

# Are Older Americans Getting the Long-Term Services and Supports They Need?

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## ABSTRACT

**ISSUE:** Older adults' needs have evolved and are no longer met by the Medicare program. With the recent passage of the Bipartisan Budget Act of 2018 (BBA), Medicare Advantage (MA) plans can now provide beneficiaries with nonmedical benefits, such as long-term services and supports (LTSS), which Medicare does not cover.

**GOAL:** To examine the use of LTSS among Medicare beneficiaries age 65 and older living in the community and explore differences by age, income, and other variables.

**METHODS:** Descriptive analyses of the National Health and Aging Trends Study (NHATS), 2015.

**KEY FINDINGS AND CONCLUSIONS:** Two-thirds of older adults living in the community use some degree of LTSS. Reliance on assistive devices and environmental modifications is high; however many adults, particularly dual-eligible beneficiaries, experience adverse consequences of not receiving care. Although the recent policy change allowing MA plans to offer LTSS benefits is an important step toward meeting the medical and nonmedical needs of Medicare beneficiaries, only the one-third of Medicare beneficiaries enrolled in MA plans stand to benefit. Accountable care organizations operating in traditional Medicare also should have the increased flexibility to provide nonmedical services.

## TOPLINES

- ▶ Nearly two-thirds of older Medicare beneficiaries living in the community rely on some level of long-term services and supports, and six in 10 use assistive devices or have made modifications to their living space.
- ▶ Many Medicare beneficiaries suffer from unmet need for long-term services and supports, particularly lower-income beneficiaries eligible for both Medicare and Medicaid.



## BACKGROUND

For more than half a century, the Medicare program has given older and disabled Americans better access to medical services while protecting beneficiaries from the significant costs of health care in the United States.<sup>1</sup> But the needs of older Americans have evolved since Medicare's enactment in 1965. Average life expectancy at age 65 has grown by approximately five years since 1960,<sup>2</sup> an increase in longevity that has been accompanied by a rise in multiple chronic conditions and functional and cognitive impairment in the later years of life.

Because traditional Medicare does not cover most long-term services and supports (LTSS), individuals and their families bear most of the costs for this assistance. Medicare may only cover walkers, canes, wheelchairs, and commodes if the beneficiary requires such durable medical equipment for medical needs and purchases it through an approved provider.<sup>3</sup> Meanwhile, Medicaid covers only a portion of LTSS costs once dual-eligible beneficiaries meet “nursing home level of care” criteria.

Yet with the passage of the Bipartisan Budget Act of 2018 (BBA), older adults may benefit from broader coverage of LTSS. That is because the law gives Medicare Advantage (MA) plans greater flexibility to tailor benefits to the needs of their beneficiaries through the provision of nonmedical benefits. While traditional Medicare may still cover only medical services, MA plans have some flexibility to cover LTSS if there is a “reasonable expectation of improving or maintaining the health or overall function of the chronically ill enrollee.”<sup>4</sup>

Until recently, little has been known about the needs for LTSS among community-dwelling, older adults or how they accommodate these needs at home. Using the 2015

National Health and Aging Trends Study (NHATS), we examined the spectrum of needs among community-dwelling older adults and gained insight into the various strategies used to perform activities of daily living (ADLs).

## RESEARCH FINDINGS

Nearly two-thirds of all community-dwelling, older Medicare beneficiaries receive help, use an assistive device, or have difficulty with one or more ADLs (Exhibit 1). Of these two-thirds, approximately half need help from a caregiver or depend on assistive devices for two or more ADLs. The remaining half need less assistance, having difficulty or relying on an assistive device for one activity only.

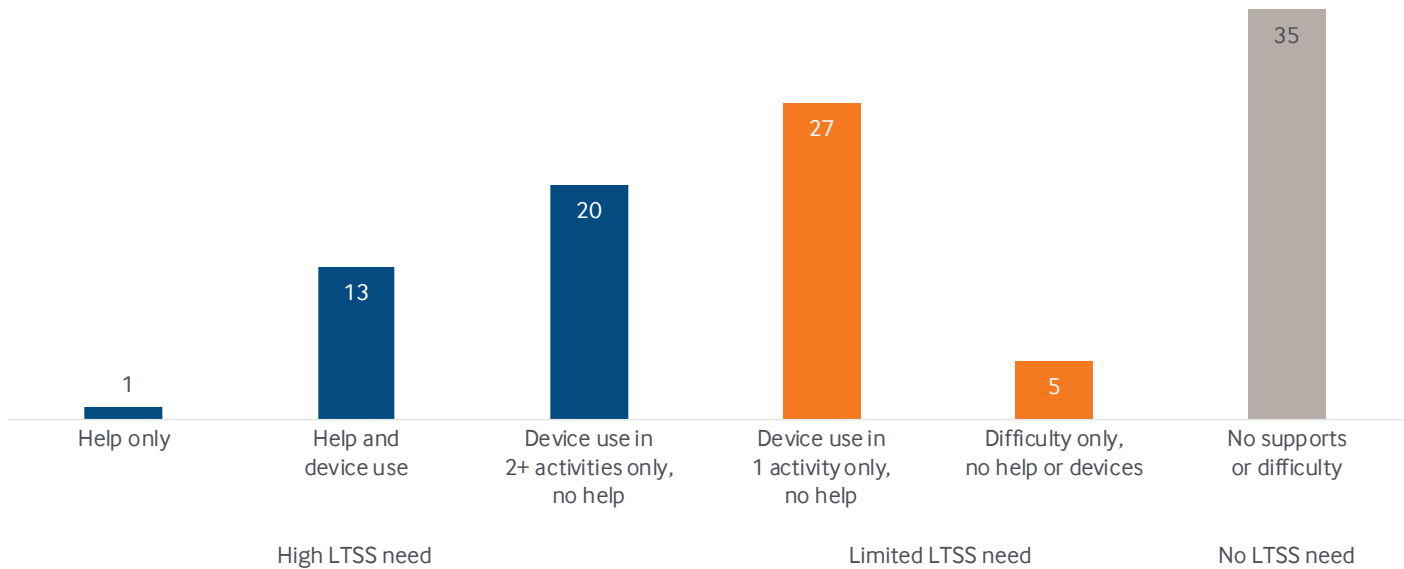
Whatever the level of need, assistive devices like grab bars, walkers, and canes play a crucial role in supporting most (six in 10) older adults in their daily lives.

As shown in Exhibit 2, Medicare beneficiaries age 85 or older are most likely to receive help (28.9%), and most also use assistive devices. Among those using devices only, those age 85 and older are most likely to rely on devices for at least two ADLs (34.9%), whereas those ages 75–84 are most likely to use devices for only one activity. Beneficiaries who live alone are more likely to rely solely on devices compared with those who live with a spouse/partner or others (56.5% versus 43.1% and 42.5%, respectively).

Dual-eligible beneficiaries (individuals who qualify for both Medicare and Medicaid benefits) are more likely to receive help (27.9%) compared with those not on Medicaid (16.3% of those with incomes below 200% of the federal poverty level, and 9.5% of those with higher incomes).

### Exhibit 1. Long-Term Services and Supports Among Community-Dwelling Medicare Beneficiaries Age 65 and Older

Percent



Notes: LTSS = long-term services and supports. N = 7,070, weighted to 38.8 million Medicare beneficiaries; excludes nursing home and non-nursing home residential care residents. "Difficulty only" refers to reporting difficulty performing the activity but not using an assistive device or receiving help.

Data: Authors' analysis of National Health and Aging Trends Study (NHATS) 2015 data.

### Exhibit 2. Spectrum of Long-Term Services and Supports by Characteristics of Community-Dwelling Medicare Beneficiaries Age 65 and Older

	Total (column %)	High LTSS need			Limited LTSS need		No LTSS need
		Help only	Help and device use	Device use in 2+ activities only, no help	Device use in 1 activity only, no help	Difficulty only, no help or devices	No supports or difficulty
<i>row percentages</i>							
<b>Total</b>	<b>100.0%</b>	<b>1.2%</b>	<b>12.4%</b>	<b>19.6%</b>	<b>27.1%</b>	<b>4.9%</b>	<b>34.7%</b>
<b>Income and insurance status</b>							
Medicaid	15.1%	2.1%	25.8%	19.6%	22.2%	6.9%	23.4%
<200% FPL, no Medicaid	20.1%	1.2%	15.1%	22.9%	25.2%	4.9%	30.7%
200%+ FPL, no Medicaid	64.8%	1.0%	8.5%	18.5%	28.9%	4.4%	38.6%
<b>Age</b>							
65–74	57.9%	1.3%	8.8%	14.1%	26.9%	5.5%	43.4%
75–84	31.2%	1.2%	13.8%	24.3%	29.3%	4.6%	26.8%
85+	10.9%	0.8%	28.1%	34.9%	21.9%	2.6%	11.6%
<b>Living arrangement</b>							
Live alone	27.4%	0.4%	7.3%	27.9%	28.6%	4.6%	31.2%
Live with spouse/partner (with or without others)	57.7%	1.5%	12.0%	16.0%	27.1%	4.8%	38.6%
All other living arrangements	14.8%	1.6%	23.9%	18.0%	24.5%	6.0%	26.0%

Notes: LTSS = long-term services and supports. FPL = federal poverty level. N = 7,070, weighted to 38.8 million Medicare beneficiaries; excludes nursing home and non-nursing home residential care residents. "Difficulty only" refers to reporting difficulty performing the activity but not using an assistive device or receiving help.

Data: Authors' analysis of National Health and Aging Trends Study (NHATS) 2015 data.

The types of support that older adults need vary greatly by activity, as shown in Exhibit 3. Use of assistive devices is most common for bathing and toileting. Of the four in 10 older adults using any LTSS for toileting, more than 90 percent met this need with assistive devices only.

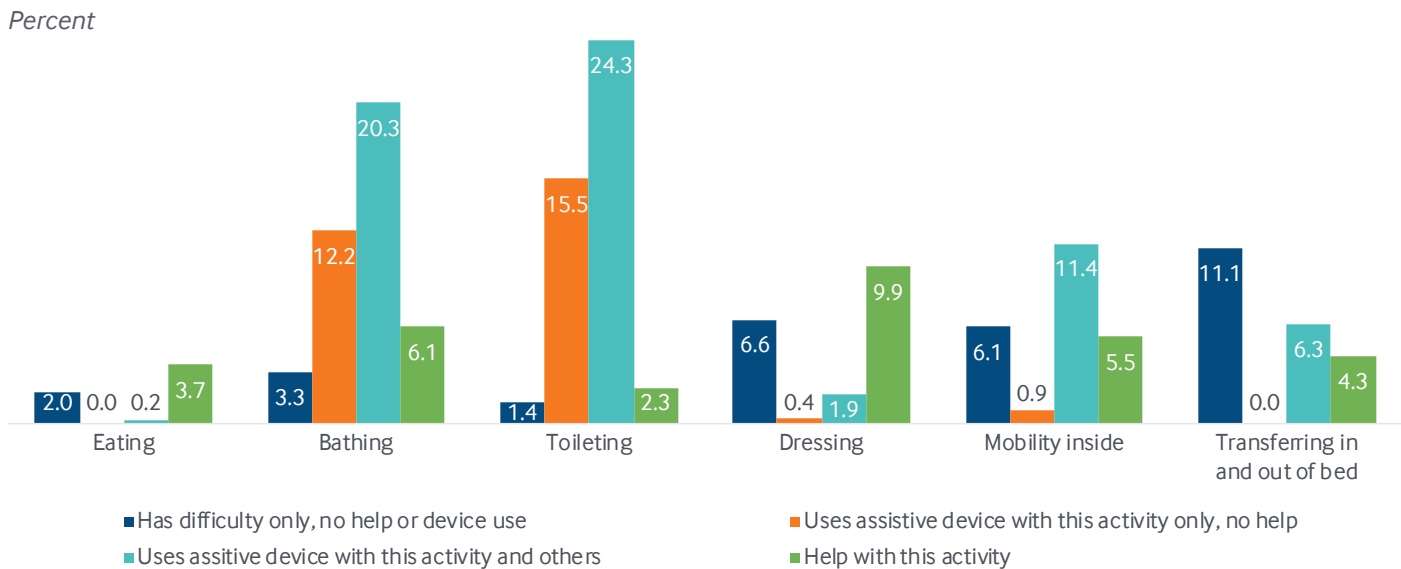
In contrast to bathing and toileting, older adults rely most on personal care, rather than assistive devices, for support in dressing and eating. However, they do use assistive devices for mobility and transferring in and out of bed.

Despite the relatively high levels of assistive device use, many Medicare beneficiaries with LTSS say they have faced adverse consequences because no one was available to help with an activity or it was too difficult to do on their

own. Exhibit 4 shows the percentage of older Medicare beneficiaries who experienced adverse consequences for specific activities (e.g., the percentage of adults with difficulty bathing or that use LTSS for bathing who went without washing up in the past month because no one was there to help, or it was too difficult) by Medicaid status and income level.

Dual-eligible beneficiaries who had difficulty or no help with certain activities consistently had the highest percentages of adverse consequences. Compared with high-income Medicare beneficiaries, dual eligibles were more than four times as likely to wet or soil their clothes and more than twice as likely to stay in bed.

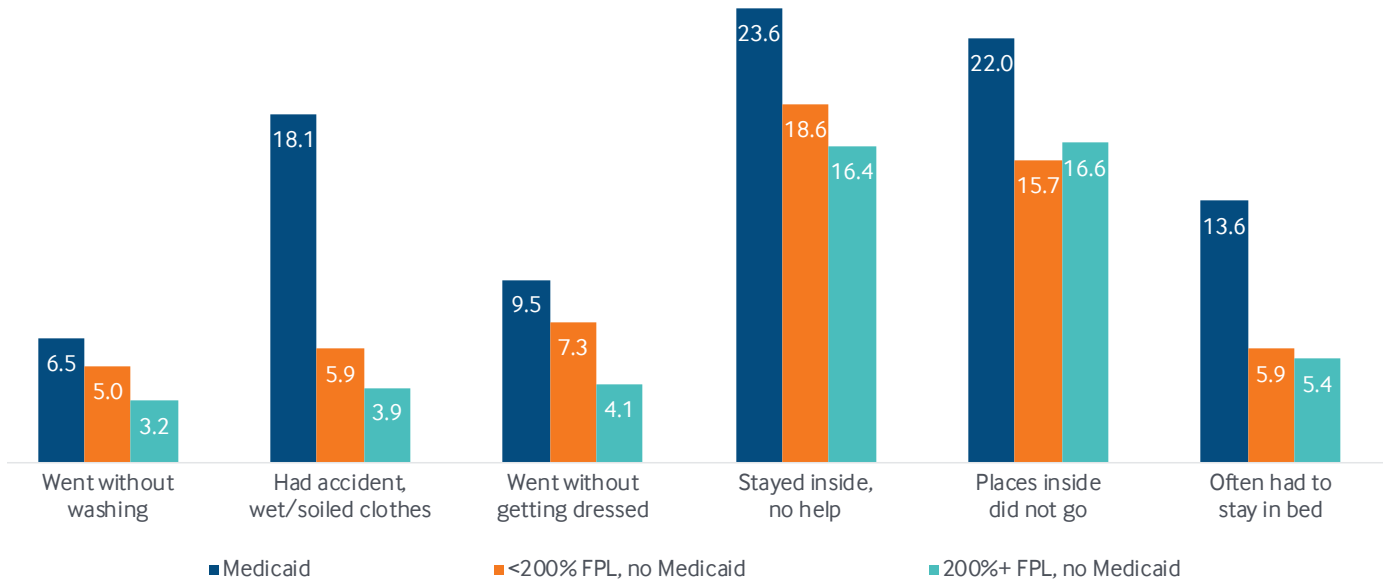
**Exhibit 3. Long-Term Services and Supports by Type of Activity of Daily Living Among Community-Dwelling Medicare Beneficiaries Age 65 and Older**



Note: N = 7,070, weighted to 38.8 million Medicare beneficiaries; excludes nursing home and non-nursing home residential care residents.  
 Data: Authors' analysis of National Health and Aging Trends Study (NHATS) 2015 data.

### Exhibit 4. Adverse Consequences of Unmet Need Among Older, Community-Dwelling Medicare Beneficiaries Receiving Help or Having Difficulty by Activity

Percent



Notes: N varies by persons receiving help or difficulty with activity: bathing (3,418), toileting (3,524), dressing (1,596), inside mobility (2,181), transferring in and out of bed (1,823); excludes nursing home and non-nursing home residential care residents. Analyses were weighted to produce nationally representative estimates. FPL = federal poverty level.

Data: Authors' analysis of National Health and Aging Trends Study (NHATS) 2015 data.

## DISCUSSION

Despite the broad use of assistive devices and environmental modifications and services available to support older adults with ADLs, we found high levels of adverse consequences because of unmet needs, particularly among dual eligibles. Such consequences — such as having to stay in bed, wetting or soiling clothes, or not being able to get dressed — can lead to further negative effects like social isolation, falls, avoidable hospitalizations, and premature entry into nursing homes.<sup>5</sup>

Considering that the Medicaid program provides additional supportive services to low-income beneficiaries who meet nursing home level of care criteria, this analysis raises some important questions. Do dual eligibles who need but do not qualify for LTSS benefits experience adverse consequences? If so, what changes should be made to state Medicaid programs, specifically their eligibility

criteria and wait-lists for waiver programs? Or, do those who receive LTSS benefits still face the negative effects of having unmet needs? If so, what type of support is required to better meet their needs?

Even though the Medicaid program covers some LTSS for beneficiaries who qualify, the generosity of benefits varies substantially by state.<sup>6</sup> Because the costs for LTSS are typically borne entirely by individuals and families, older adults who do not qualify for Medicaid may not be able to afford the services they need. In contrast, higher-income adults not only have more resources to access this type of support, but they also are not bound by the conditions of what qualifies as a covered service.

Types of LTSS vary substantially by activity, and the use of LTSS varies by older adults' income and Medicaid status. Medicare beneficiaries and dual eligibles with low incomes (less than 200% of poverty) were more likely to use assistive devices than older adults with higher

incomes. Low-income Medicare beneficiaries were more likely to rely on assistive devices in two or more activities but were less likely to receive help than dual eligibles. Although this likely reflects some differences in the severity of their functional impairment, dual eligibles who qualify for LTSS benefits have greater access to Medicaid-funded personal care than low-income Medicare beneficiaries who must pay for personal care out of pocket.<sup>7</sup>

Meanwhile, a greater percentage of those with higher incomes had fewer LTSS needs — 29 percent needed a device for only one ADL, compared with 22 percent of dual eligibles.

## **POLICY IMPLICATIONS**

Our findings highlight Medicare beneficiaries' need for long-term services and supports. Although expanding Medicare coverage in tight budget times is controversial among policymakers, adding LTSS benefits could help older Medicare beneficiaries with LTSS needs while achieving greater efficiencies and value of spending for this population. In 2015, average annual Medicare spending for beneficiaries with functional or cognitive impairment was twice as high as for those without functional or cognitive impairment.<sup>8</sup> It also may help to address the financial burden experienced by beneficiaries with functional or cognitive impairment, as highlighted in a companion brief published by the Commonwealth Fund.<sup>9</sup>

The BBA may offer one pathway to expand LTSS benefits by giving MA plans the flexibility to provide services that are not defined as medical care to improve the health of their beneficiaries.<sup>10</sup> For older adults with LTSS needs, this may include coverage for an assistive device or environmental modifications if needed.

Beyond the BBA, other proposals could provide more flexibility (as well as broader accountability) in the traditional Medicare program to ensure the health and well-being of most Medicare beneficiaries. One such proposal would promote the development of integrated

care organizations that would operate much like accountable care organizations but cover a broad range of LTSS needs.<sup>11</sup> This would open the door for innovative models of care that better support more older Medicare beneficiaries with LTSS needs.

One example is the Community Aging in Place—Advancing Better Living for Elders (CAPABLE) program, in which a nurse, occupational therapist, and maintenance person work as a team to ensure the safety and independence of low-income older adults living at home.<sup>12</sup> In a demonstration project funded by the Centers for Medicare and Medicaid Services (CMS), Medicare saved \$2,765 per quarter per participant, while beneficiaries' number of ADL limitations decreased from 3.9 to 2.0 after five months in the program.<sup>13</sup> Achieving such savings on a larger scale requires policymakers to rethink what Medicare should cover to promote better health among older Americans.

## **HOW WE CONDUCTED THIS STUDY**

The National Health and Aging Trends Study (NHATS) is a nationally representative, longitudinal study of Medicare beneficiaries age 65 years and older. This analysis draws on the 2015 survey wave to describe levels of LTSS among community-dwelling older adults (persons in nursing home and residential care settings are excluded).

The study sample was 7,070, which, when weighted, corresponds to 38.8 million Medicare beneficiaries. LTSS need is defined as difficulty in carrying out one or more activities of daily living (ADLs) including eating, bathing, dressing, toileting, transferring in and out of bed, or walking across the room; not doing an activity because of health reasons; using assistive devices to perform activities; or receiving paid or unpaid help for at least one activity.

Mutually exclusive, hierarchical categories of LTSS were created as follows: help and device use, help only, device use only for two or more activities, device use only for one activity, difficulty or don't do only (no help or devices), and no supports or difficulty.

## NOTES

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