Medicare Utilization of Long-term Care Services for Post-acute Care

Databook

5/12/2009
Medicare Utilization of Skilled Nursing Facilities
Medicare use of SNF is trending higher

- SNF use is up 11% since 1999
- From the peak in 2005 SNF use would be up by 17%
- Medicare enrollment by contrast has only grown 2% (see page 12)

Source: Medicare Statistical Supplements various years; NP calculations
Total covered days have fluctuated significantly since 1999

- From 1999 to 2007 covered days are up 9.9%

Source: Medicare Statistical Supplements various years; NP calculations
RI Medicare SNF average days has stayed within a range around 24 days whereas nationally average days have been steadily increasing.

Source: Medicare Statistical Supplements various years; NP calculations
Utilization rates of skilled nursing facilities by medicare enrollees

Source: Medicare Statistical Supplements various years; NP calculations
Despite indications of higher utilization and comparable lengths of stay – Medicare occupies a smaller percentage of the state’s SNF capacity than nationally

- RI Total certified beds: 8581
- RI Total Bed Days: 3,132,065
- RI Occupancy rate: 92.2%
- RI Total Occupied Bed Days: 2,887,764
- RI Medicare Bed Days: 234,000
- RI Medicaid Bed Days: 2,029,597
- RI Other Paid Bed Days: 624,167
- RI Available Bed Days: 244,301

**NOTE:**

- In most health care planning environments 85% of capacity is considered full to provide for surge emergency capacity or down time. Accordingly RI nursing home beds for all practical purposes are “full” with little slack capacity.

Source: Medicare Statistical Supplements various years; Kaiser State Health Facts; RI Medicaid Office; PAS Center; NP calculations
Rhode Island may be under-resourced in some key special care beds

- Medicaid reimbursement policy may be a factor
- It should be noted that annually approximately 470 medicare patients require special care beds due to their clinical complexity – at a given moment in time 40% of the state’s special care bed capacity

Source: PAS Center; Medicare Nursing Home data,
Home Health Agencies
Medicare home health utilization is essentially flat since 2002 (cont)

Source: Medicare Statistical Supplements various years; NP calculations
Medicare home health utilization is essentially flat since 2002 (cont)

Home Health Visits per Person
RI and US

Source: Medicare Statistical Supplements various years; NP calculations
Medicare home health utilization in RI has had a continual downward trend since its peak in 1999.

Home Health Utilization
Persons Served per 1000 Enrollees

Source: Medicare Statistical Supplements various years; NP calculations
Medicare Enrollment Trends
Medicare enrollment has grown by 2%

RI Medicare Enrollment Trends
Aged and Disabled

Source: Medicare Statistical Supplements various years; NP calculations
Population forecasts – medicare eligible by age to 2015

- Note: this excludes medicare eligibles due to an SSI determination
- SSI represents approximately 30,000 people in the medicare program in RI
- RI Division of Planning forecast projects an increase of 15,820 in the age cohort 65+
- Census Bureau forecasts projects 20,307 in this same cohort
Medicare Enrollment Trends
Potential demand implications for Medicare SNF

- SSI is excluded because the annual additions vary between 1000 to 2000 additions per year and is not material to the forecast
- Forecast is based on 2007 and high/low/midpoint utilization rates

### Potential Additional Admissions in 2015

- High: 1868
- Mid: 1746
- Low: 1624
- 2007: 1766

### Potential Additional Required SNF Days in 2015

- High: 44837
- Mid: 42401
- Low: 38989
- 2007: 41913

Source: Medicare Statistical Supplements various years; NP calculations
**Key comments and issues for consideration regarding SNFs**

- RI has higher utilization rates than the nation so it is unlikely that there will be an increase in utilization by Medicare.
- Increases are the result of the increase in the medicare eligible population – depending on the forecast between 11% and 13% in the next 5 years.
- Important factors to consider:
  - How medicaid NH beds are “taken down”
    - 8581 beds in the system - nearly all are dually certified
    - Distribution of critical care beds across nursing homes
    - Distribution of medicaid across nursing facilities and relationship to critical care beds
  - How critical care beds are supported through some type of case mix adjustment rate setting
  - Determination of adequate post-acute discharge capacity to serve both the medicare and private pay markets on a monthly admit basis

Source: Medicare Statistical Supplements various years; NP calculations
Potential demand implications for Medicare home health services

- Unless there is a dramatic shift in reimbursement policy and staff availability there is little reason to believe that actual home health utilization by Medicare will increase.
- A key implication for the Medicaid program is going to be the reimbursement approach and level sufficient to support the development of additional capacity.
  - And whether that capacity gets shifted to serve Medicare to meet a potential unmet demand of about 2000 more patients and approximately 47000 more visits.