



Health Policy Snapshot

Public Health and Prevention

www.rwjf.org/healthpolicy**ISSUE BRIEF**

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Can culture change offer viable solutions to meet increased demands for long-term care?

Takeaways:

- Demographic pressures for long-term care are increasing.
- Culture-change models can deliver higher-quality care more cost-effectively.
- Consumer demand and preferences will drive culture change.

Overview

Until recently, long-term care meant placement in an institution such as a nursing home. The “culture change” movement is transforming long-term care by promoting more home-like facilities and providing more options for consumers to receive care how and where they want it, in their communities. These models typically include new types of physical environments, organizational practices, and workforce features that benefit consumers and direct care workers while remaining cost-effective.

CHANGING DEMOGRAPHICS

People are living and working longer. As a result, roughly 70 percent of adults will need long-term care services—and that percentage increases with age.¹

The number of Americans who need long-term care is expected to increase from approximately 12 million today to 27 million in 2050.² By 2030, when the last baby boomers turn 65, the number of Americans 65 and older is projected to be about 72 million, or 19 percent of the total U.S. population (up

from over 40 million or 13 percent in 2010. See Figure 1).³

In addition, 5.2 million Americans live with Alzheimer’s disease. By 2050, up to 16 million may have the disease.⁴

RISING COSTS

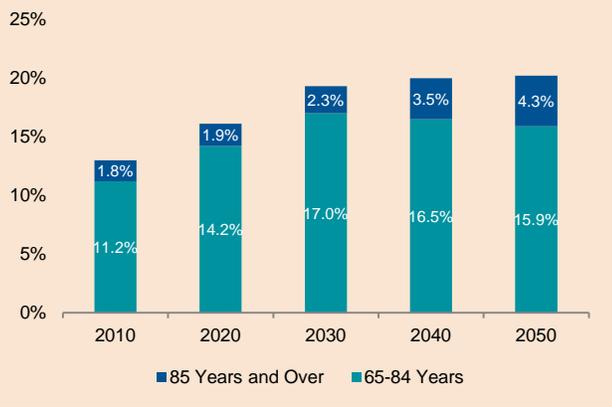
Long-term care expenditures are projected to increase to \$346 billion in 2040.⁵ Medicaid accounts for 43 percent of all long-term care spending while Medicare accounts for 18 percent.⁶ Meanwhile, federal and state governments are reducing overall spending and states are cutting back on their Medicaid programs. The one piece of the Affordable Care Act that addressed long-term care financing—the CLASS Act—has been abandoned due to inability to assure its financial viability.

CONSUMER DEMAND PREFERENCES

Most Americans do not want to live in traditional nursing homes; they want to remain in their own homes. If and when they cannot live independently, they want options that look and feel more like home. Three culture change models for various stages of long-term care continue to benefit Americans who want to lead meaningful and independent lives.

- **Participant direction** offers elders and those with disabilities more options for getting care at home by helping them manage a flexible, monthly supportive care budget. Consumers decide for themselves what mix of goods and services will best meet their needs. They can use their budgets to hire family members or friends to assist them.

Older Americans as a Percentage of the Total U.S. Population, 2010-2050



Source: www.thescanfoundation.org/sites/scan.lmp03.lucidus.net/files/Georgetown_Importance_Federal_Financing_LTC.pdf

They may also make purchases that will help them live more independently. Thus, consumers can preserve their independence while living at home.

Cash & Counseling, a demonstration project supported by RWJF for Medicaid consumers in three states, was the forerunner of participant direction programs. It showed that growing old or living with a disability does not have to mean living in an institution. An evaluation showed that consumers in Cash & Counseling were happy and satisfied with their care. Yet participant-direction programs need not cost more.⁷ Today, these programs operate in all 50 states.

- Assisted living** in facilities that provide supervision or support with activities of daily living and coordination of health care services can be a viable alternative to institutional long-term care for people with very low incomes. State and federal subsidy programs save an average of 62 percent when a nursing home-eligible Medicaid recipient is served in affordable assisted living. A national program of RWJF called Coming Home™ developed affordable assisted living models with a focus on low-income seniors in smaller and rural communities. As of September 2008, Coming Home had supported completion of

50 projects comprising 2,144 units of affordable assisted living in 13 states.

- Small long-term care homes** are emerging as an alternative to traditional nursing homes. In these small, elder-centered homes, residents have more autonomy over how they want to live, receive more personal attention from direct care staff, and engage with each other in “intentional communities” where people want to live.

Supported by RWJF, the Green House™ Project has pioneered the small-home approach.

Compared to traditional nursing home residents, Green House elders are healthier, happier, and more active.⁸ In addition, the Green House model costs the same to operate as traditional nursing homes.⁸ To date, more than 230 Green House homes in 29 states are open or under development.

WANT TO KNOW MORE?

- [Cash & Counseling and Participant Direction](#)
- [Coming Home](#)
- [The Green House Project](#)

¹ Stevenson D, Cohen M, Tell E, Burwell B. The Complementarity of Public and Private Long-Term Care Coverage. *Health Affairs*. 2010; 29(1):35-43.

² Kaye H, Harrington C, LaPlante M. Long-Term Care: Who Gets It, Who Provides It, Who Pays, And How Much? *Health Affairs*. January 2010; 29(1):11-21

³ U.S. Census Bureau, Population Division. Table 2. Projections of the Population by Selected Age Groups and Sex for the United States: 2010 to 2050 (NP2008-T2) 2008; www.census.gov. Accessed May 29, 2012

⁴ Alzheimer's Association. 2012 Alzheimer's Disease Facts and Figures, Alzheimer's & Dementia, Volume 8, Issue 2; www.alz.org/downloads/Facts_Figures_2012.pdf. Accessed April 24, 2012.

⁵ Congressional Budget Office (CBO). Projections of Expenditures for Long-Term Care Services for the Elderly 1999; www.cbo.gov/doc.cfm?index=1123&type=0. Accessed July 17, 2012.

⁶ Avalere Health LLC. Long-Term Care: An Essential Element of Healthcare Reform. 2008; www.avalerehealth.net/research/docs/SCAN_Healthcare_Reform.pdf. Accessed July 17, 2012.

⁷ Carlson BL, Foster L, et al. Effects of Cash and Counseling on Personal Care and Well-Being. *Health Services Research*. 2007; 42: 467-487.

⁸ Kane R, Cutler L, et al. Resident Outcomes in Small-House Nursing Homes: A Longitudinal Evaluation of the Initial Green House Program. *Journal of the American Geriatric Society*. June 2007; 55(6):832-39.