

# Challenges In Providing LTSS in Colorado

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## Who We Are

- The Colorado Health Care Association and Center for Assisted Living provides education, information and advocacy for nursing home and assisted living communities in Colorado
- Our Membership includes 85% of the State's nursing homes and about 15% of the State's assisted living communities.
- On an average day, our membership includes more than 25,000 employees providing care for more than 18,500 elderly and disabled Coloradans.

# LTC In Colorado

- There are 235 nursing homes in Colorado with more than 21,000 beds of care
- There are 671 licensed assisted living communities in Colorado with just over 20,000 beds
- Occupancy hovers around 80%
- Increased focus on Post Acute Care
  - Stand Alone & SNF Based

# LTC In Colorado

## Resident Profiles:

- Nursing Homes:
  - Average Age is 78 Years
  - Average ADL Dependence is 4.6
  - Percent with Dementia is 61%
  - % That Discharge to Community is 65.2%
- Assisted Living:
  - 46% are Over Age 85
  - Average ADL Dependence is 2.5
  - Percent with Dementia is 41%
  - After average stay of 22 Months, 60% transition to skilled nursing

# Financing

## Nursing Homes

- More than 70% of nursing home care is being paid for by Medicaid or Medicare
- Colorado has a unique funding mechanism known as Pay for Performance
  - Provides a financial incentive for achieving certain quality outcomes
  - Colorado is in the top tier nationally in terms of quality metrics
  - The Pay for Performance structure is something other states are trying to emulate
- Despite our favorable reimbursement arrangement, providers still lose more than \$9 per resident, per day under Medicaid
- MedPAC studies indicate that skilled nursing facilities operate on a .7% profit margin considering all funding sources

# Financing

## **Assisted Living**

- The majority of assisted living is private pay
- The Medicaid program does pay for certain assisted living services, but the number of Medicaid residents in assisted living represents a very small percentage of overall care (19% Nationally)
- For the most part, assisted living is a viable option for those with higher than average financial means.

# Challenges Ahead

- Regulation
- Financing
- Adequate Human Capital

# Regulation

- **Skilled Nursing** is the most regulated profession in America
- **Assisted Living** has continued to grow rapidly, and regulation is beginning to catch up (especially as acuity increases)
- Increasing regulation leads to time constraints within each building
- Understanding that buildings operate on small profit margins means that new regulation detracts from direct caregiving in order to satisfy paper compliance
  - Regulation needs to be aimed at quality outcomes rather than work inputs



# Financing

- In both skilled nursing and assisted living environments, the stability of financing moving forward will determine availability of care options
- National and state level pressures to cut Medicaid costs
- The boom generation has high expectations for care options in retirement years, but studies show that savings are inadequate to meet their expectations.
- Private Managed Care Companies continue to push cost saving measures. Managed LTC has been disastrous in other states.

# Human Capital

- The provision of skilled nursing and assisted living is labor intensive
- Entry level employees are in high demand, and even with increased pay, remains difficult to hire for front line positions
- With unemployment hovering around 3% its is terribly difficult to find solid employees
  - Providers can't just take any willing employee...they have to be well-suited to caregiving
- Demographic shifts are going to increase the number of 65+ residents disproportionately to the younger population. Most of the in-migration to Colorado is in the professional class...not entry level
- Affordable housing is a significant issue in attracting entry level employees in especially high-cost areas along the front range
- While increasing the number of care options is a positive, it does further stretch the health care workforce

# Contact

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