Members of the baby boom generation began turning 65 years old in 2011. As a result, the number of persons aged 65 or older in Nebraska will increase during the next 20 years. There are a number of relevant issues related to this aging population that should be of concern to Nebraska’s policymakers. One immediate concern is the financial impact of the long-term care needs of this growing population, especially the impact on Medicaid if there is a corresponding increase in the number of persons requiring nursing home placement.

Introduction

Several tables in the Legislature’s Planning Committee 2011 Report highlight the Medicaid and CHIP expenditures for the state (pp. 91 and 92). These tables demonstrate the current financial impact the aging population has on Nebraska’s Medicaid system. In this section, we look at the living arrangement of the state’s older population and consider this impact on potential expenditures.

1. Medicaid Expenditures for Long-Term Care Services

Table 1 illustrates that long-term care services totaled $617.5 million in FY 2011 and were down 4.3% from FY 2010. Even with this decline, expenditures for long-term care services accounted for approximately two out of every five dollars spent on Medicaid in Nebraska. Moreover, nursing facility costs totaled 19% of all Medicaid expenditures (Nebraska Medicaid Annual Report, 2011). The average annual cost in 2011 for a Nebraska senior in a nursing facility, under the Nebraska Medicaid program, was $86,040 (DHHS, Costs of Senior Care, 2011). Clearly, any intervention that delays or eliminates the need for nursing home care will have a substantial impact on long-term care costs for Nebraska. As can be seen from Table 1, Nebraska’s Department of Health and Human Services (DHHS) is moving in this direction and has initiated a number of programs to develop home and community-based alternatives to nursing home care.

Table 1. Medicaid Expenditures for Long-Term Care Services for Nebraska: FYs 2010 and 2011

<table>
<thead>
<tr>
<th>Service</th>
<th>FY 2010</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Facilities</td>
<td>$317.0</td>
<td>$299.1</td>
</tr>
<tr>
<td>ICF/MR</td>
<td>$43.0</td>
<td>$20.8</td>
</tr>
<tr>
<td>Developmental Disability (DD) Waivers</td>
<td>$179.4</td>
<td>$195.3</td>
</tr>
<tr>
<td>Aged and Disabled (A&amp;D) Waivers</td>
<td>$35.4</td>
<td>$38.7</td>
</tr>
<tr>
<td>Home Health/Personal Assistance Svcs.</td>
<td>$40.6</td>
<td>$33.3</td>
</tr>
<tr>
<td>Assisted Living</td>
<td>$29.7</td>
<td>$30.2</td>
</tr>
<tr>
<td>Total</td>
<td>$645.0</td>
<td>$617.5</td>
</tr>
</tbody>
</table>

Source: Nebraska Department of Health and Human Services; prepared by UNO Center for Public Affairs Research, September 2012
2. Living Arrangements of Nebraska’s Older Population

Nursing home placement is a persisting risk for frail older adults. One of the major risk factors for nursing home placement is lack of an informal support system, which is made more difficult by the number of persons living alone. Living alone is a source of anxiety for many adults. There is fear that if a health event or accident occurred, no one would know.

Table 2 shows the living arrangements of Nebraska’s older adults. Most older adults do not live in a nursing home; they live in a household. However, a sizable percentage lives alone. According to the 2010 Census, 32.2% of the population 65 years or older and 42.9% of the population 75 years or older live alone. Focusing solely on the 75 years or older population, Tables 2 illustrates that the number of persons 75 years or older living alone is nearly five times as large as the population living in nursing homes. Efforts to provide a support system for persons living alone that prevents them becoming institutionalized could have considerable cost advantages.

Table 2. Nebraska Population Aged 65 Years or Older by Living Arrangement: 2010

<table>
<thead>
<tr>
<th></th>
<th>65 years and over</th>
<th>75 years and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population:</td>
<td>246,677</td>
<td>123,551</td>
</tr>
<tr>
<td>Living in households</td>
<td>234,188</td>
<td>112,886</td>
</tr>
<tr>
<td>Living alone</td>
<td>75,330</td>
<td>48,464</td>
</tr>
<tr>
<td>Percent living alone</td>
<td>32.2%</td>
<td>42.9%</td>
</tr>
<tr>
<td>Living in a nursing home</td>
<td>11,977</td>
<td>10,431</td>
</tr>
<tr>
<td>Other living arrangement</td>
<td>512</td>
<td>234</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2010 Census of Population, prepared by UNO Center for Public Affairs Research, November 2012

Figure 1. Nebraska Population Aged 65 Years or Older Living Alone or in a Nursing Home: 2010

Source: U.S. Census Bureau, 2010 Census of Population, prepared by UNO Center for Public Affairs Research, November 2012
Conclusions and Policy Options

As stated above, one of the most efficient ways to save costs in the Nebraska Medicaid program is to delay or eliminate the need for nursing home placement. Listed below are two policy options that could result in fewer nursing home placements and enhance the quality of life for Nebraska’s elderly population.

1. **Telephone Reassurance**

Providing individuals with a means of contact with others could greatly allay fears associated with living alone. The idea, of course, is not new. Hundreds of communities are providing telephone reassurance programs throughout the United States. Most of these are volunteer programs. In addition to volunteers, there are also automated calling systems. Indeed, whole industries, such as Lifeline, have been developed to provide this service.

For individuals who live alone, who are primarily home-bound and who have little family support, an informal support system is hard to acquire and maintain. One possibility for long term Medicaid cost savings for the State of Nebraska is for individuals with any of these risk factors to enroll in a telephone network of like individuals who agree to contact another person on a daily basis by telephone. By integrating participants into a network of mutual support, individuals have the opportunity for socialization, friendship and safety. Such a program also would be relatively inexpensive to create.

Nebraska has a number of these telephone assurance programs, but a major problem is that they lack formal organization. The programs are few and far between, and most lack secure funding resources. Given the potential importance of these programs in delaying institutionalization, one policy option to consider is to provide an inexpensive version of this service statewide. The program could be for individuals of any age who are Medicaid-eligible and participation would be voluntary.
The program could be supervised by a state-sponsored case manager from the local Area Agency on Aging or similar program. The actual calling, however, would be performed by the participants. Thus, the program costs would be primarily the personnel costs of supervision. There also may be private and public organizations that would provide grants to community organizations to support these programs.

A website for Database Systems Corporation, a supplier of telephone technology, lists telephone reassurance programs in Nebraska. The attachment at the end of this report is from their website and demonstrates the sporadic coverage across the state.

2. Culture Change in Discharge Planning

From the point of view of the states, which bear a substantial portion of the health care costs for Medicaid patients, the hospital discharge planning process is inefficient. Despite the overwhelming preference of consumers for home-and-community based care, the most common destination for post-hospital care remains another institution. Since institutional care is much more costly than community-based care, much of this cost can be avoided by making community-based care a reasonable option for patients and discharge planners at the point of hospital discharge. Discharge planners often have little warning prior to discharge to make all of the necessary arrangements to support an older adult in the community. The choice for discharge planners is simple. They can spend all of the time that such planning requires, or they can invest much less time and simply find an available Medicaid bed in a local nursing home. This is of particular concern for persons who live alone without a support system.

One approach is for hospital discharge planners to team with a state-sponsored case manager in hospitals identified as having high placement rates. Participation by the hospital would be voluntary. At some reasonable time following hospital admission, the hospital discharge planner could identify patients who are nursing home-eligible and appropriate for community-based services and refer them to the state-sponsored case manager. The latter could provide custom tailored information about community services to each appropriate consumer prior to their hospital discharge or shortly following discharge if they are referred to an institution for short-term rehabilitation.
The following cities and communities provide telephone reassurance programs for the elderly within their Nebraska communities. These programs are both automated or volunteer based community services.

**Nebraska Volunteer Telephone Reassurance Providers**

- Cairo Senior Center - Cairo, Nebraska (308) 485-4634
- Grand Generation Center - Grand Island, Nebraska (308) 385-5308
- Hamilton County Senior Services - Aurora, Nebraska (402) 694-2176
- Howard County Senior Services - St. Paul, Nebraska (308) 754-5452
- Lincoln Area Agency on Aging Telecare - Lincoln, Nebraska (402) 441-7026
- Northeast Nebraska Area Agency on Aging - Norfolk, Nebraska (800) 672-8368
- Merrick County Senior Services - St. Paul, Nebraska (308) 754-5452
- City of West Point Senior Services - City of West Point, Nebraska (402) 372-3800
- Wood River Senior Center - Wood River, Nebraska (308) 583-2414
- Neighbor to Neighbor - Auburn, Nebraska (402) 274-3893
- Retired and Senior Volunteer Program - Crawford, Nebraska (308) 665-2350
- Interfaith Health Ministries - Grand Island, Nebraska (308) 398-5799
- Kearney Area Interfaith Caregivers - Kearney, Nebraska (308) 865-5365 ext. 128
- Otoe County Faith in Action - Nebraska City, Nebraska (402) 873-9139
- Faith in Action of Interfaith Health Service - Omaha, Nebraska (402) 660-2652
- Family Friends Program of the Visiting Nurse Association - Omaha, Nebraska (402) 342-5566
- Sudanese National Community of Nebraska - Omaha, Nebraska (402) 504-9733
- O'Neill Community Volunteer Program - O'Neill, Nebraska (402) 336-5285
- Faith in Action in Johnson County - Tecumseh, Nebraska (402) 335-5900
- Faith in Action Care-A-Van, Inc - Valley, Nebraska (402) 359-8634
- Saline Eldercare - Wilber, Nebraska (402) 821-3330

**Nebraska 211 Telephone Reassurance Providers**

- Adams County Senior Services - Hastings, Nebraska (402) 463-5681
- Aging Office of Western Nebraska - Scottsbluff, Nebraska (800) 682-5140
- Clay County Senior Services - Chadron, Nebraska (402) 762-3226
- Doniphan Senior Center - Doniphan, Nebraska (402) 845-6583
- Eastern Nebraska Office on Aging - Omaha, Nebraska (888) 554-2711
- Franklin Senior Center - Franklin, Nebraska (308) 425-3724
- Iowa Foster and Adoptive Parents Association - Ankeny, Iowa (515) 289-4567
- Midland Area Agency on Aging - Hastings, Nebraska (402) 463-4565
- Nuckolls County Senior Services - Superior, Nebraska (402) 879-4679
- Salvation Army - Omaha Senior Services - Omaha, Nebraska (402) 898-5944
- Sarpy County Community Service - Papillion, Nebraska (402) 593-4366
- Webster County Senior Services - Red Cloud, Nebraska (402) 746-3708