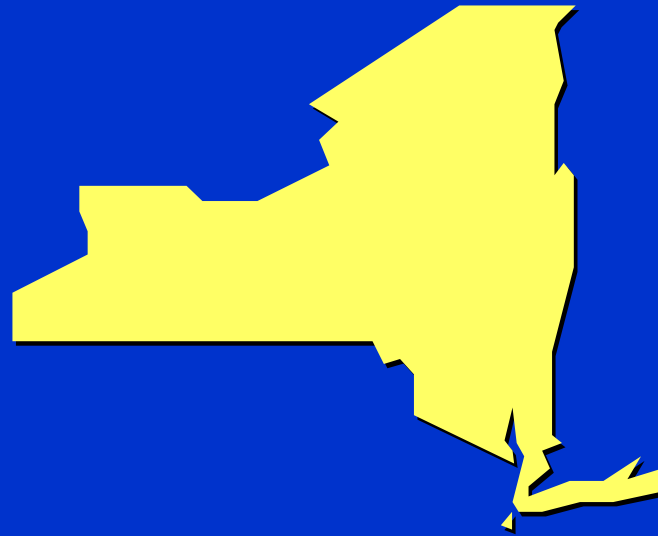


Commission on Health Care Facilities in the 21st Century



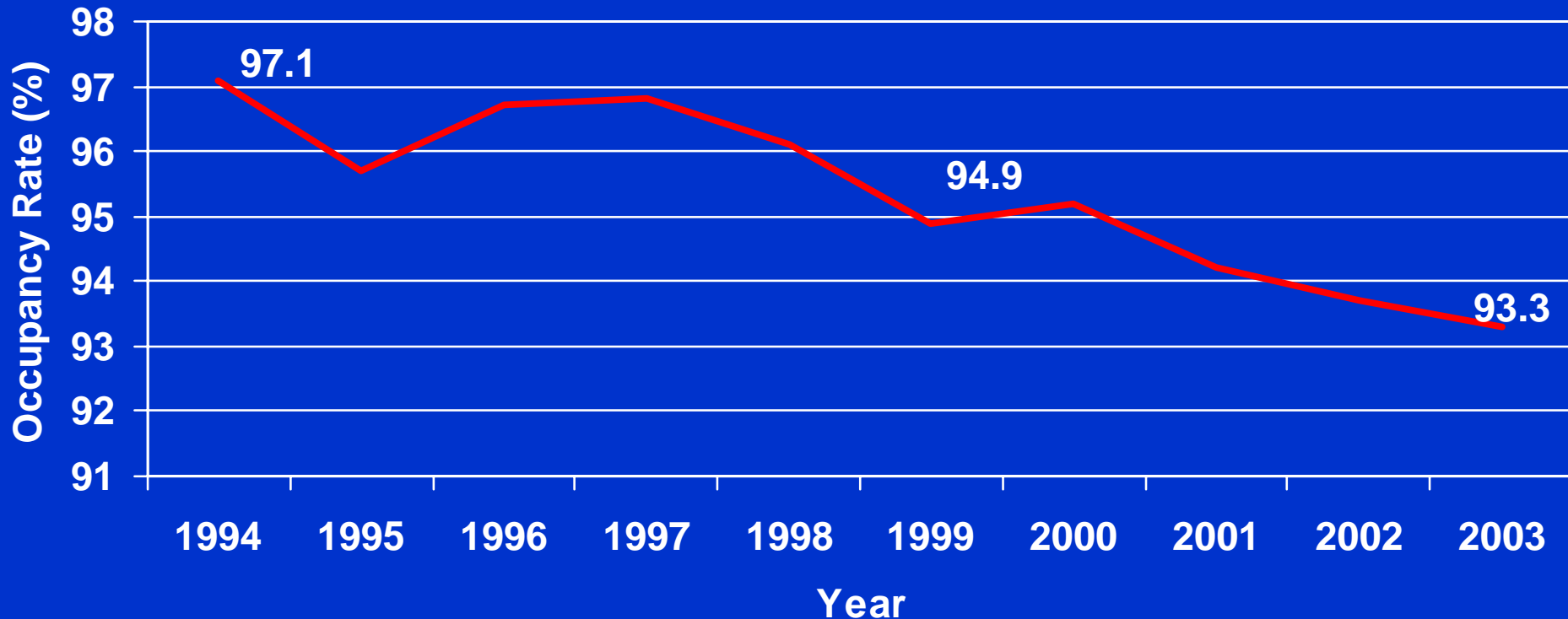
Identifying Opportunities to Shift Long Term Care Resources

Nursing Homes are the primary providers of long-term care in New York

- 666 licensed Nursing Homes Statewide
- 120,651 Beds
- \$11B Estimated total annual spending

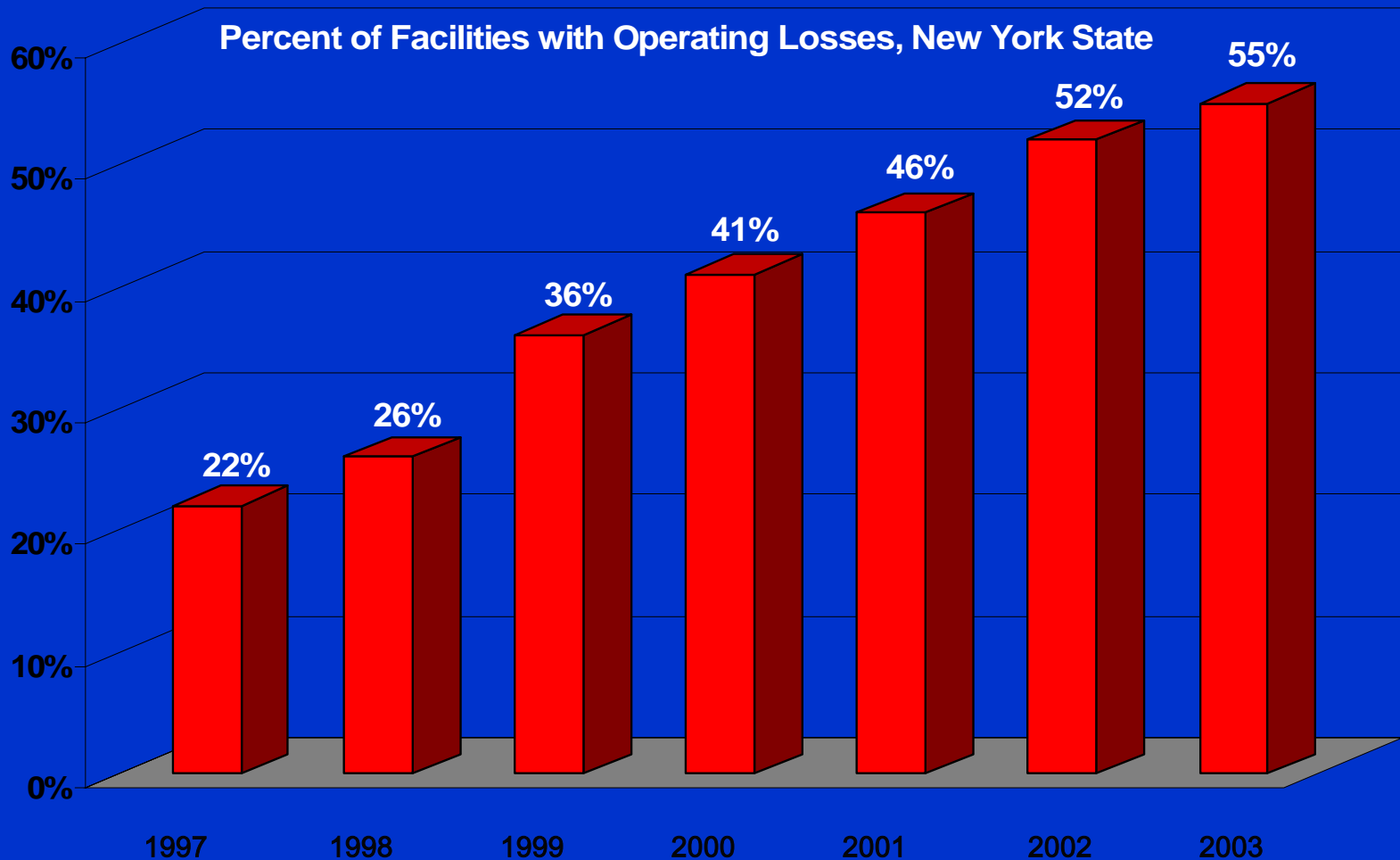


NYS Nursing Homes face declining occupancy rates and more empty beds



Source: Residential Health Care Facility-4 (RHCF-4) Cost Reports

NYS Nursing Homes face mounting fiscal pressures



Source: Residential Health Care Facility-4 (RHCF-4) Cost Reports

Other reasons to shift towards non-institutional care:

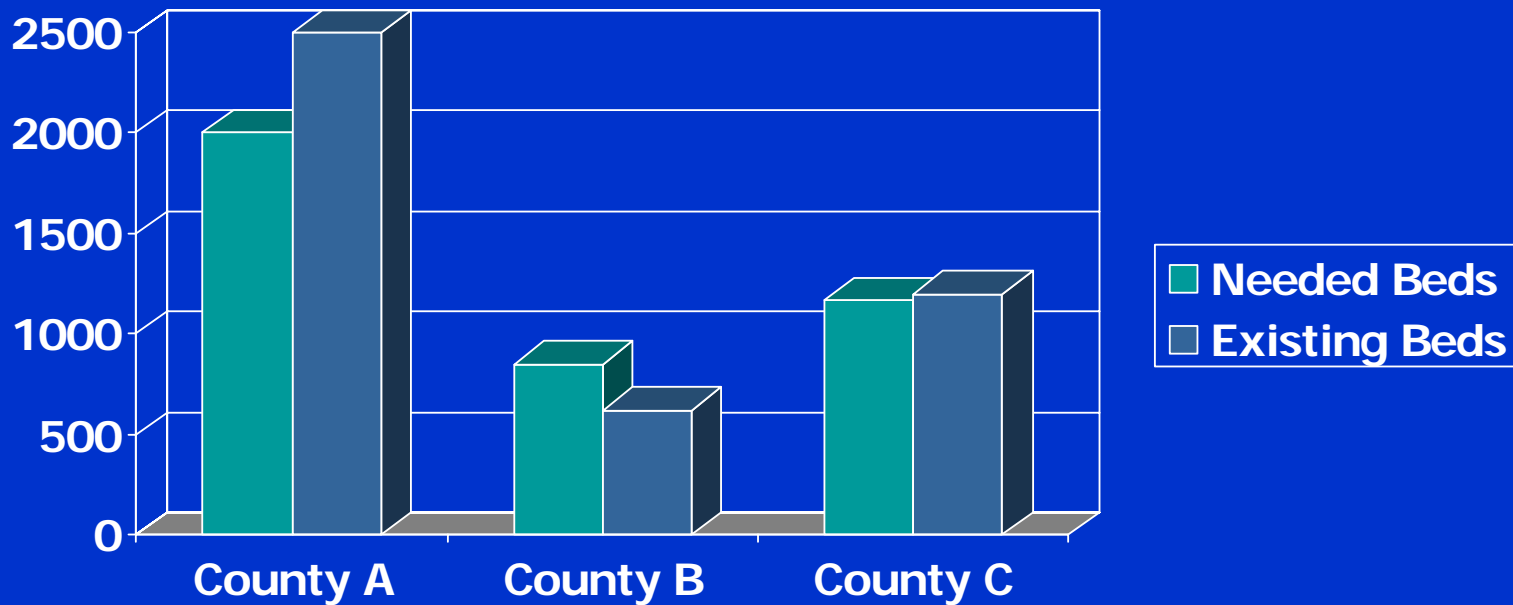
- Growing consumerism/patient preferences
- Unsustainable growth in Medicaid spending
- The "*Olmstead*" decision
- Federal "New Freedom Initiative"

Where are the best opportunities to shift LTC resources?

- Where institutional supply exceeds community need
- Where institutional beds are utilized “sub-optimally”
- Where institutional beds are not occupied, even sub-optimally
- Where non-institutional medical/non-medical options are not optimal

The State's Bed Need Methodology gives a baseline view of bed supply for 2007

Illustrative Need vs. Supply



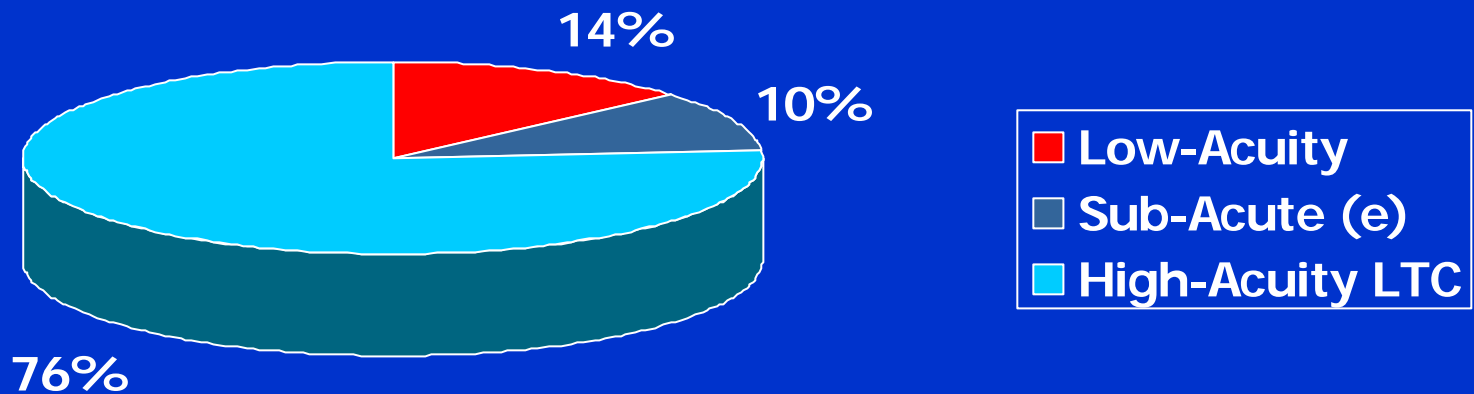
The Need Methodology shows:

- State-wide, need and supply are in equilibrium.
- But individual counties experience either bed deficits or surpluses.

However, moving beds from one county to another is NOT enough. To shift resources *out* of institutions, additional factors must be considered . . .

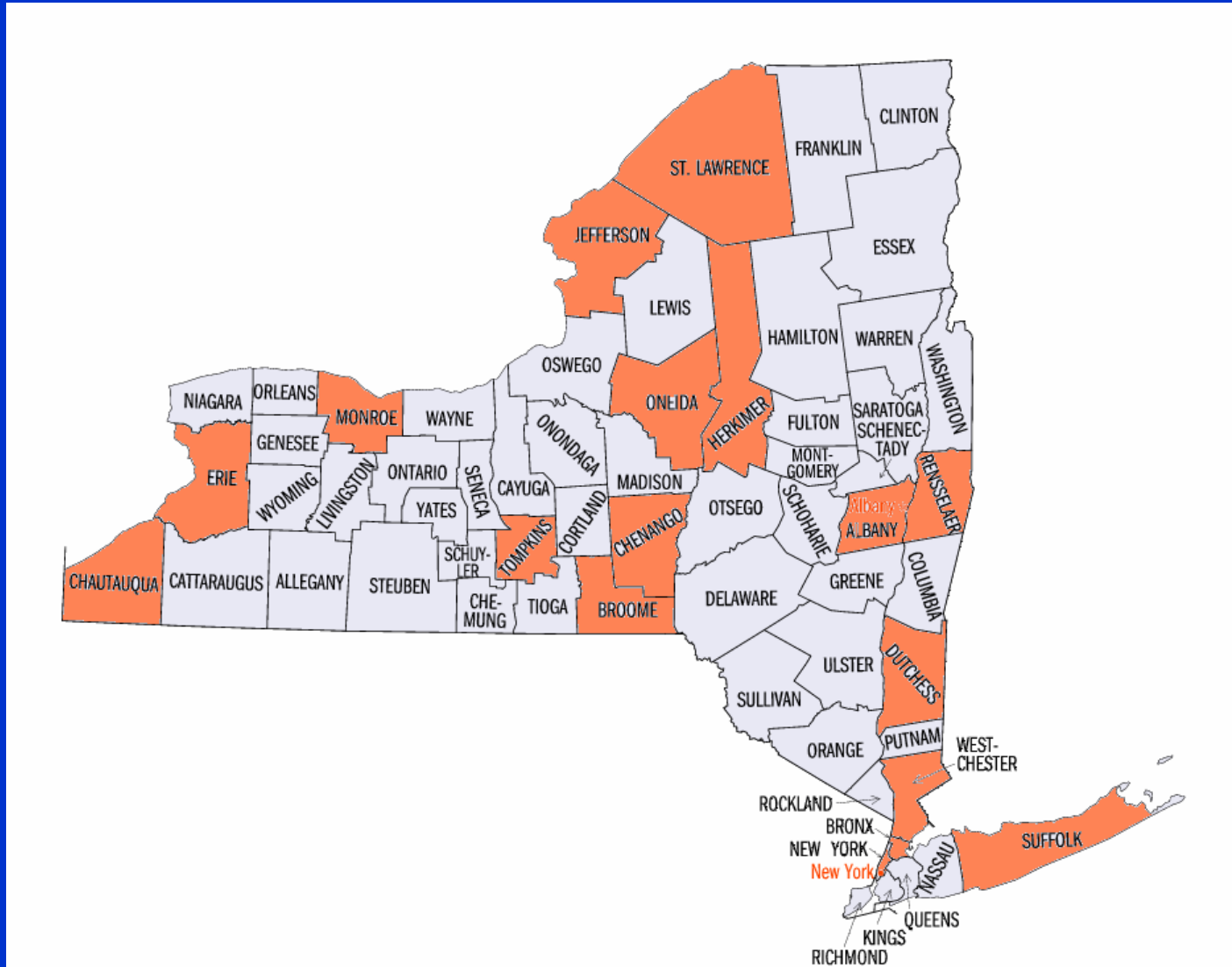
One key factor is *how* are the existing beds being utilized?

Estimated Distribution of Residents, 2003



Statewide, 14% of beds are occupied by low-acuity residents. Assuming half can have their clinical care needs met in alternate settings, NYS has excess nursing home beds. Counties with greater than 125 excess beds were highlighted

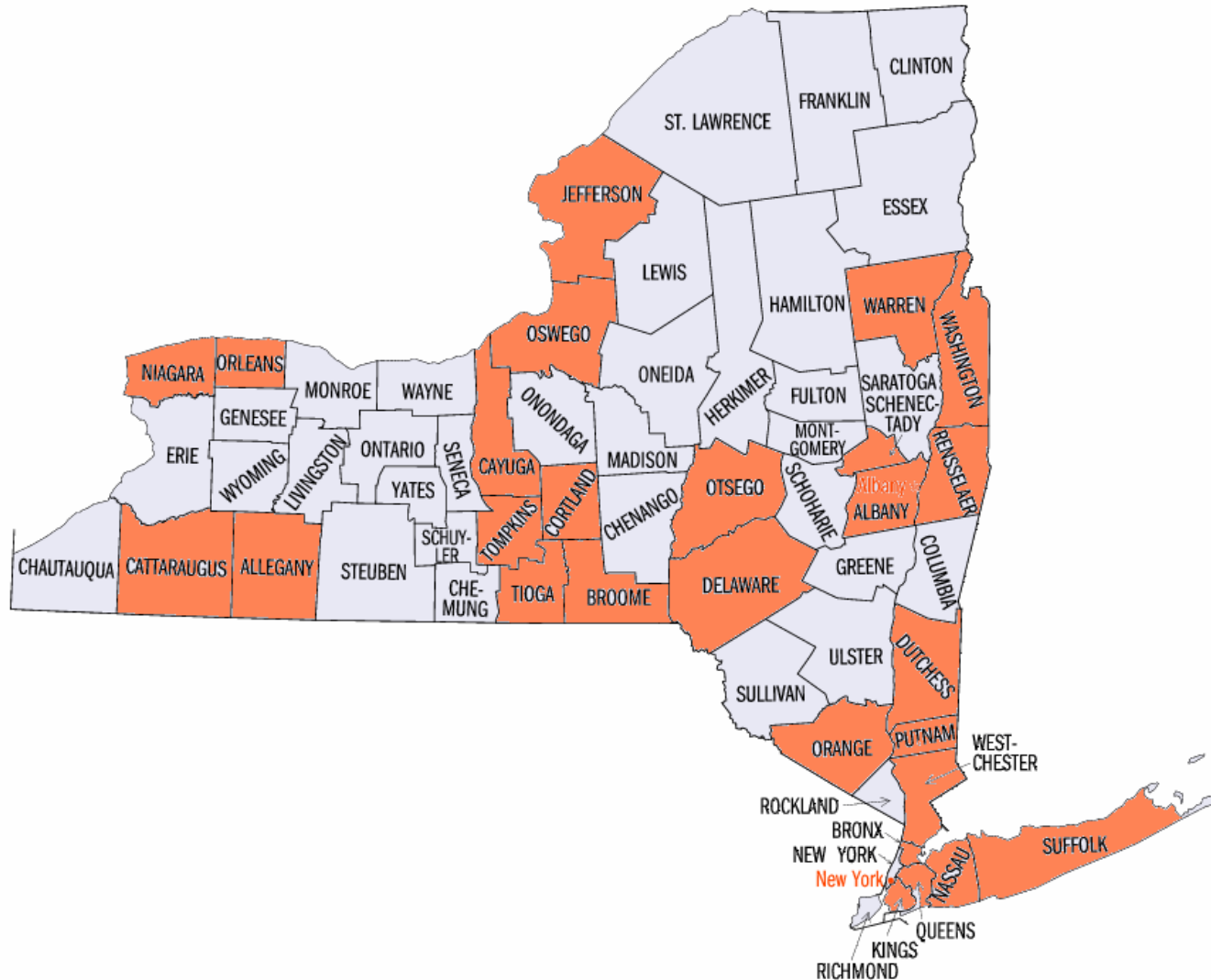
Distribution of Surplus Beds, with Low-Acuity Adjustment



Another major factor is: are the existing beds in demand?

- Some counties have low occupancy *despite* an official bed deficit
- Low occupancy rates might indicate that people are “voting with their feet”
- Counties with less than 94.5% occupancy were highlighted

Distribution of Low-Occupancy Counties



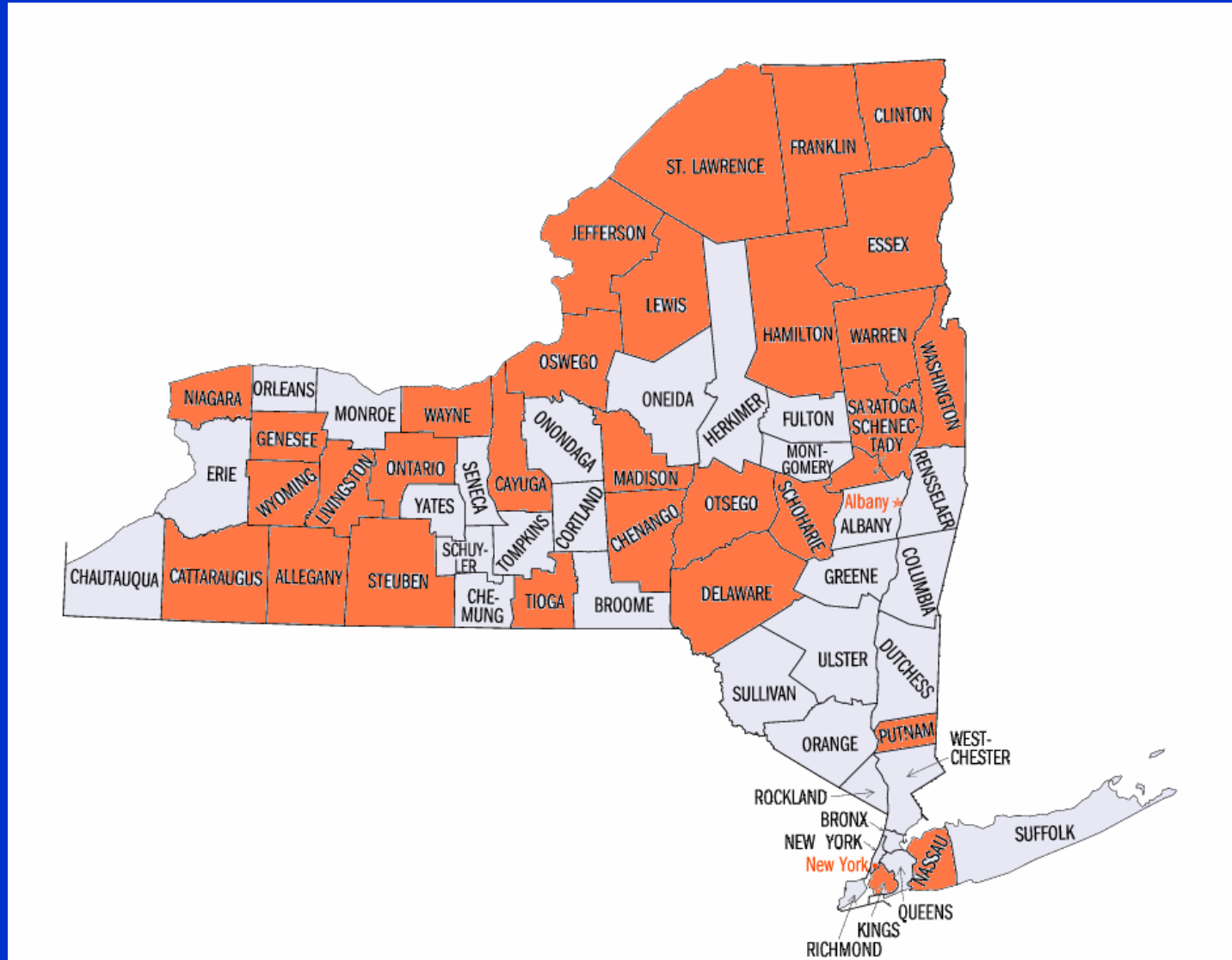
A third key factor is: non-institutional resources

- The variety of long-term care programs often care for overlapping types of clients
 - Adult day care
 - Long-term home health care
 - Managed long-term care
 - Adult care facilities (EH, AH)
 - Assisted Living and CCRC units
 - Nursing Homes
- People may be in institutions simply because alternatives are lacking

Unmet need for non-institutional care shows where resource shifts can occur

- DOH calculates total LTC need per county
- Non-Institutional need – existing “slots” = unmet need
- Counties with greater than 50% of their Non-Institutional need not met were highlighted

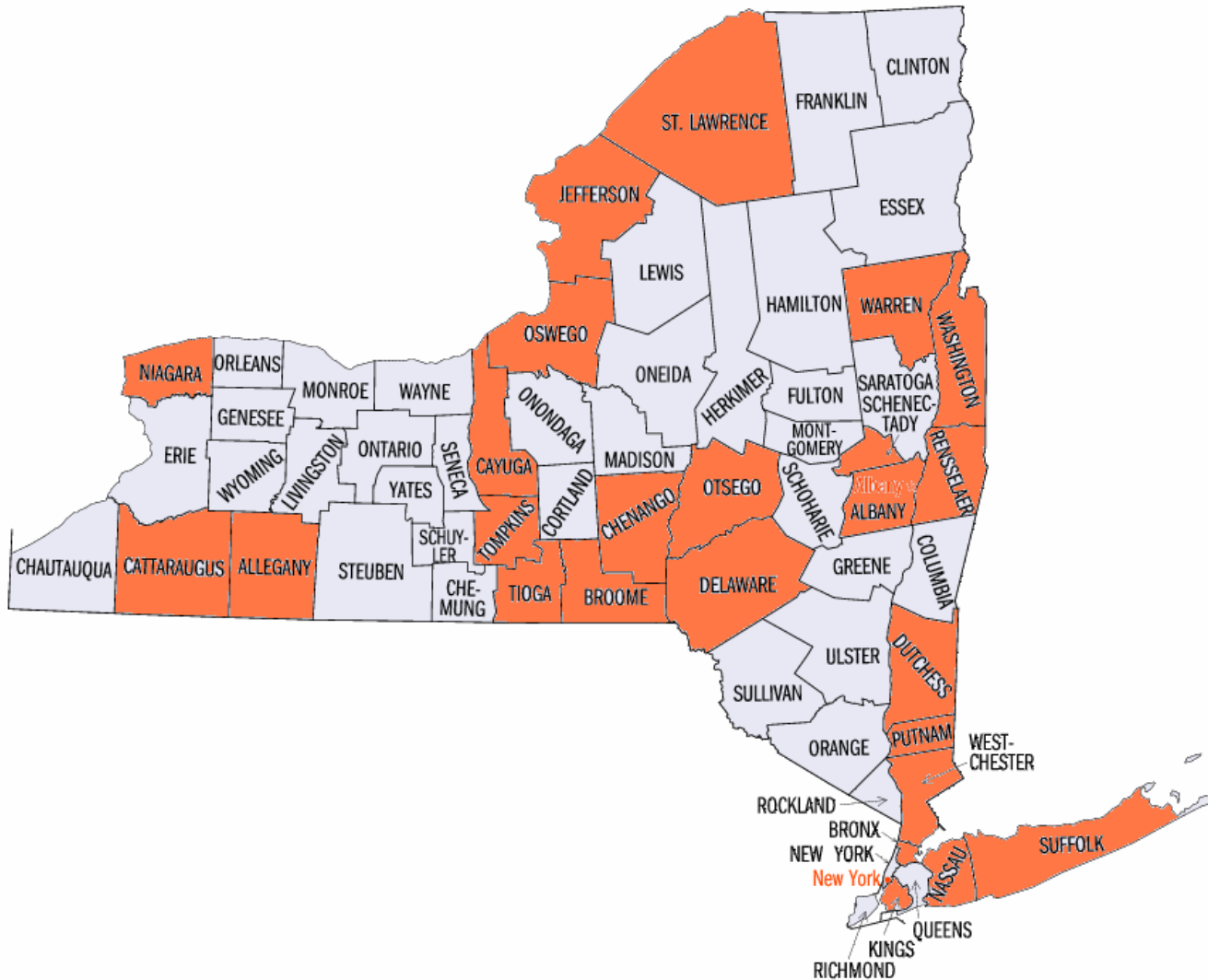
Distribution of Counties with Significant Unmet Non-Institutional Need



Possible areas of opportunity emerge when these factors are combined

- Counties highlighted for at least two out of three:
 - Surplus nursing home beds, in light of low-acuity
 - Low occupancy
 - High unmet need for alternative LTC
- Plans could be developed in these counties to shift resources from nursing home beds to HCBS and/or supportive housing

Distribution of Counties for LTC Resource Shift



Additional Considerations

- Availability of accessible/affordable housing
- Availability of workforce
- Availability/need to support family caregivers
- Costs/need to enhance efficiency of non-institutional care delivery
- Bed need methodology reflects current patterns – technology, clinical advances, demography could affect future projections/needs

Next Steps

- Analysis provides a way to think about geographic areas of opportunity
- The numbers are a starting point
- Must combine regional knowledge and local input into decision-making

Final Points

- Shifting resources is one piece of the long-term care puzzle
- Appropriate # of nursing homes will always be needed
- Must fiscally stabilize needed, high quality nursing homes

