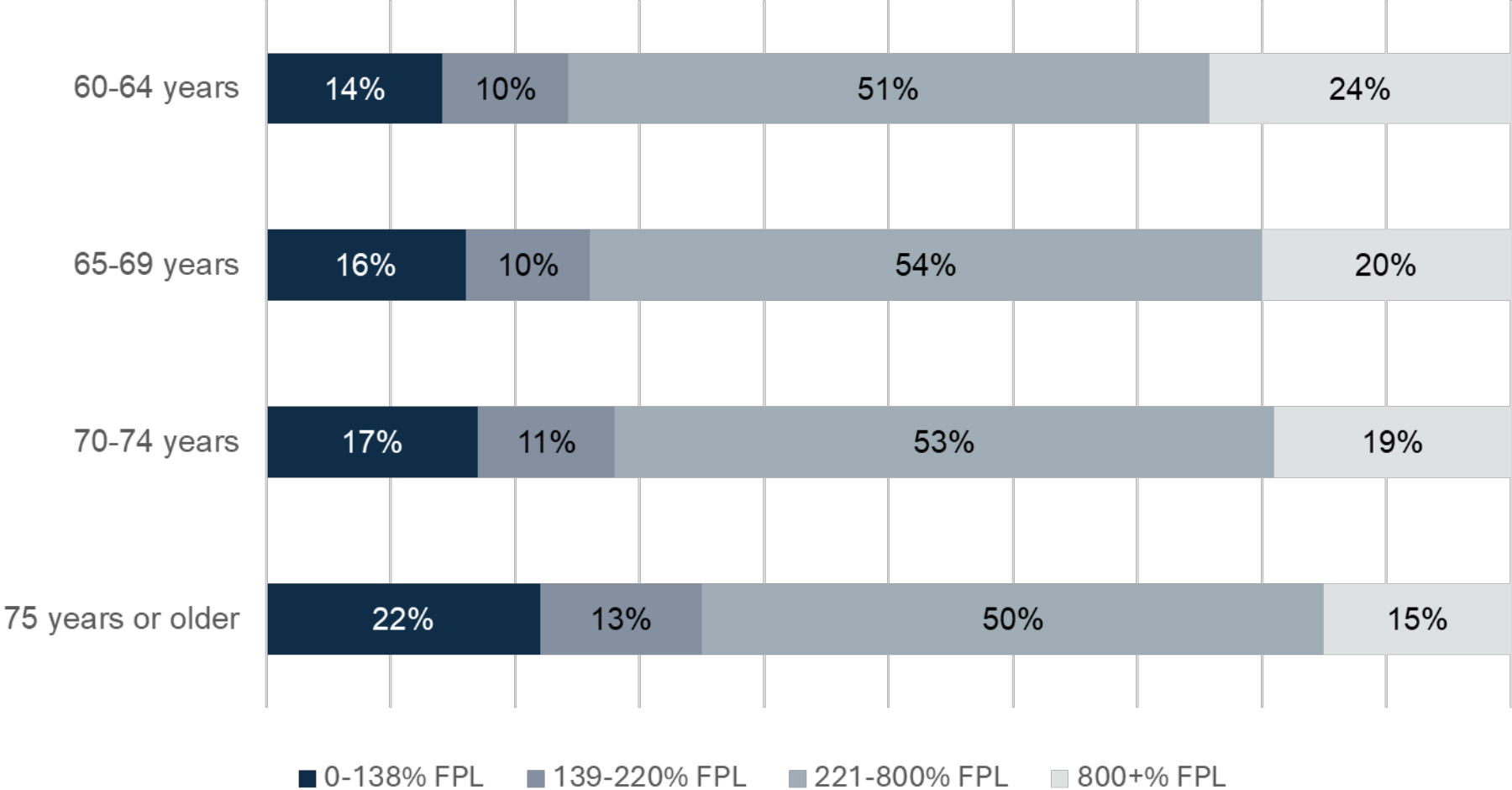


Racial / Ethnic Composition, U.S. vs. California



Poverty Status Among Older Californians

Poverty Status by Age Group
California, 2022



Source: American Community Survey (ACS)

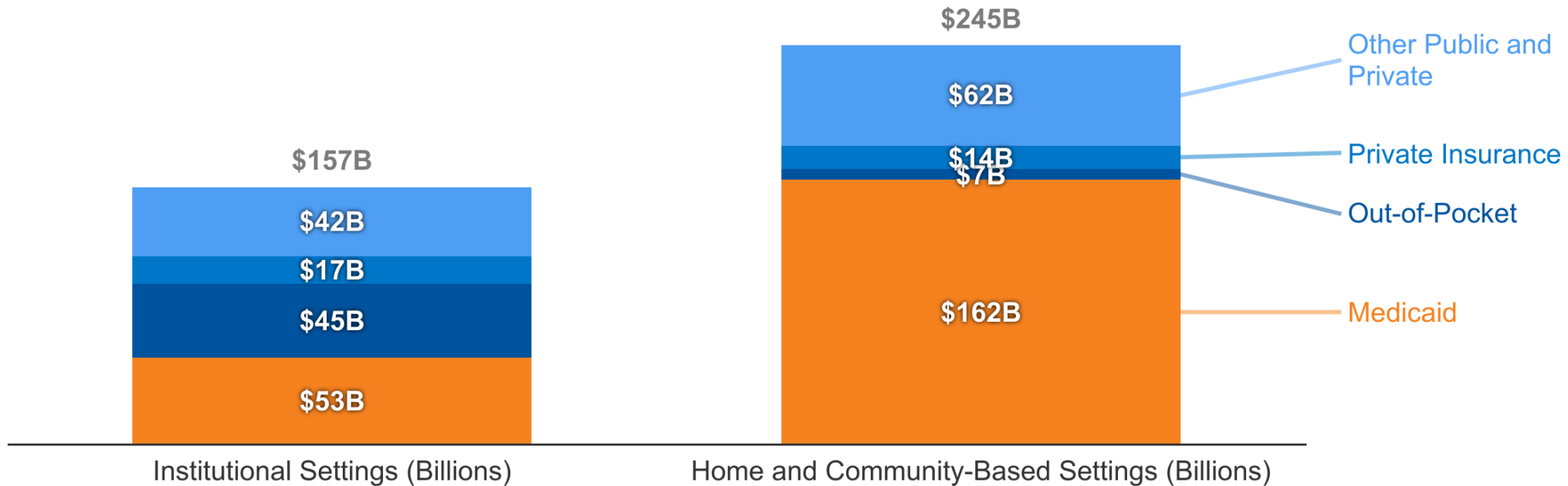


Current State of LTSS Financing

Figure 3

The U.S. Spent Over \$400 Billion On LTSS In 2020, Nearly 10% Of All National Health Care Expenditures.

Medicaid paid \$53 billion on institutional care and \$162 billion on care in home and community settings, over half of all spending on LTSS.

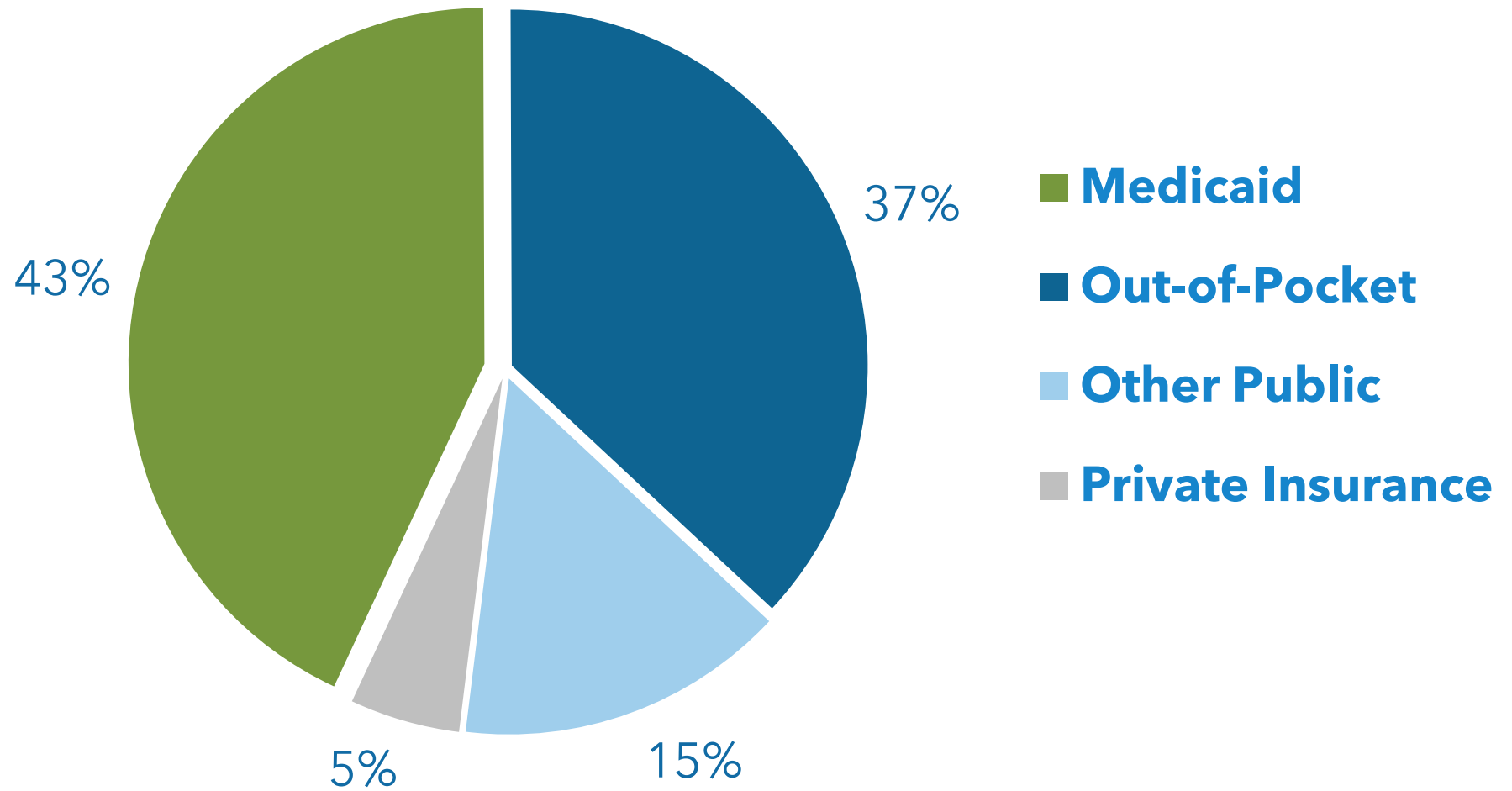


NOTE: Total paid LTSS expenditures include spending on residential care facilities, nursing homes, Medicaid home health services, and home and community-based waiver services but excludes Medicare post-acute care. Other Public and Private includes Children's Health Insurance Program, the Department of Defense, the Veterans Health Administration, worksite health care, other private revenues, Indian Health Services, workers' compensation, general assistance, maternal and child health, vocational rehabilitation, other federal programs, Substance Abuse and Mental Health Services Administration, other state and local programs, and school health.

SOURCE: KFF estimates based on 2020 National Health Expenditure Accounts data from CMS, Office of the Actuary



Projected LTSS Payers for 65+ in 2021-2025





Challenges Faced by Middle Income Older Adults

Person-Level Challenges

- Difficulty navigating & accessing services
- Financial vulnerability
- Need for culturally-responsive services and support



System-Level Challenges



- Workforce shortage
- Availability of services (gaps)
- Financing
- Potentially-avoidable Medicare expenditures



Exploring Opportunities in Medicare

Medicare Enrollees with LTSS Need

In California, Medicare enrollees with LTSS needs represent approximately:

- **20%** of Medicare enrollees,
- **50%** of Medicare spending, and
- **67%** of ER, hospital and post-acute spending



LTSS Financing Initiative Overview

LTSS Financing Initiative: Leadership

- California State Partners
- Lead Contractors & Subcontractors



Initiative Objectives and Overview

**Define and Analyze
Target Population
Profile and Needs**

**Explore
Medicare HCBS
Concept**

**Develop
Policy
Solutions for
Target
Population**

**Deliver Final
Report**

Actively Engage State Leadership, Consumers, and Stakeholders

**Engage State
Leadership,
Consumers,
and
Stakeholders**

- **Goal: Employ multiple methods to learn about key consumer needs**
- **Partners: Collaborative Consulting, Community Catalyst, and NORC.**

**Define and
Analyze
Target
Population
Profile and
Needs**

- **Goal: Conduct California-focused data analyses to project and characterize older adult population not currently nor expected to be eligible for Medi-Cal.**
- **Partners: [The Urban Institute](#), [Harvard Joint Center for Housing Studies](#), and [LeadingAge LTSS Center @UMass Boston](#).**

Explore Medicare Pilot Concept

- **Goal: Explore how to expand use of Medicare for Home and Community-Based Services with a functionally limited population**
- **Partners: [ATI Advisory](#) and [Milliman](#).**

**Develop
Policy
Options for
LTSS
Financing
Solutions**

- **Goal: Inventory and analyze LTSS financing policies and programs across states and localities**
- **Partners: ATI Advisory, LeadingAge LTSS Center @UMass Boston, Harvard Joint Center for Housing Studies, and Wolf Eagle Enterprises.**



Deliver
Final
Report

- **Goal: Compile all research, analyses, consumer and stakeholder input, state leadership input, and adopt a framework for evaluating the various policy options.**
- **Partners: [LeadingAge LTSS Center @UMass Boston](#), [Wolf Eagle Enterprises](#), [ATI Advisory](#), and [Harvard Joint Center for Housing Studies](#).**



Next Steps and Discussion

Thank You!

Contact:
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