

UW Madison Retirement Association



Long-Term Care Trends and Outlook

September 28, 2021

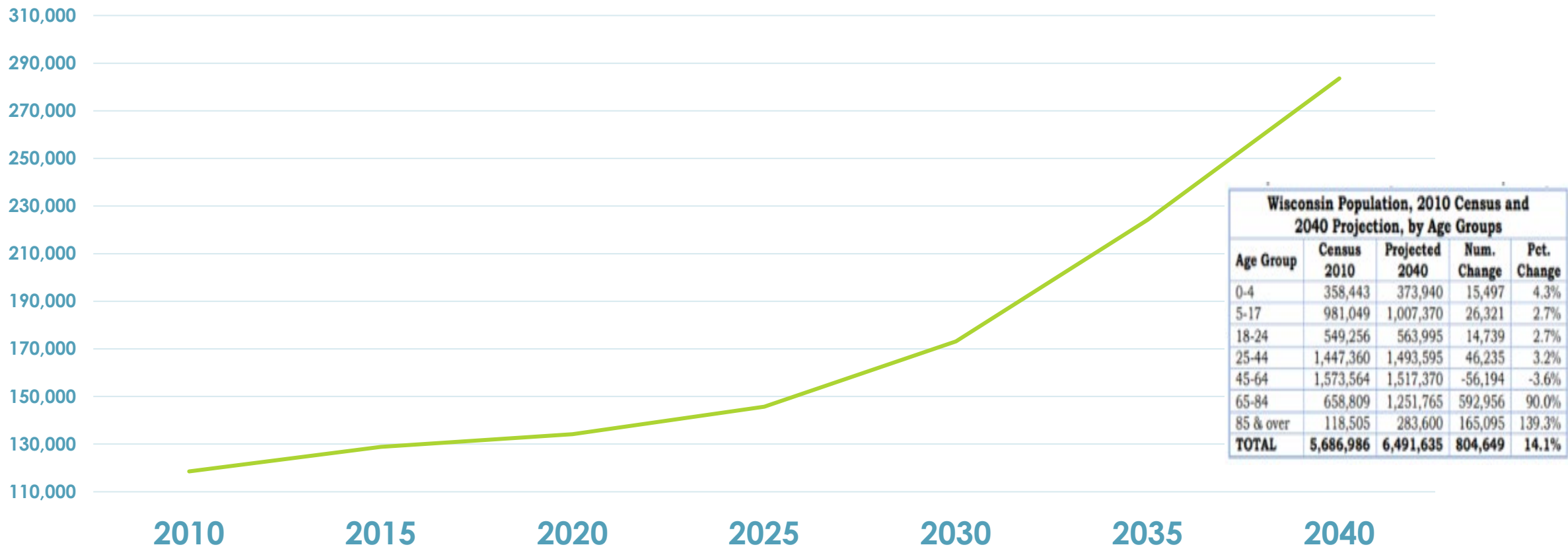
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- ❖ **Changing Demographics**
 - ❖ **Workforce Challenges**
 - ❖ **Cost of Care/Consumer**
 - ❖ **Not the “Same Old, Same Old”**
 - ❖ **Thoughts as We Move Closer to LTC**
-

Population Trend

Wisconsin Age 85+ Population Projections Through 2040



Source: Wisconsin Department of Administration

ADDITIONAL DEMOGRAPHIC CHARACTERISTICS

	# Persons 65+	Percent of All Ages	Percent Living Alone	Percent Below Poverty
Wisconsin	896,724	15.6%	28.9%	7.3%
U.S. Total	47,732,389	14.9%	26.2%	9.3%

Source: 2017 Profile of Older Adults: Administration for Community Living & Administration on Aging

- Between 2019-2025, the percentage of those in Wisconsin who are 65 with Alzheimer's or Dementia is expected to increase by 18.2% from 110,000 to 130,000
- It is estimated that there are 195,000 unpaid caregivers in Wisconsin providing services for individuals with Alzheimer's or Dementia

PROJECTED POPULATION GROWTH BY AGE GROUP, 2016 TO 2060

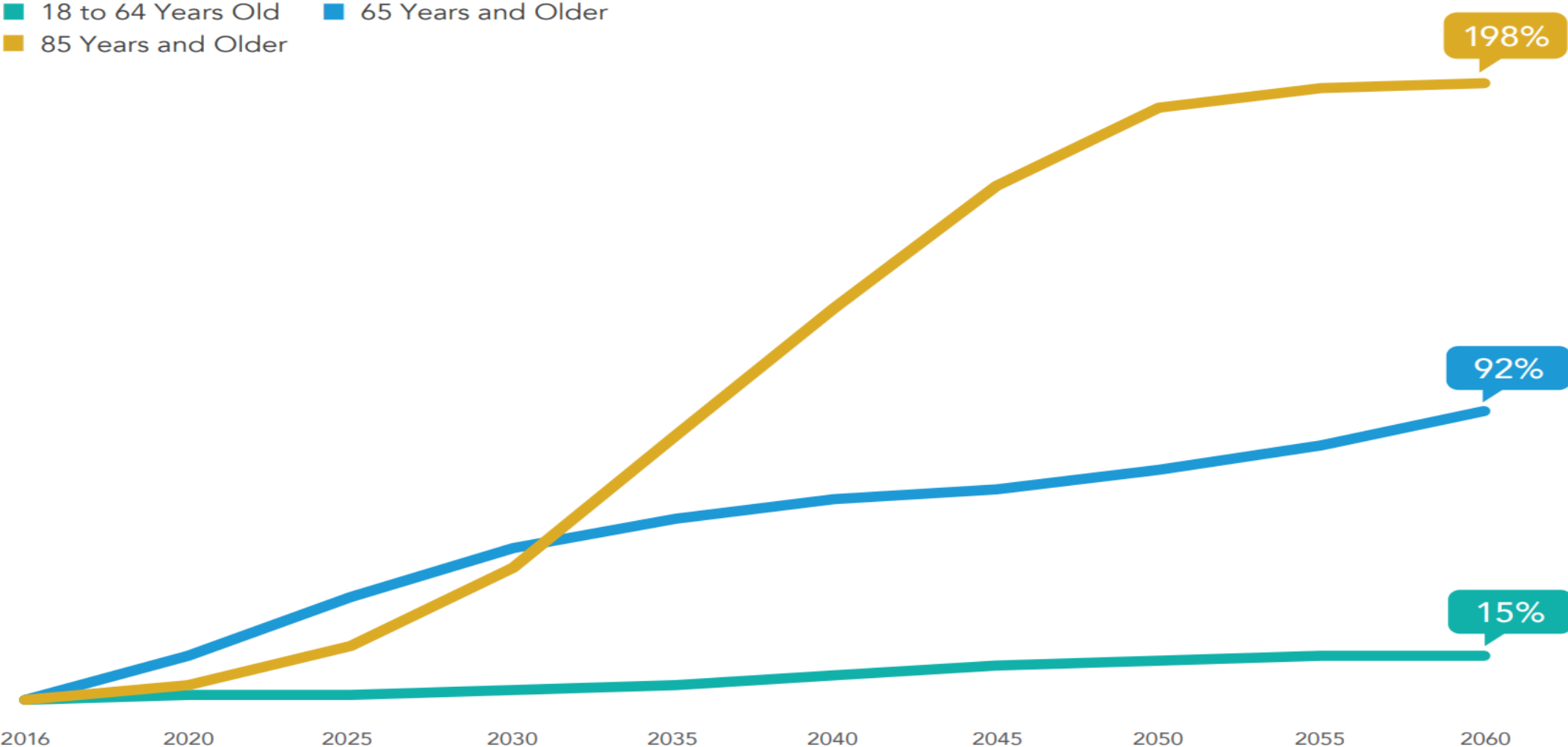
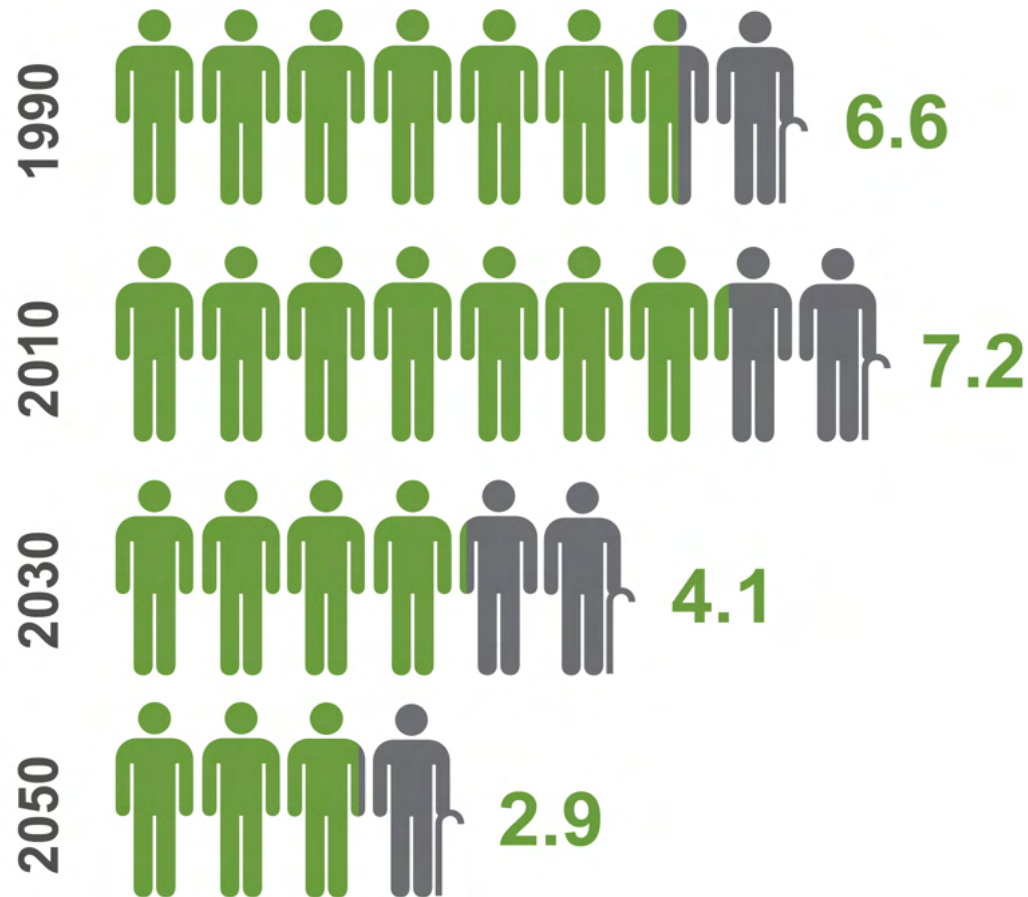


Chart Source: U.S. Census Bureau. 2017. 2017 National Population Projections Datasets, Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2016 to 2060. <https://www.census.gov/data/tables/2017/demo/popproj/2017-summary-tables.html>; analysis by PHI (July 2020).

Ratio of Potential Caregivers to Those Needing Care



*1/2 as many
caregivers
will be available
in 2050*

Workforce



The Long-Term Care Workforce Crisis: A 2020 Report

Results from a survey of long-term care providers in 2016 and 2018 exposed a caregiver workforce crisis. Data from the 2020 survey of 924 providers, together with information from other sources revealed:

- An increase in caregiver vacancies from 19% in 2018¹ to 23.5% in 2020
- A continued downward trend in the number of persons on the Wisconsin nurse aide registry²
- Caregiver vacancy rates in excess of 30% for adult family homes, a vital part of the long-term care continuum
- One in three providers are limiting admissions due to caregiver vacancies
- Since 2018, inflation has increased by 4%³ while median wages for direct care workers have been limited to only 2.3% growth
- The average occupancy of long-term and residential care providers could increase from 78% to 93% if there were enough caregivers to fill available positions
- Long-term care providers continue to be challenged with a lack of applicants for caregiving positions

Clearly the caregiver workforce crisis continues to be one of the most significant challenges facing providers of long-term and residential care services. Public and private efforts to deal with the workforce needs have helped but more needs to be done - especially as the state faces growth in the number of older persons, people with intellectual and physical disabilities, and individuals diagnosed with dementia.

WHCA / WiCAL
Wisconsin Health Care Association Wisconsin Center for Assisted Living



LeadingAge
Wisconsin
Better Services for Better Aging



Scope of the Crisis

A 2016 and 2018 survey of long-term and residential care providers established the existence of a workforce crisis. The 2020 survey confirms the workforce crisis remains a significant challenge.

- **23.5%** average caregiver vacancy rate (14.5% in 2016⁵ and 19% in 2018¹)
- **42%** of providers (30% in 2018¹) are facing a caregiver vacancy rate in excess of **25%**
- **1 in 3** providers (1 in 5 in 2018¹) are experiencing caregiver vacancy rates **30% and higher**
- **20,655** vacant caregiver positions in Wisconsin long-term and residential care facilities, up from 16,500 in 2018¹
- Adult Family Homes are experiencing caregiver vacancy rates **in excess of 30%**
- Nursing homes are experiencing registered nurse and licensed practical nurse vacancy rates of **nearly 22%**

1 in 4

Caregiving staff positions are unfilled ...why?

Nearly **50%** of respondents felt they were unable to compete with non-healthcare employers

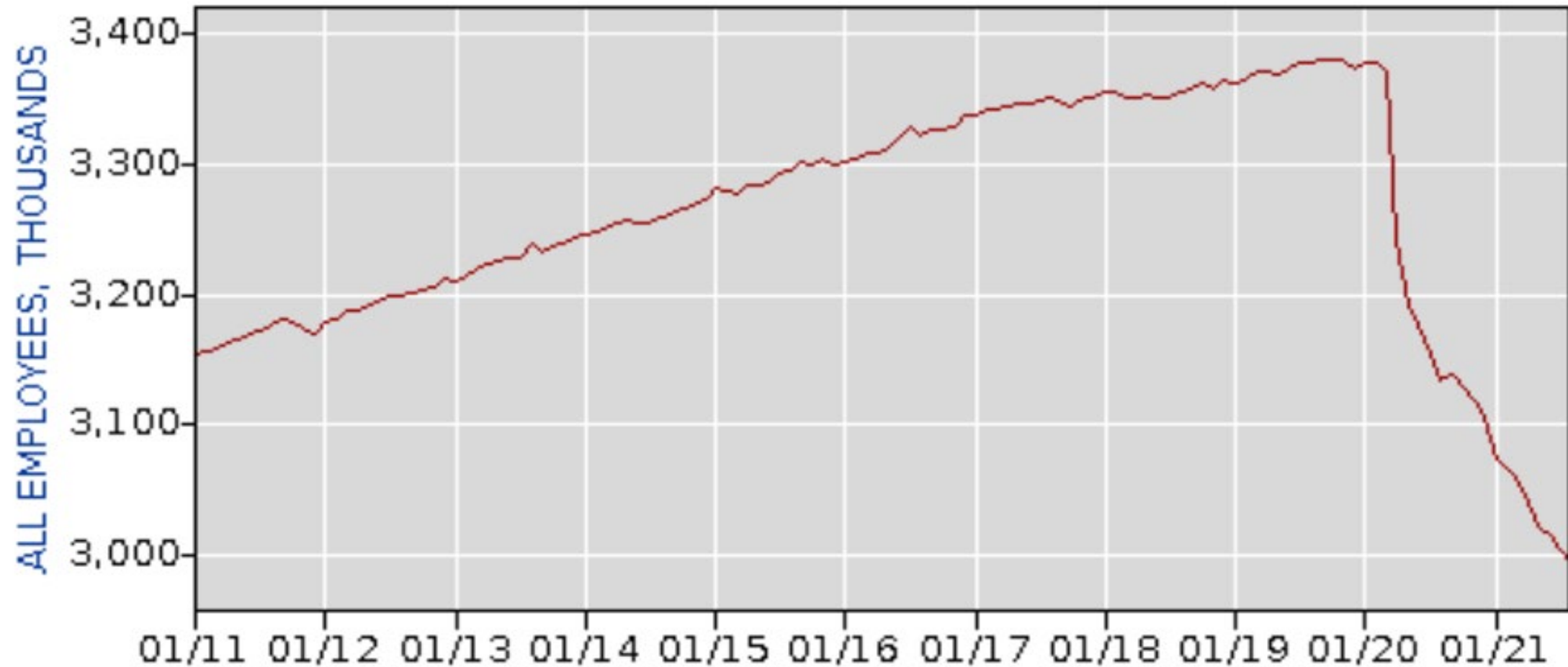
1 in 2 said they couldn't increase wages because of inadequate Medicaid and Family Care reimbursement

More than **1 in 3** providers report not getting even a single application for available caregiver positions

70% said there were no qualified applicants for caregiver openings

State and federal CNA training regulations fail to recognize the severity of the caregiver workforce crisis, creating additional barriers for people to enter the caregiving profession

U.S. Reductions in LTC staffing.



Source: Bureau of Labor Statistics. [Month](#)

Workforce Competition



COME GROW WITH US

STARTING WAGES

\$15.00/HR

Guest/Food Service Coworkers

+\$2.00/HR
3RD SHIFT!!

\$15.75/HR

Assistant Food Service Leaders

WALK-IN INTERVIEWS

EVERY THURSDAY

10 am to 6 pm
through September!

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Wisconsin Caregivers in Crisis: Investing in our Future

Governor's Task Force on Caregiving

September 2020

Executive Summary

Wisconsin is facing a critical shortage of direct care workers that leaves families and individuals struggling to meet care needs and has dire and costly impacts for nursing homes, assisted-living facilities and home and personal care agencies. At the same time, the role of a family caregiver has expanded to include more tasks that used to be provided by care or medical professionals, increasing stress on family caregivers. The percentage of the population age 65 and older is increasing, and people with chronic conditions and disabilities are living longer, contributing to an even higher demand for paid and family caregivers in Wisconsin's future.

Recognizing the need to address the caregiver shortages both now and in the future, Governor Evers signed **Executive Order #11** in February 2019, creating the Governor's Task Force on Caregiving. The charges laid out for the Task Force included analyzing strategies to attract and retain a strong direct care workforce and to assist families providing caregiving supports and services. In partnership with the Department of Workforce Development, the Department of Health Services was tasked with supporting the work of the Task Force.

The 28 member Task Force met regularly starting in September 2019. From the start, members established a goal of developing policy proposals to present to the Governor in Fall 2020. A request for public input on draft versions of the proposals resulted in more than 1,500 responses, providing valuable comments for consideration as the proposals were finalized. On September 10, 2020, Task Force members voted to recommend the following 16 policy proposals to the Governor and other state leaders:

Family Caregiving

1. Caregiver Assessment: Tailored Caregiver Assessment and Referral Proposal
2. Aging and Disability Resource Center (ADRC): Reinvestment/Caregiver Support
3. Family Medical Leave Act Amendments
4. The Wisconsin Credit for Caring Act
5. The Care Act

Direct Care Workforce Proposals: Rates

6. Rates Band Proposal
7. Nursing Home and Personal Care Payment Reform
8. Medical Loss Ratio for Family Care Managed Care Organizations
9. Direct Care Worker Fund

Direct Care Workforce Proposals: Benefits

10. Medicaid Expansion
11. Earnings Disregard for Direct Care Workers

Direct Care Workforce Proposals: Untapped Workers

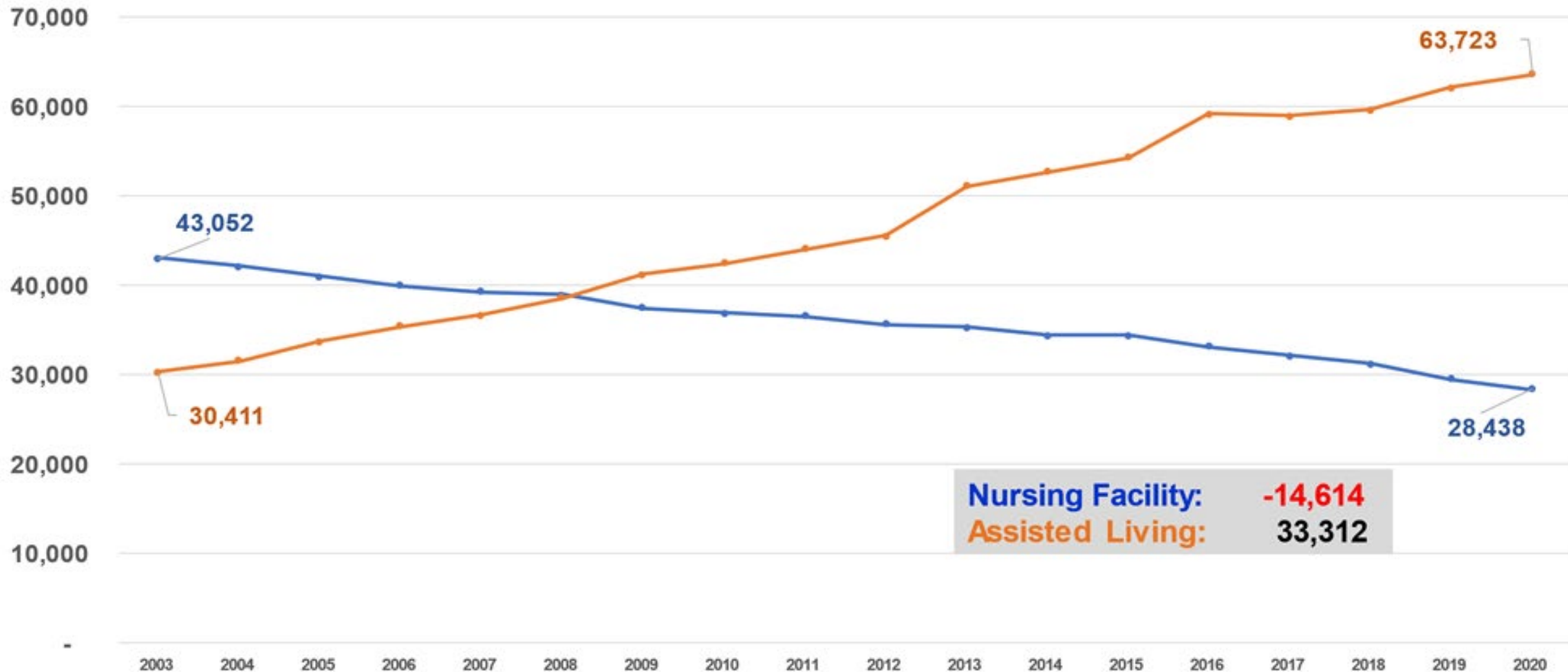
12. State-Wide Direct Support Professional Training
13. Recognition and Recruitment of Direct Support Professionals
14. Background Check Policies
15. Medicaid Provider Regulatory Oversight

Home Care Provider Registry

16. Home Care Provider Registry Pilot

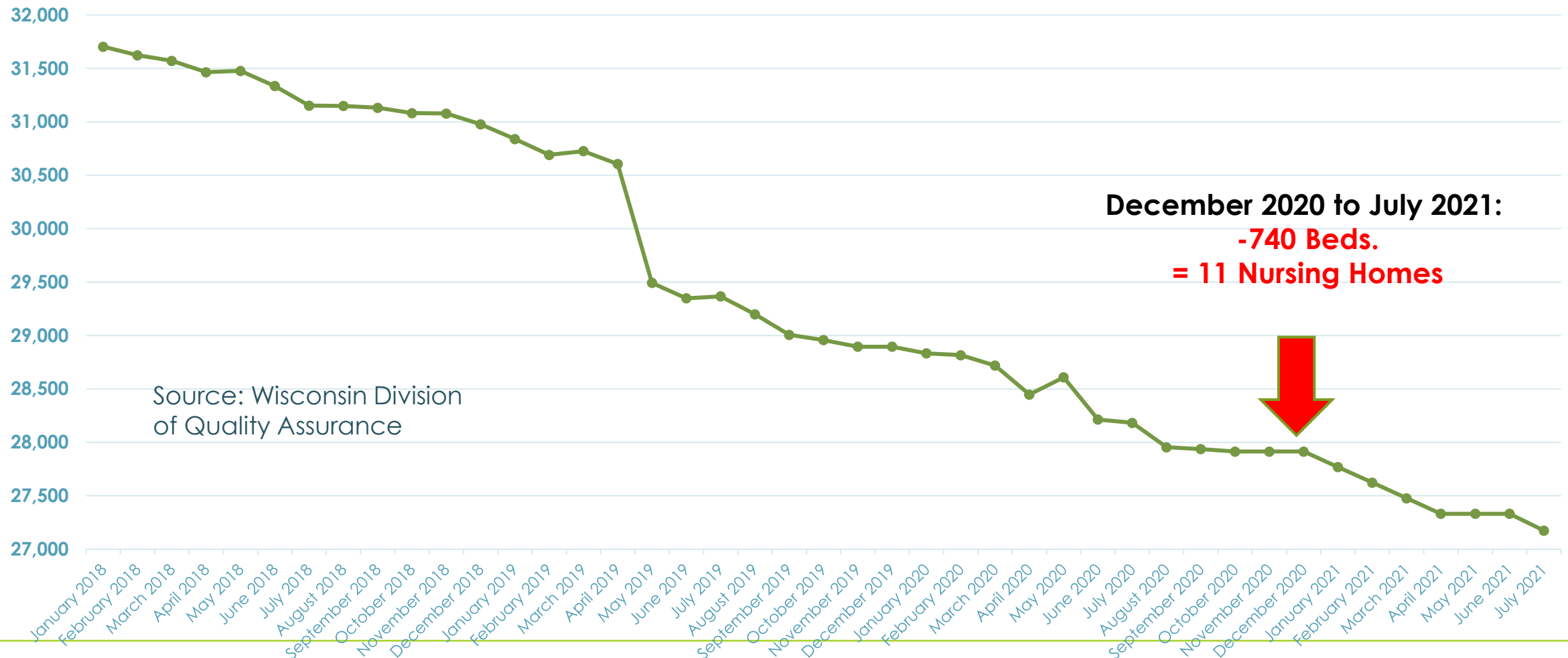
This report lays out the process and rationale used by Task Force members to develop these 16 proposals, presents the 16 proposals in full, and concludes with a discussion of next steps needed for implementation.

Wisconsin Nursing Facility vs. Assisted Living Capacity 2003 - 2020

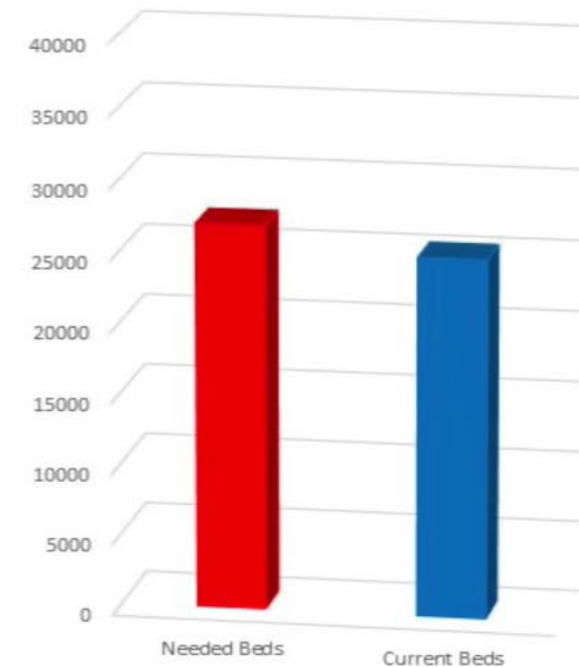
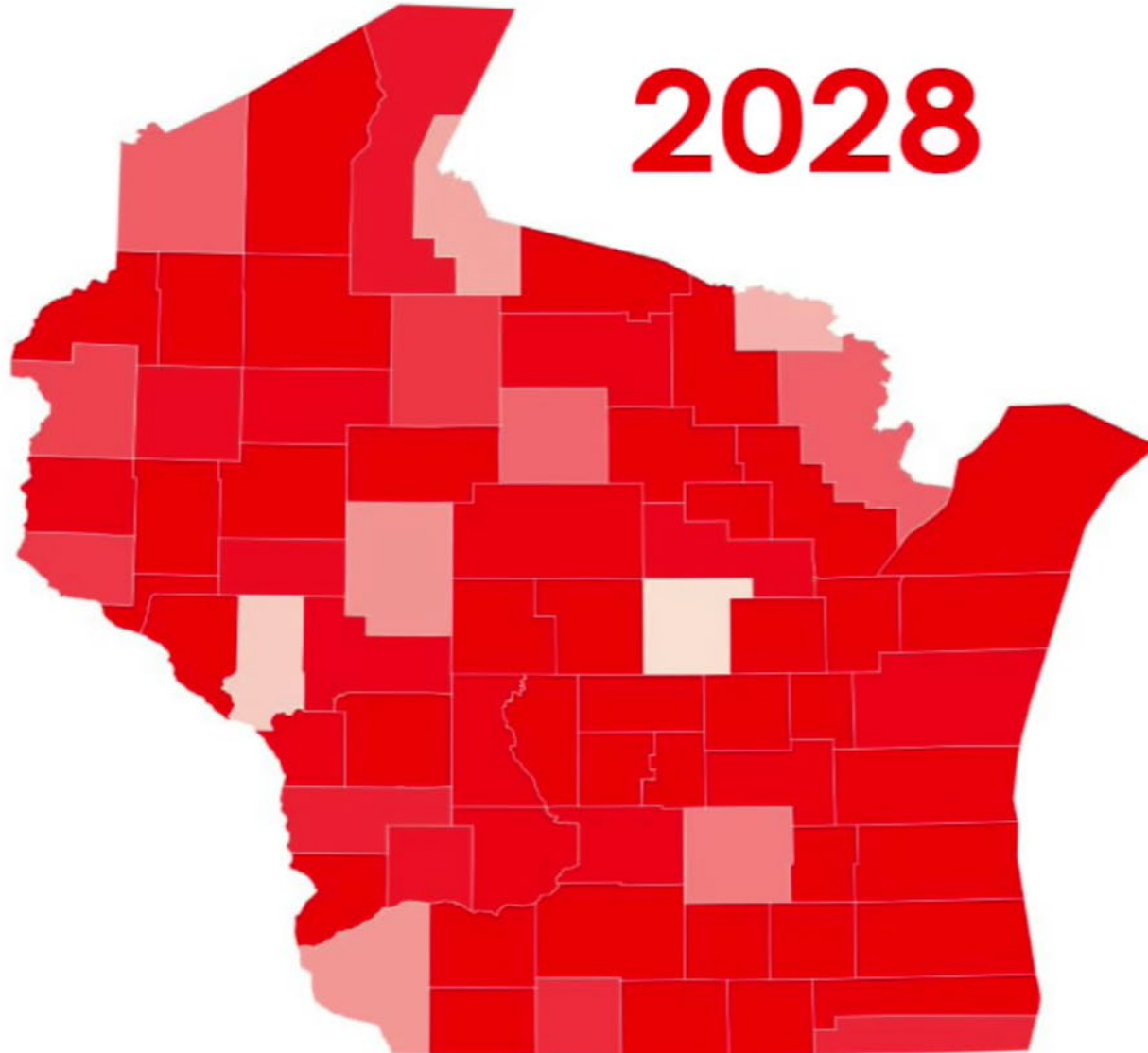


Wisconsin Bed Trend

Monthly Number of Nursing Facility Beds

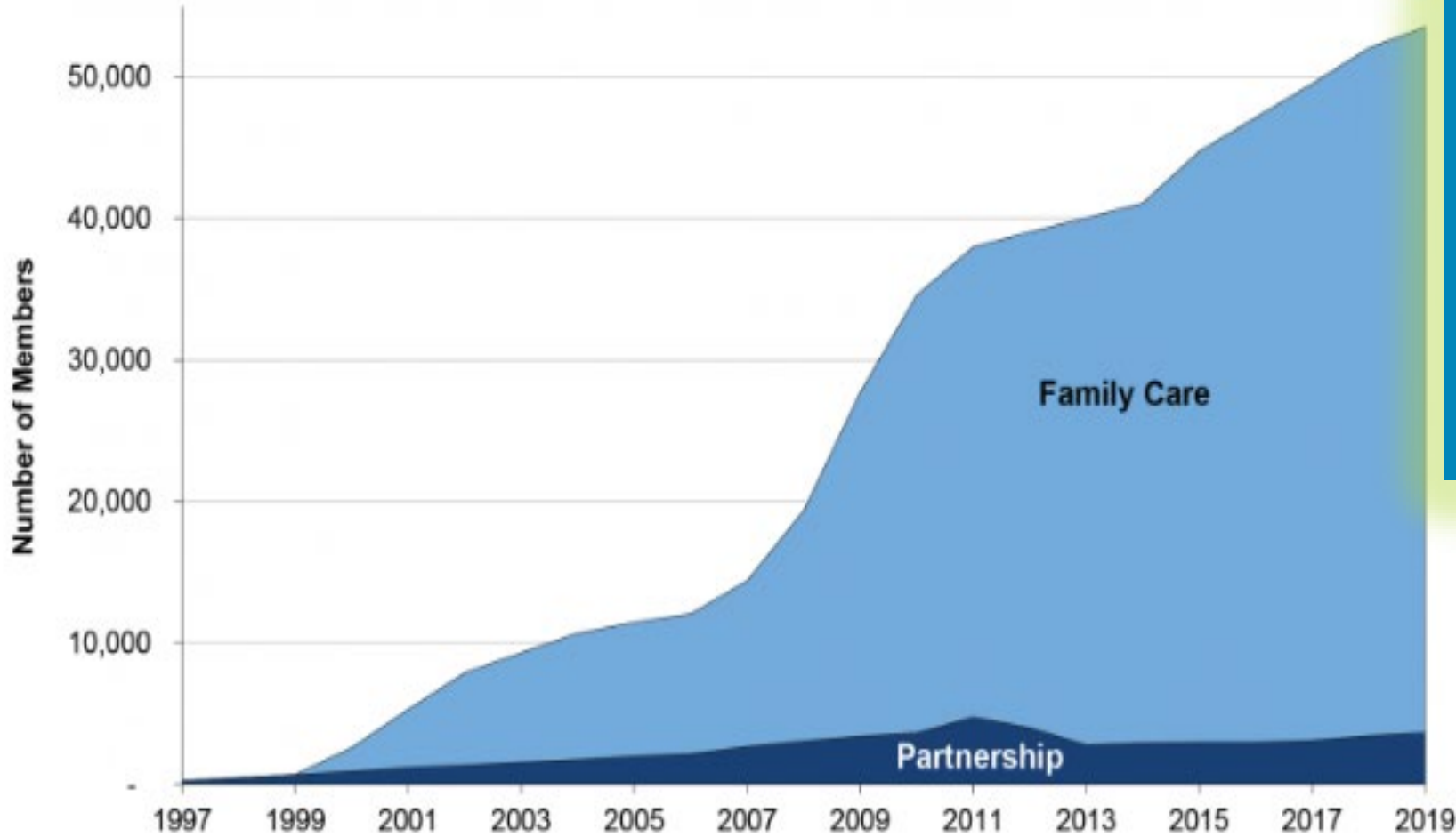


Shortage of Nursing Home Beds by 2028?



Wisconsin Family Care and Partnership Program

Number of Members Enrolled as of
September 30 of Each Year



Family Care (Medicaid) funds a broad array of Long-Term Care and Services, including assisted living. Today, over 55,000 persons are served under the State's LTC Managed Care Programs.

Monthly Median Costs: Wisconsin - Stateⁱ (2020 vs. 2030)

In-Home Care ⁱ

Homemaker Services¹ **\$4,957**

2030* Cost **\$6,662**

Home Health Aide¹ **\$4,957**

2030* Cost **\$6,662**

Community and Assisted Living ⁱ

Adult Day Health Care² **\$1,322**

2030* Cost **\$1,777**

Assisted Living Facility³ **\$4,400**

2030* Cost **\$5,913**

Nursing Home Facility ⁱ

Semi-Private Room² **\$8,684**

2030* Cost **\$11,671**

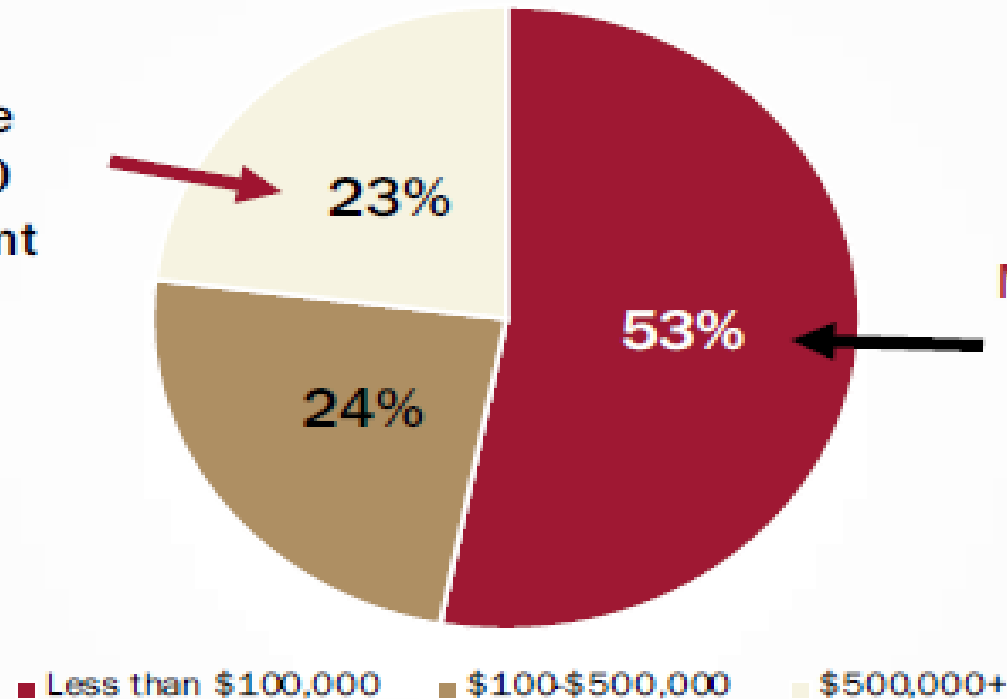
Private Room² **\$9,429**

2030* Cost **\$12,672**

Source: Genworth Cost of Care Survey, 2020: <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

How much do you have saved for retirement?

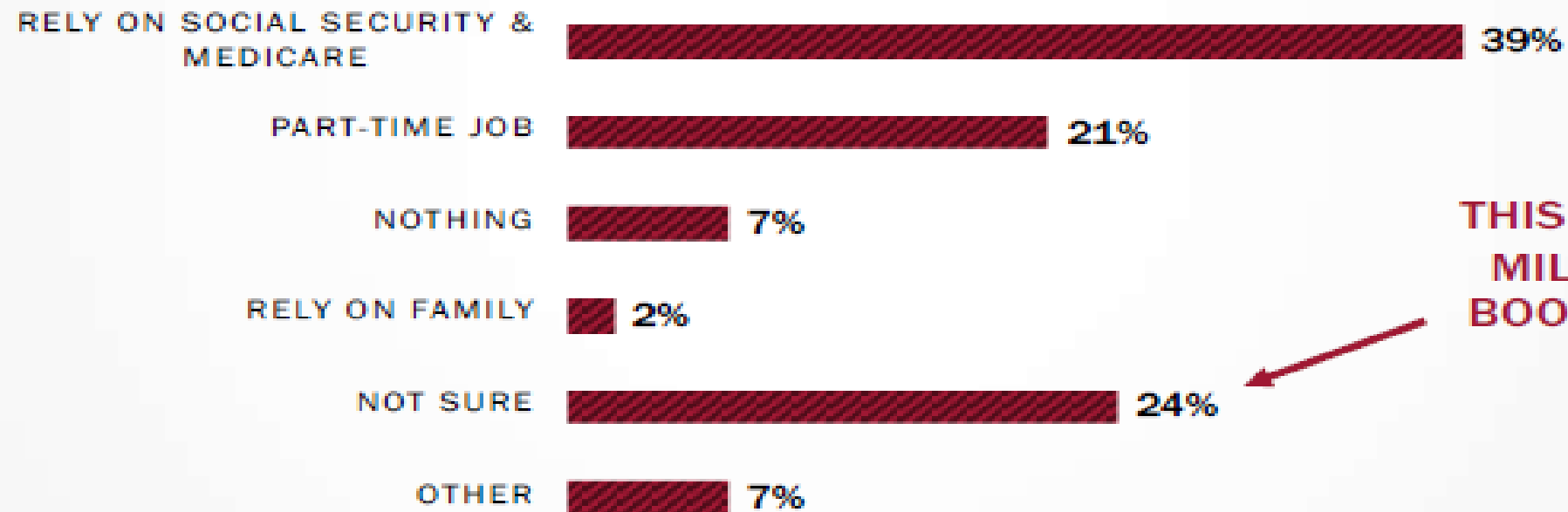
Slightly less than
ONE IN FOUR have
at least \$500,000
saved for retirement



MORE THAN HALF have
less than \$100,000
saved for retirement

If haven't saved enough, what's your plan?

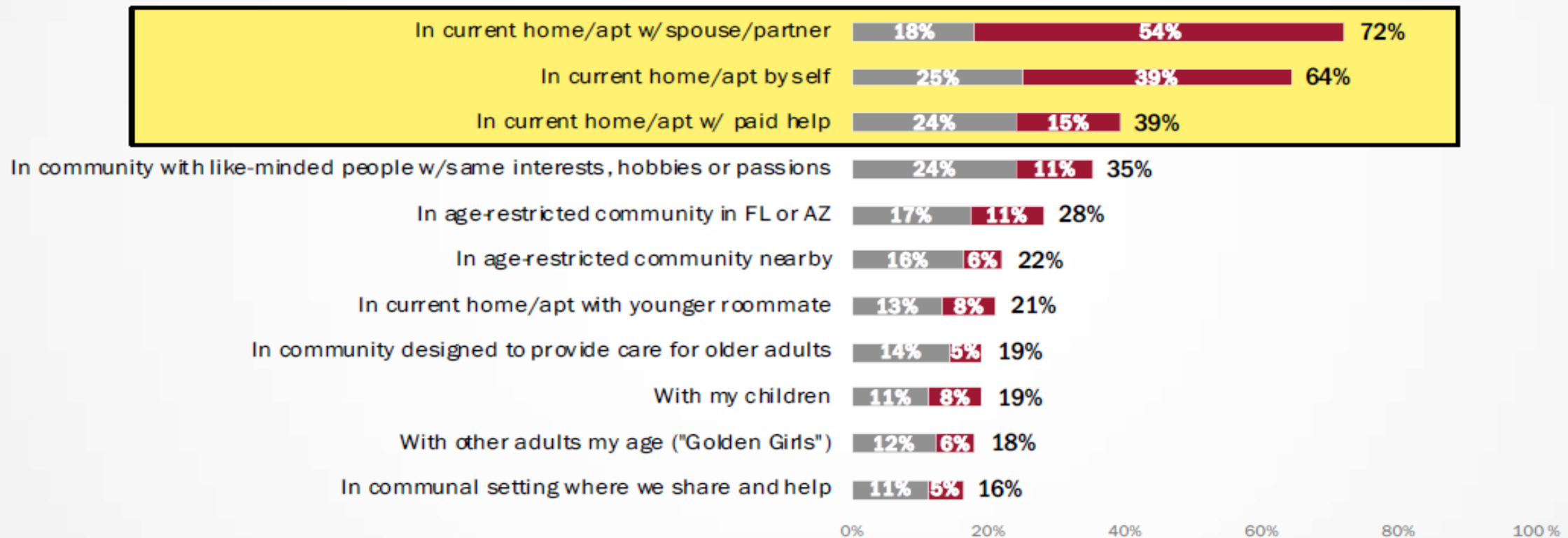
Asked among those who said "No" about having saved enough for retirement



**THIS IS 9.4
MILLION
BOOMERS**

MAJORITY OF BOOMERS WANT TO LIVE AT HOME

Thinking about when you reach "old age," how appealing are these options for where you might live?



n=4,053



There will come a time when we will see the pandemic in the rear view mirror...There will NOT come a time when we will return to the old normal!

**“The Historic Challenge for Leaders is to Manage the Crisis
While Building the Future”**

Healthcare must become an essential part of senior care— but you don't have to be the provider

- Resident (and staff) health is your business...you will be judged by how good a job you do!
- Fear of the hospital and doctor's office provides enormous opportunities for senior care
- Telehealth and telemedicine have gone mainstream in healthcare almost overnight
- We can no longer ship out our residents when they need healthcare services
- You should be enabling your residents to stay 'at home'
- Residents and their families will expect, technology enables, payors will demand

Robert Kramer, LeadingAge Wisconsin, October 2020 Keynote

- **Care and Service Options will Expand and Evolve Based on Workforce, Coverage and Payment/Reimbursement**
 - **Private Payers will have More Options than Those Relying on Medicaid**
 - **Higher Levels of Care and Services will be Provided in “Non-Traditional Settings”**
 - **Congregate Care Settings will Offer Attractive Advantages to Older Adults (Available Staff and Service Options)**
 - **Informed Consumers will Expect/Demand More**
-