

The Time to Invest in Aging Services Is Now

LeadingAge Kansas - Situation Report
September, 2022

The US is rapidly aging...

- Within the next eight years, the entire “Baby Boom” generation will be over the age of 65.
- After 2034 there will be more older adults than children for the first time in U.S. history.

Which means we all need infrastructure and services to address the challenges we will all face as the country ages...

- An American turning 65 today has a nearly 70 percent chance of needing long-term services and supports.
- While one-third of today's 65 year-olds may never need long-term care support, 20 percent will need it for longer than 5 years
 - On average women need care longer (3.7 years) than men (2.2 years)

Kansas is no exception to this trend...

- By 2036, the 65+ population in Kansas will grow by 208,000. By 2066, it'll grow by 306,000.
- The 85+ population, the age group most likely to need aging services, is expected to grow 260% by 2064.

IT'S GETTING HARDER TO ACCESS CARE IN KANSAS

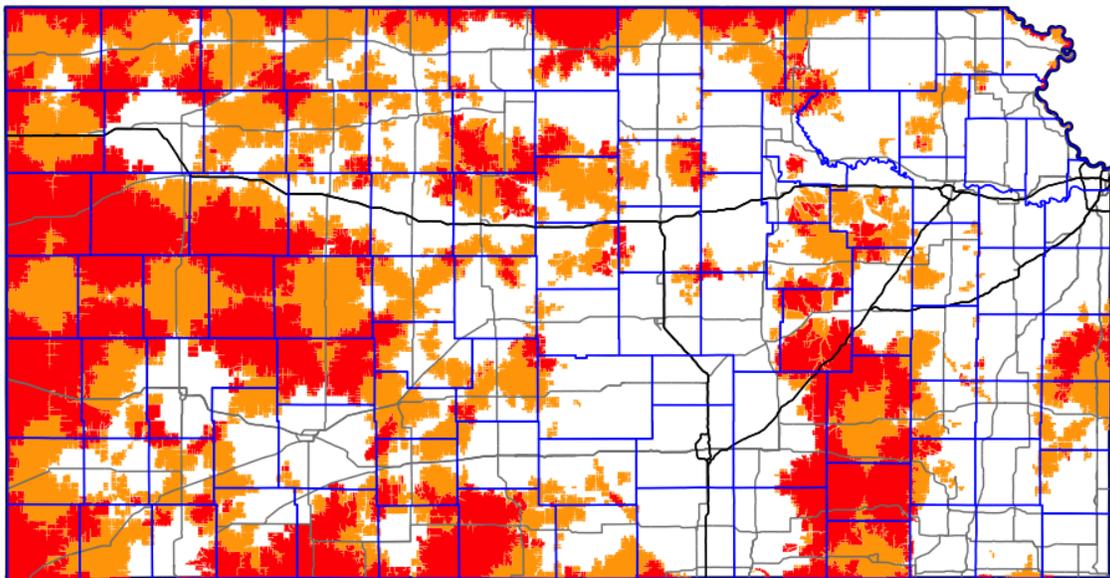
Demand for aging services professionals is growing faster than any other single profession, with an estimated 1.2 million new jobs needed between now and 2030 to keep up with this rapidly rising demand, on top of the 6.9 million direct care jobs that will need to be filled as existing workers leave the field or the labor pool altogether. But right now across the country, and especially in Kansas, we are not keeping up with this demand, and that's a serious problem.

- Because of workforce challenges and increased costs, there were around 1,650 fewer beds available in June, 2022 than there were at the start of the pandemic.
- Since the start of the pandemic all or part of at least 35 facilities have closed.¹ While new options have come online during this time as well, any closure can limit an older Kansan's access to care and be disruptive to their care routine.

¹ Both CMS data and LeadingAge Kansas' tracking suggest a net open/closure of -2 since February, 2020.

Almost 85,000 Kansans are at risk of losing access...

- Overall, nearly 85,000 Kansans live in areas with only one nursing and residential care provider within a 30 minute drive (shown in orange below). If the local provider closes, they'll join the 23,000 Kansans already **living in a care desert** (shown in red below), while on average doubling the drive time needed to reach a provider and limiting people's access to care without risking their access to friends, family, and loved ones.



ABOUT AGING SERVICES IN KANSAS:

From residential facilities with on-site nursing care, to assisted living, to home care and adult day services, the aging services field includes a diverse range of job types, skill sets, and dedicated professional caregivers. Across Kansas, as many as 60,000 people have found their calling helping others live a longer and more fulfilling life. This includes:

Nursing & Residential Care:

Provides comprehensive nursing, medical, social and rehabilitative care. Licensed staff administer medications and coordinate treatment regimens. Residents are under the care of a physician, and all nursing homes have a physician on call to respond to acute needs, write prescriptions, and order treatments and tests. Residents receive assistance with personal care such as bathing, meals, dressing and toileting.

- There are 304 sites across 97 counties in Kansas providing essential long-term care and support to as many as 18,000 people.
- Supports around 33,000 jobs in Kansas, including around 23,000 jobs directly in nursing homes.
- Total 2021 wages were \$550 million, supporting nearly \$278 million in overall retail sales, providing \$18 million in state sales tax revenues.

Home Care:

Professional care that allows older adults to age in place by providing specialized services in their home. Services include personal care, chores, meal assistance, and health care. Home health includes part-time nursing services, therapies, medical supplies, and personal care.

- There are around 277 providers across the state.
- These providers support around 10,344 jobs statewide.
- Total wages in 2021 were \$308.7 million, supporting around \$153.7 million in retail activity statewide, or about \$10 million in state sales tax revenue.

Assisted Living:

Provides help with the things people need to do every day, such as bathing or getting dressed, taking medicine, cooking, shopping, housekeeping, laundry and getting around. This assistance is available to the resident while still offering independence to remain active and maintain control over their daily life, providing an option for people who may require some assistance but do not need nursing care.

According to a recent national study:

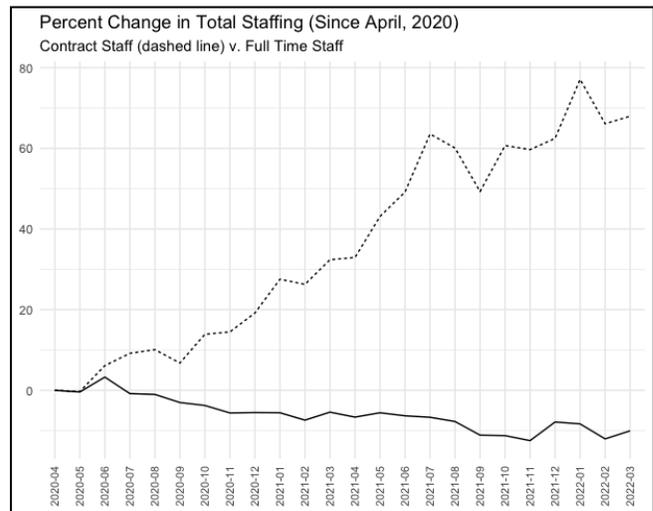
Over 72% of older adults will not be able to afford assisted living by 2033, and they likely won't qualify for Medicaid to pay their long-term care needs either, according to a new analysis conducted by The University of Chicago.

- There are around 133 providers.
- Supports just under 5,000 jobs statewide.
- \$117.7 million in total wages, supporting around \$58.6 million in additional retail sales, or about \$3.8 million in state sales tax revenue.

FACTORS THREATENING PATIENT ACCESS:

While aging services providers have struggled with staffing and reimbursement issues for years, the COVID-19 pandemic fundamentally reshaped the aging services landscape in ways that risk access to care in the Sunflower State.

Across the aging services field in Kansas, workforces have shrunk, and costs have skyrocketed while reimbursement rates have stayed largely the same. At best, it leaves providers in the position of having to do more with less. At worst, it means older Kansans can't get the care and support they need to get through their day.



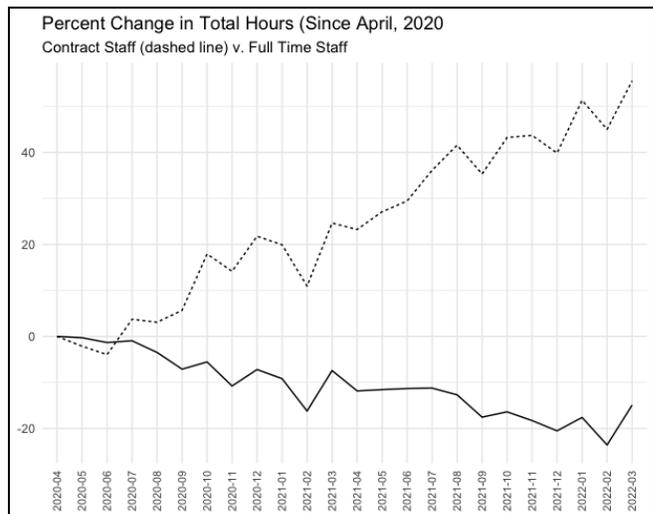
Since the start of the pandemic...

Workforces Have Shrunk:

- Aging Services Overall - 10%
- Assisted Living = - 14%
- Residential Care = - 13%
- Home Care = - 1.7%

Labor Costs Are Up:

- Assisted Living = +21%
- Residential Care = +15%
- Home Care = + 9.7%



Staffing agency/contract staff costs have nearly tripled...

- Overall, full-time staffing and hours in nursing and residential care is down around 10% and 15% respectively since the start of the pandemic. At the same time, contract staffing and hours have grown around 68% and 56% respectively.
- Increased reliance on contract staffing may help explain why the overall cost of labor in nursing and residential care is up 15.5% since the start of the pandemic, as the annual cost of contract labor has grown almost 270% since before the pandemic.

HOW POLICYMAKERS CAN HELP:

Higher Medicaid Reimbursement Rates - Last legislative session, policymakers approved a new Medicaid reimbursement rate which was helpful but still does not fully cover the cost of care. A provider in Lindsborg, Kansas, for example, has calculated that their cost for care of 70% of their residents who use Medicaid are \$50 more a day than their reimbursement rate. That provider draws down reserve funds raised from the faith community in their area to cover the daily deficit, but says this is unsustainable.

Reign in the Price Gouging and Restrictive Labor Practices of Temporary Staffing Agencies – We need accountability for healthcare staffing agencies who continue to charge Medicaid providers more than triple the going wage for essential healthcare workers during a horrendous workforce shortage and frequently restrict workers freedom to join a provider full-time. Without new oversight and reforms, the out-of-control costs and restrictive practices of temporary staffing agencies will continue to drain taxpayer dollars and the assets of elderly people in Kansas, while delivering inferior care compared to full-time mission-driven staff and further destabilizing a healthcare system in crisis.

Focus on Workforce Development and Workforce-Friendly Policies – Long term care providers need the legislature’s help to invest in more workforce-friendly initiatives such as expansion of health care training programs, tuition assistance, child care assistance and investment in rural communities and infrastructure, while also removing unnecessary regulatory barriers that hinder the expansion of health care services, child care services and worker certification and licensure programs.

SOURCES:

- [Bureau of Labor Statistics, Quarterly Census of Employment and Wages](#)
- The Center for Medicare and Medicaid Services
 - [Provider Data Catalog - Home Health Care](#)
 - [Payroll Based Journal - Employee Detail Data](#)
 - [COVID-19 Nursing Home Data](#)
- Kansas Hospital Association, [The Importance of the Healthcare Sector to the Kansas Economy](#), January, 2022.
- U.S. Census Bureau
 - 2020 Redistricting File (for population estimates), accessed via [The Redistricting Data Hub](#).
- Kansas Medicaid Cost Report Data Summary (2018-2021) (on file with LeadingAge KS)