



Long Term Care: Springboard or Burning Platform?



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WEBINAR PRESENTED BY
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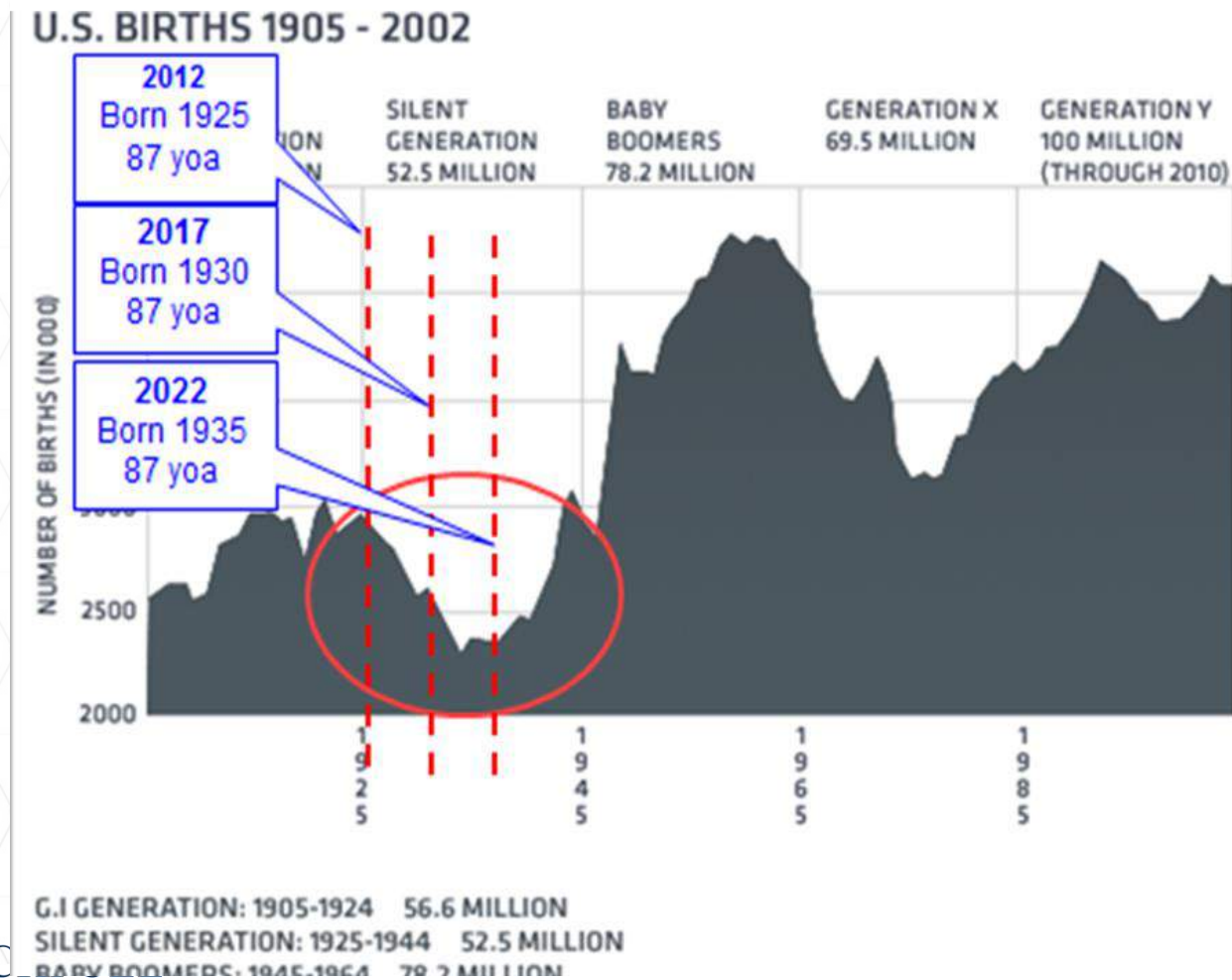
The AGENDA

- 1.Demand
- 2.Demographics
- 3.Supply

BREAK

- 1.Physical Own / Rent
Home Alone & Old
- 2.Physical Purpose Built
- 3.Program - HCBS (Rx)
- 4.Next 10 years

Demographics & Demand



Demographics & Demand

- Demographics like gravity – hard to escape
- The size of the age-qualified market has been DECREASING since ~2012
 - Nadir ~ 2022-2025
 - Most seniors' housing construction occurred after 2012
- From ~2027 the aged cohorts INCREASE
 - By 2030 we're REALLY going to notice
 - By 2034/35, the cohort will be as large as in 2012

Congregate Housing / Care

- “Poor house” → Nursing Home
- They got old & we stopped new ones being built
- Nobody wanted to work there & we said, “Hire more”
- We paid them poorly and told them to do more
- THEN – COVID-19
- Why is ANYONE confused?

The American Nursing Home Is a Design Failure

By Justin Davidson





Crisis

An event with an adverse impact on the organization, its customers, consumers, employees and its ***BRAND***.

The sector!

POLL – CRISIS COMMUNICATIONS?



Demand continues *(doesn't it?)*

- “Durable” segments
- SNF
 - Those who have no choice
 - Poor / very sick
 - Neurological / neuromuscular disease
 - Memory loss (Alzheimer's & CIND)
- Assisted Living
- Residential Care Homes
- Home Care

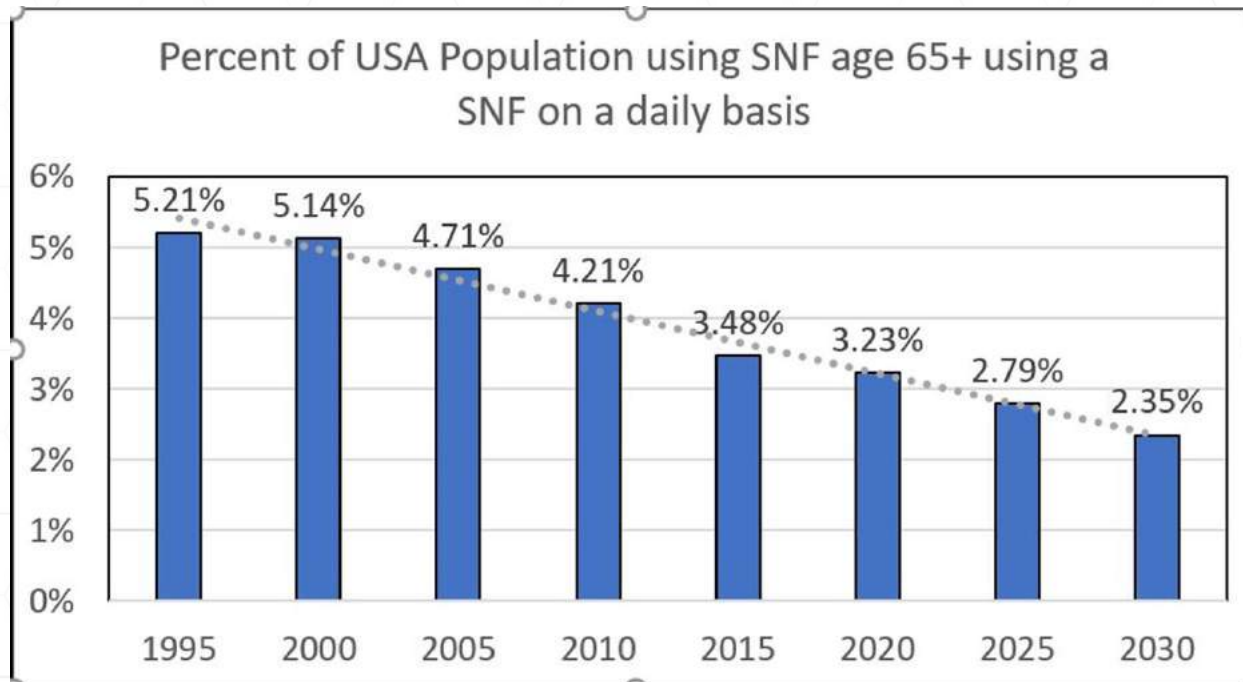
The Supply

- The Segmentation
- Physical Structure
- Program (Structure)
- Technology & Information
- Workforce - Means of Production
- Culture
- Outcomes
- Economics

The Markets: Footsteps Down the Hall

– The Trends Were Clear

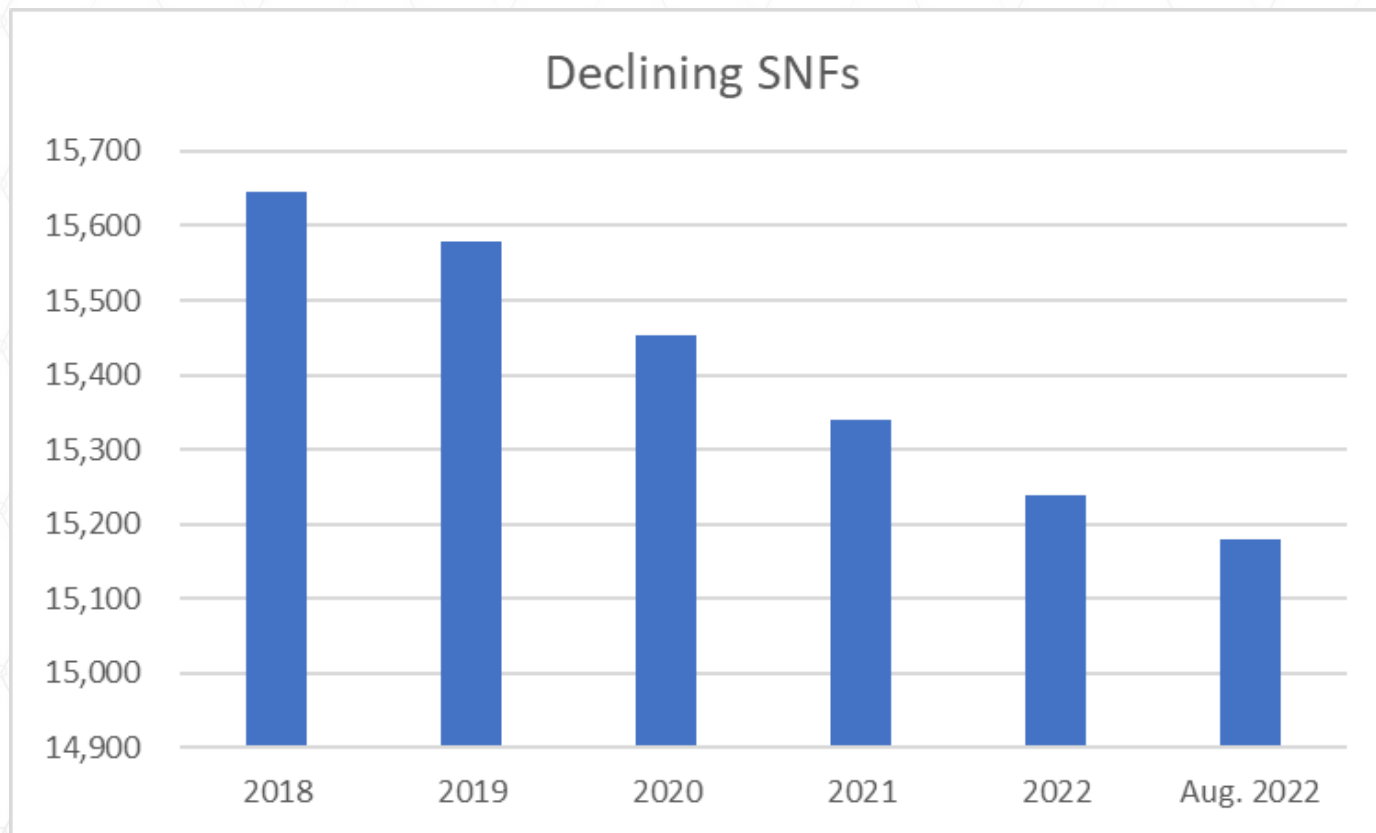
- SNF Utilization has been declining BEFORE COVID (1995!)
- Occupancy 2018 80% 2022 – 70.8% - “soft” numbers



Supply: Footsteps Down the Hall

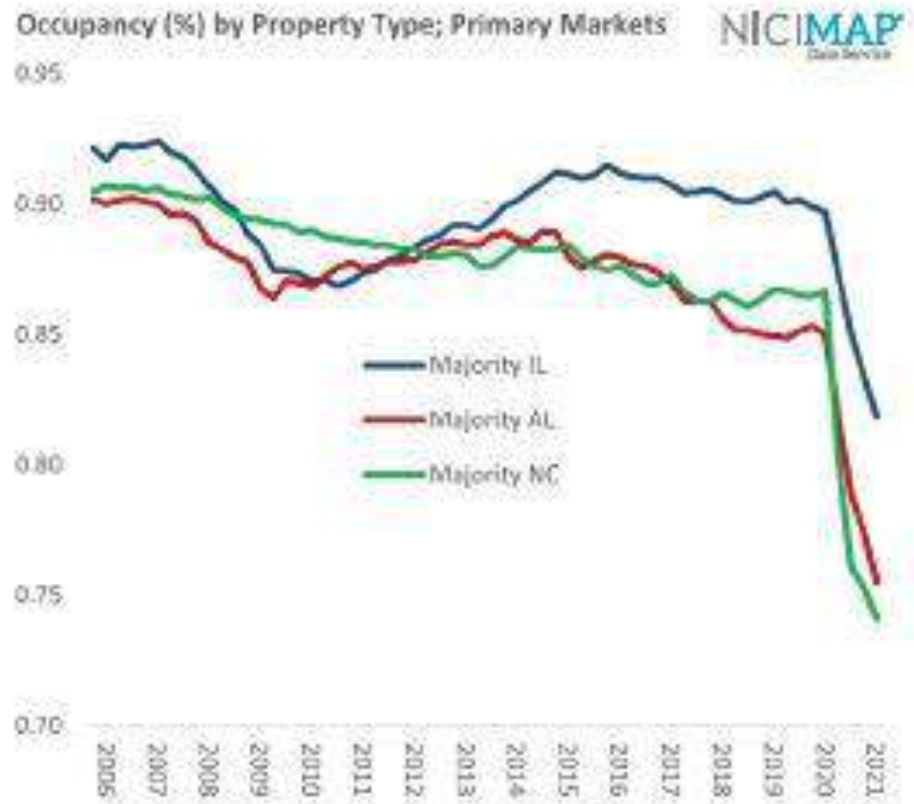
– The Trends Are Still Clear

- Nursing home closures (and this is WITH stimulus \$)



Supply: Utilization Congregate Housing & SNF

- Where are we?



Structure

The American Nursing Home Is a Design Failure

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- Property Plant & Equipment (The original PPE)
- Most NH in USA built between '60 – '75
 - Modelled on Hospitals
 - Assisted living
- Since then
 - Little of no re-investment
 - Capitalization has been extractive
 - The federal government has withdrawn fiscal support
- The result?
 - Yuck – would you stay at a Hilton that hadn't been renovated for 40 – 50 years?

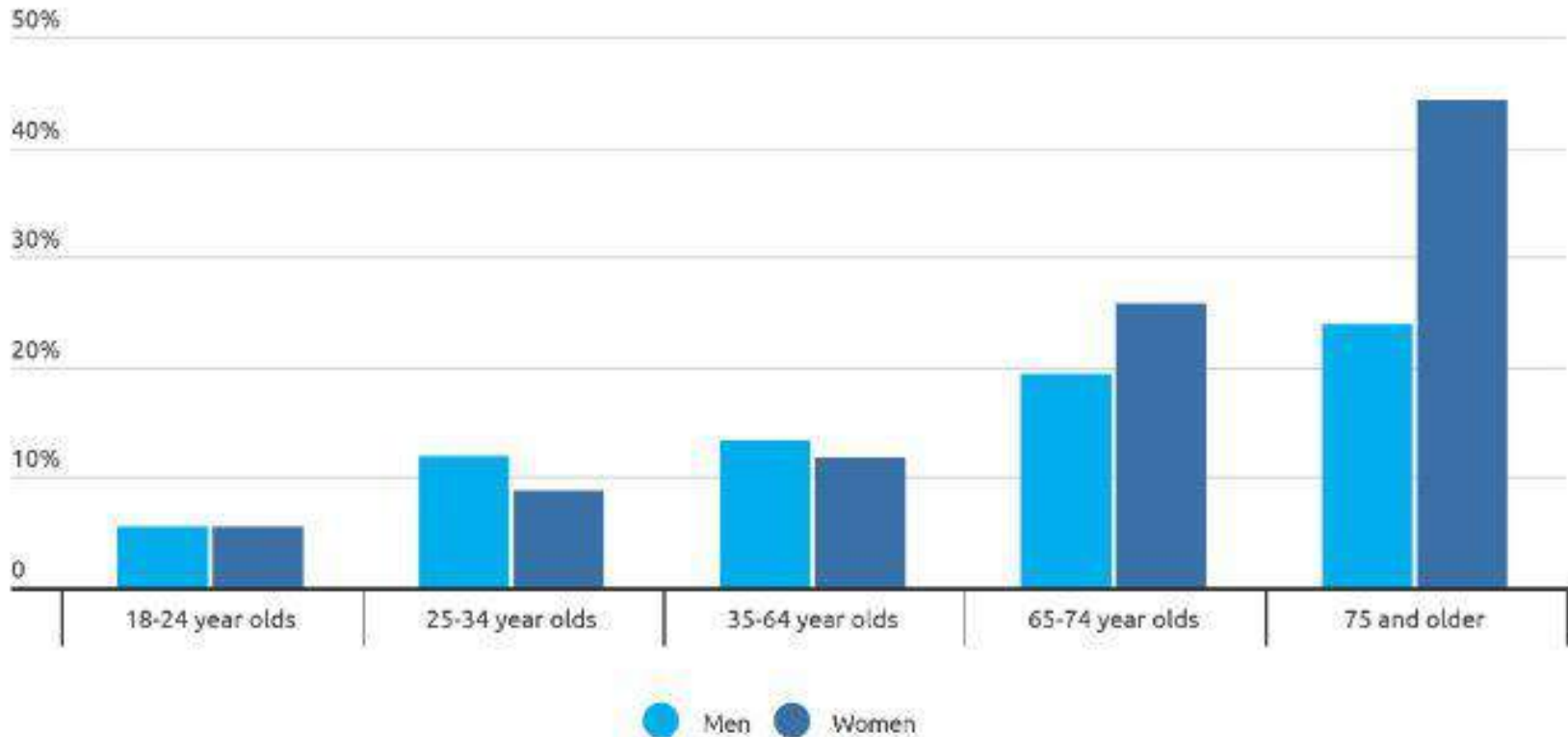
Structures: What do we need?

- A *much* wider variety
 - Large like (newer) college dormitories with attractive common spaces
 - Medium-size – like AL's
 - Small – like McMansions for small groups of related / unrelated (NORCS) Think “Golden Girls”
- Supply studies “benchmark”
 - Not qual / quant analysis
 - What can the investors extract, v. contribute
 - REAL ESTATE undergirds the sector (equity v. debt)
- IT infrastructure
- Access to capital

Home Alone

The share of adults living alone increases with age and varies by gender

Share of adults living alone



Structure: Why don't we get what we need

- Access to capital
 - A new federal “Hill-Burton” Act
- Too busy eating each other's lunch
- Focus on profit – formulas that (used to) work
- Confuse the consumer

AND

- Providers don't bargain TOGETHER

BREAK

Technology & Information

- Status of Technology
- Focused on reporting, recording and regulation fulfillment
- Staff efficiency?
- Subsidies?
 - Who can afford this stuff?
- Kroger's has more / better tech than you do

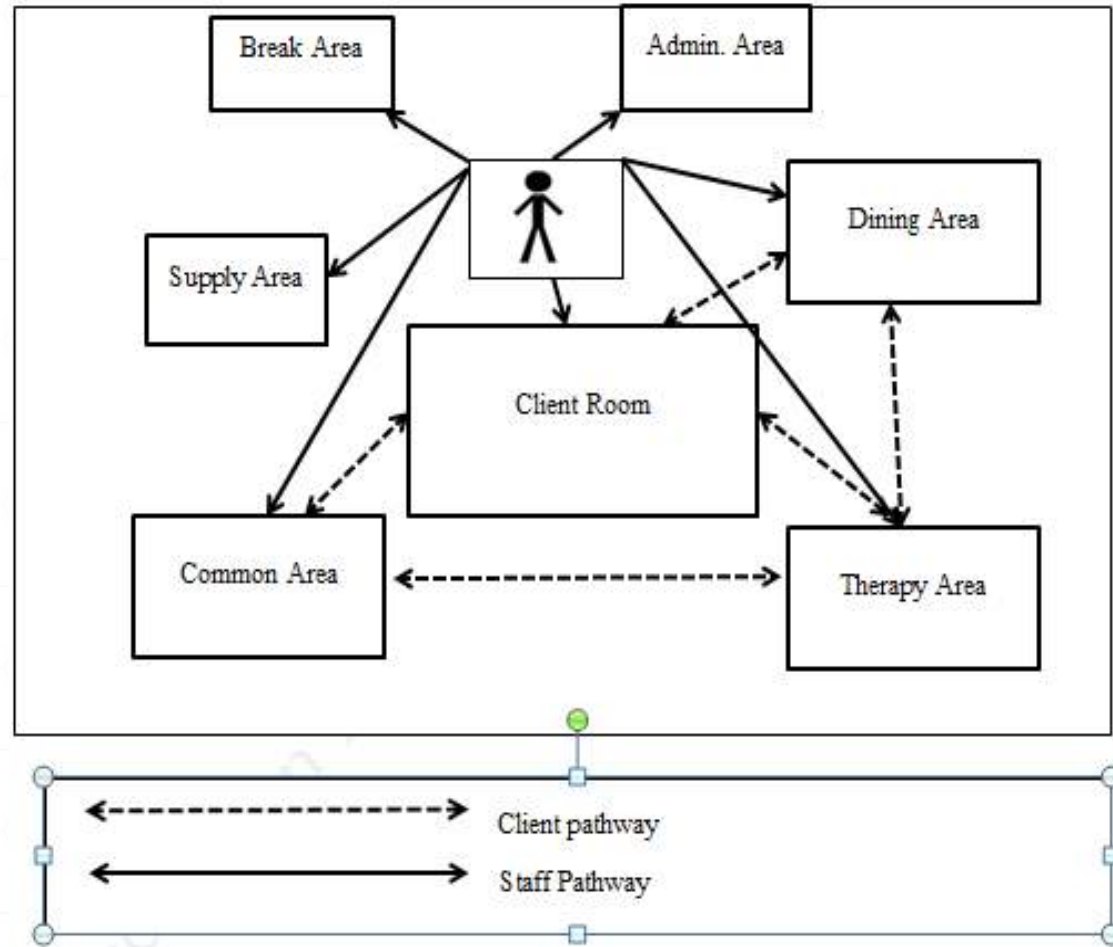


Technology: Efficiency & Effectiveness

- PRIORITIES - Tomatoes v. Granny
- Personal Emergency Response Systems
 - Legacy - Hospital-based
- We need an “IoLTC”
- Electronic Health Records

Technology: What do we need

- Interoperability
- Ambient assisted living – can the technology help grandma?
 - Congregate Care Activity Tracker
USTPO





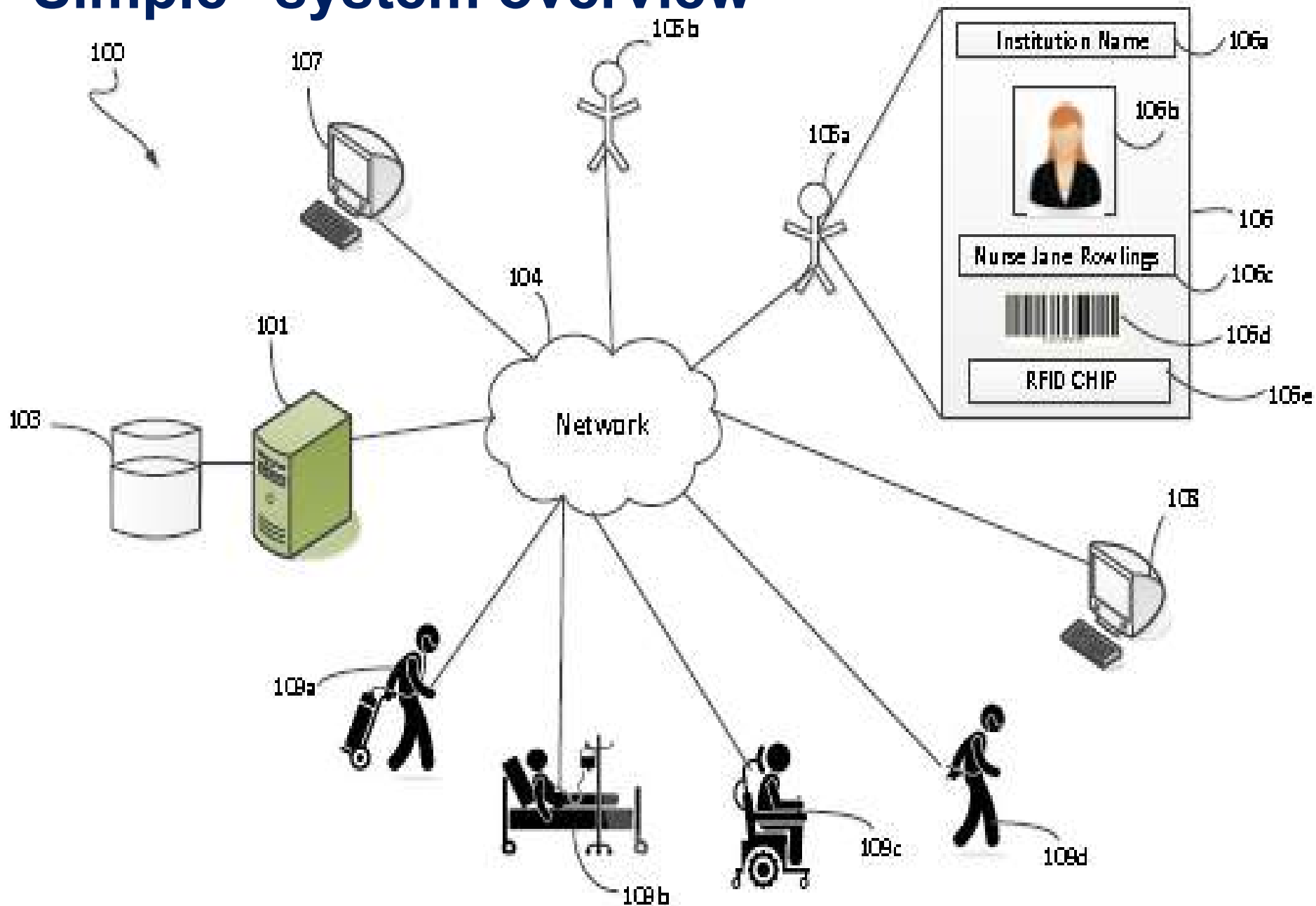
What needs to be done

- Measure actual time spent by staff with individual clients (passively)
- Measure staff performing tasks (passively)
- Schedule tasks & measure completion
- Two-way communications between clients & staff

Solution *Patent* **USTPO No. 10735899**

- RFID on Staff & Clients (“passive”)
- Position & motion feed to server
- Server & online hub - reports
- Scheduling software + 2-way signals between server & Client

“Simple” system overview



What this does

- Simple Efficiency = Big Savings
 - How much time is Maria with Mrs. Jones?
 - 10% improvement = \$11.3 **billion** savings
- For an average SNF = \$695,000 / year
- For an average ALR - \$270,000 / year
 - Reductions in overtime & agency = more

Programs

- LOCATION v. NEED
- COVERAGE v. NEED
- Community
- Home based
- Congregate
- Nursing
- How did it get this complicated?

• And if they don't know what they want or need, why aren't WE teaching them?



Programs: What do we need?



Screening / triage

Objective, evidence-based criteria; she needs this, he needs that...



Fit the person to the program, not the payment

Fit the person to the program she wants
Remove perverse incentives



CLEAR choices

Credit-default swaps are simpler than LTC choices
("The Big Short" for LTC?)

People: The Means of Production

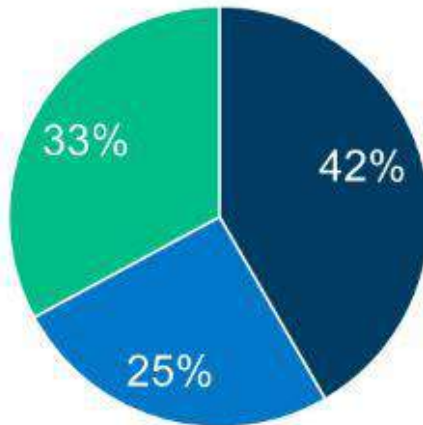
- Who cares?
 - Non-paid
 - Paid
- Who *wants* to work in LTC?
 - Research into effect of the sector
- Source(s) today
- Source(s) tomorrow

People = Means of Production

Of the Nation's 4.5 Million Long-Term Care Workers, Two-Thirds Work in Facility Settings and Half are Aides and Personal Care Workers

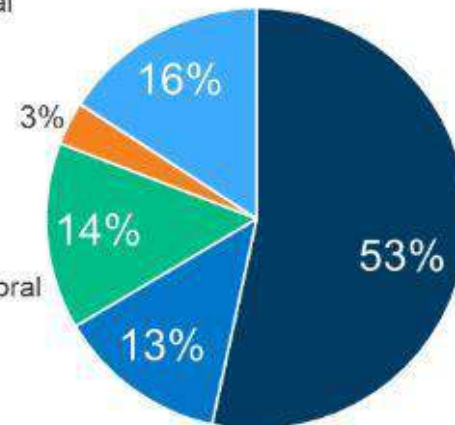
Type of Long-Term Care Setting

- Skilled Nursing Facilities
- Assisted Living Facilities
- Home Health



Type of Long-Term Care Worker

- Aides & personal care workers
- Direct contact support workers
- Health care providers
- Social & behavioral health workers
- Other support workers & managers

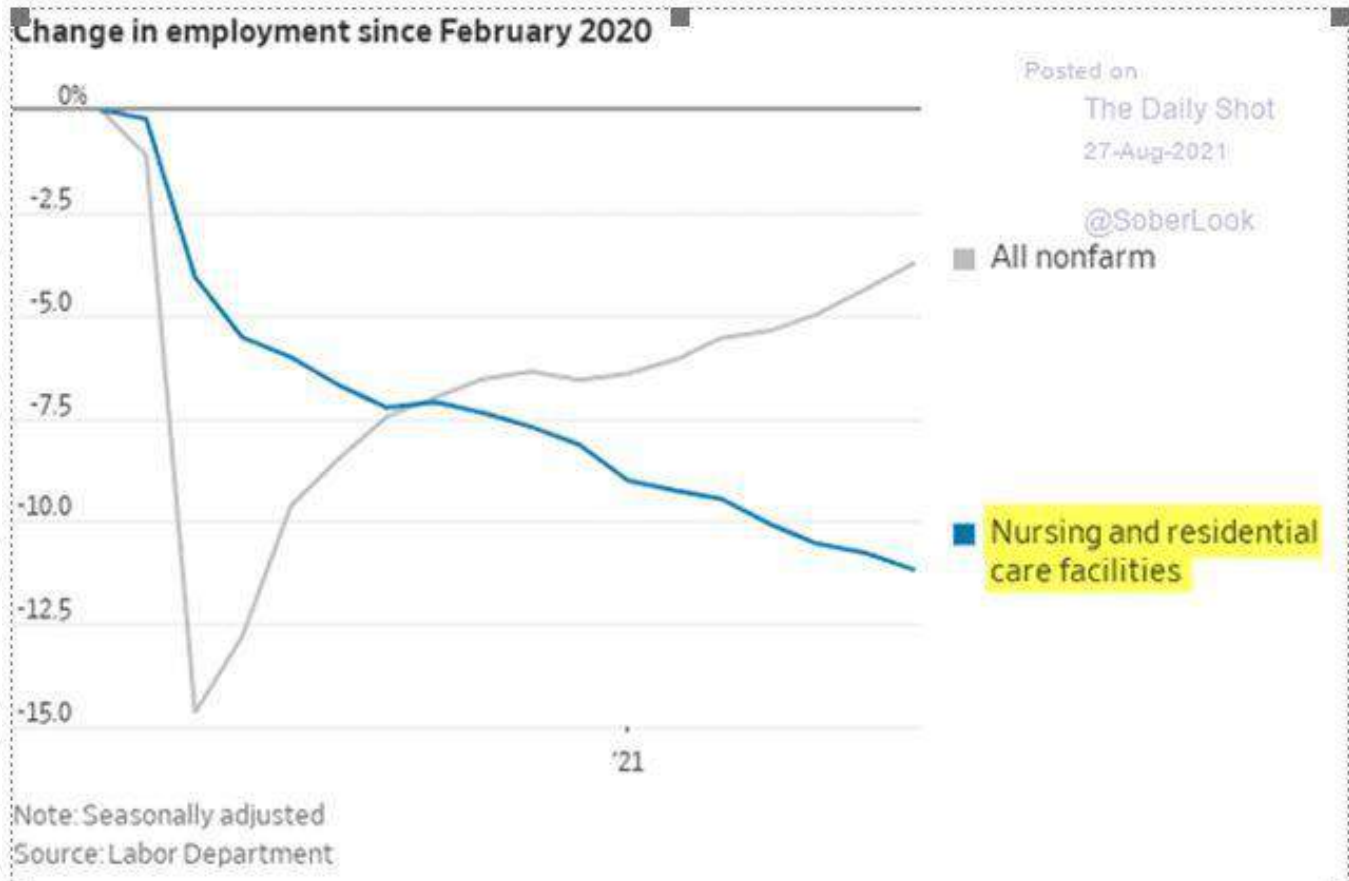


Long-Term Care Workforce in 2018 = 4.5 million

SOURCE: KFF analysis of American Community Survey, 2018.

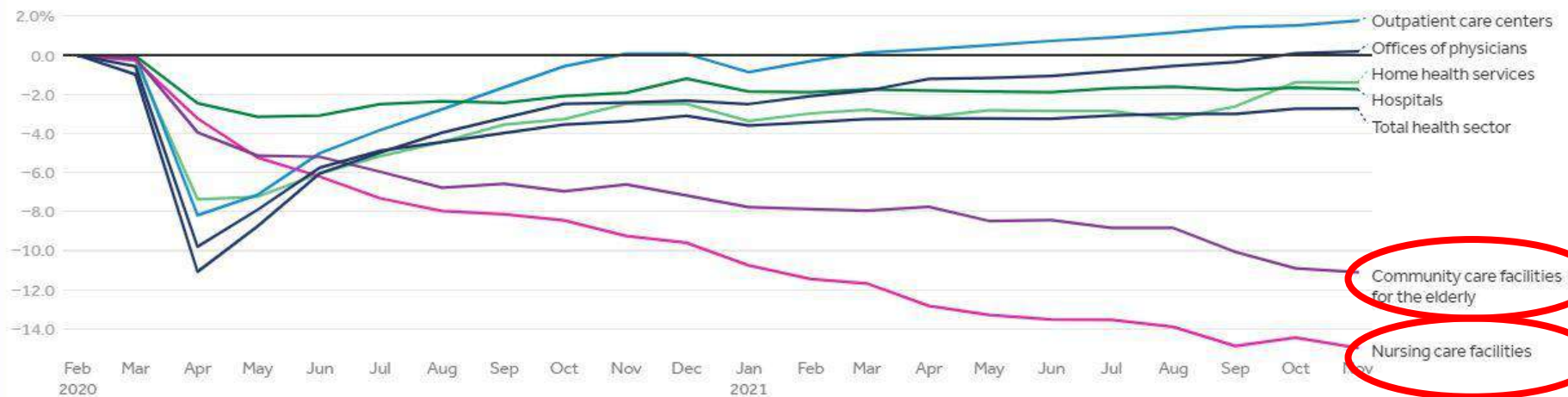


And then the pandemic...



The Staff = Means of Production

Cumulative % change in health sector employment by setting, since February 2020, seasonally adjusted



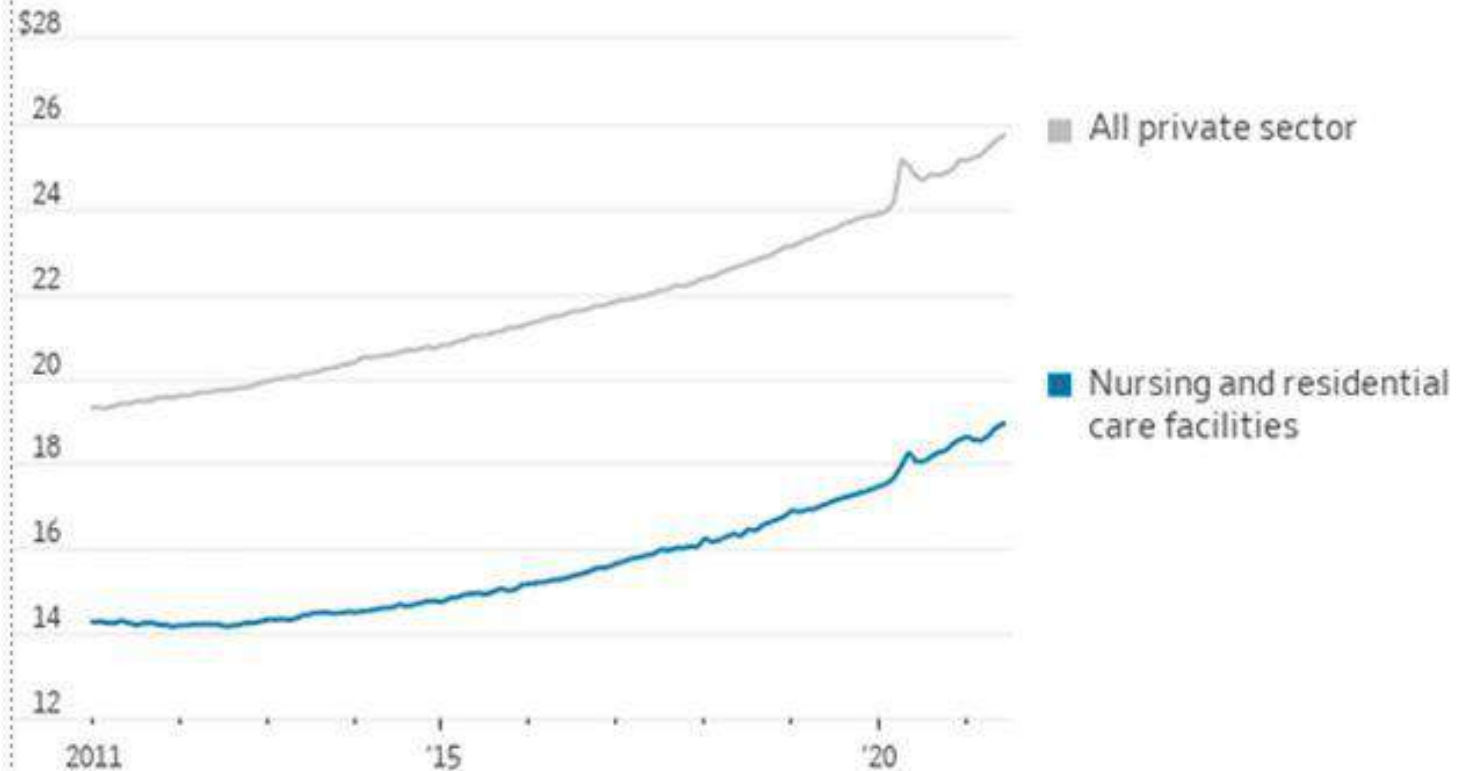
Note: Data for October and November 2021 are preliminary.

Source: [Bureau of Labor Statistics Current Employment Survey \(CES\)](#) • [Get the data](#) • [PNG](#)

Peterson-KFF
Health System Tracker

Pay what they're worth?

Average hourly earnings for nonsupervisory employees



Note: Seasonally adjusted
Source: Labor Department



Stackpole & Associates, Inc.
The Science of Services Marketing

People: What's possible?

- Who *wants* to work in LTC?
 - There really are those who want to
 - Generation(s) to remove stigma
- **Why staff stay v. why they leave**
- We need a federal “LTC Jobs Act”
 - Retrain unemployed – screen for “loyalty”
 - Use existing federal training centers (?)
 - Subsidize salaries & benefits (ALICE)
 - + retention incentives
- **Reinstate H-1A visa for care-givers**

Messages

What are we saying?

“Sorry, we’re short-staffed again today / tonight / forever...”



Chronic Stress

- Manifest in brittle behavior
- How to increase “resilience”?



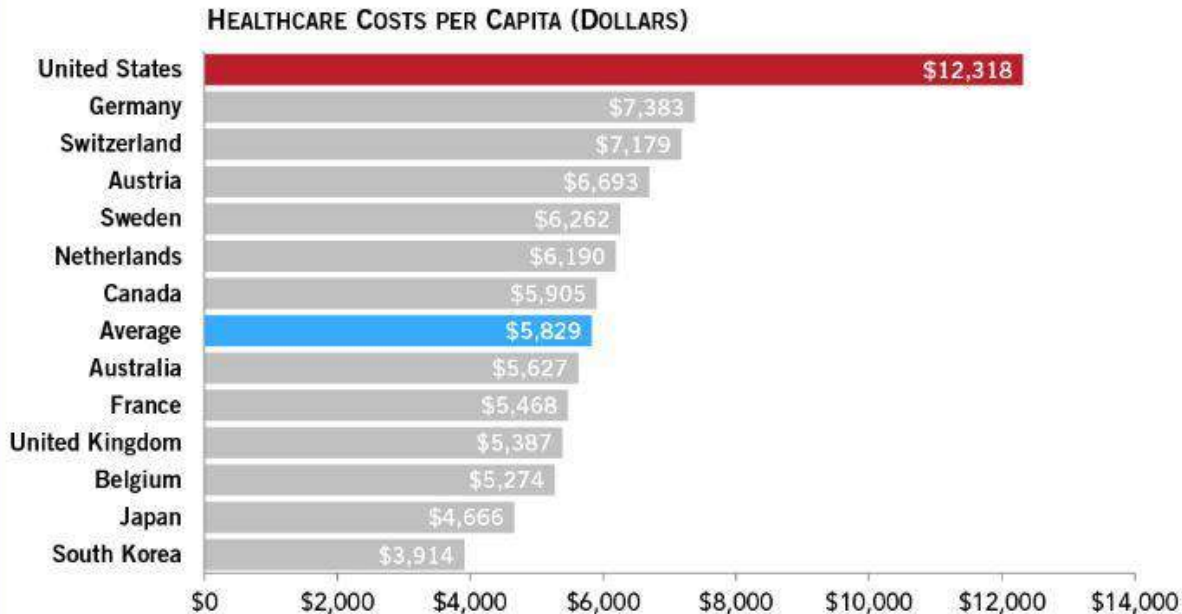
Economics

- Direct and indirect costs
 - Systems been short-changed for 30 years
- Medicaid cannot afford LTC
- Medicare backed out 30+ years ago
- Many think “the government will pay for it”
- Almost \$500 billion value on non-paid care
- Waste in mal-distribution, lack of collaboration and fragmentation

Spending on Healthcare



U.S. per capita healthcare spending is over twice the average of other wealthy countries



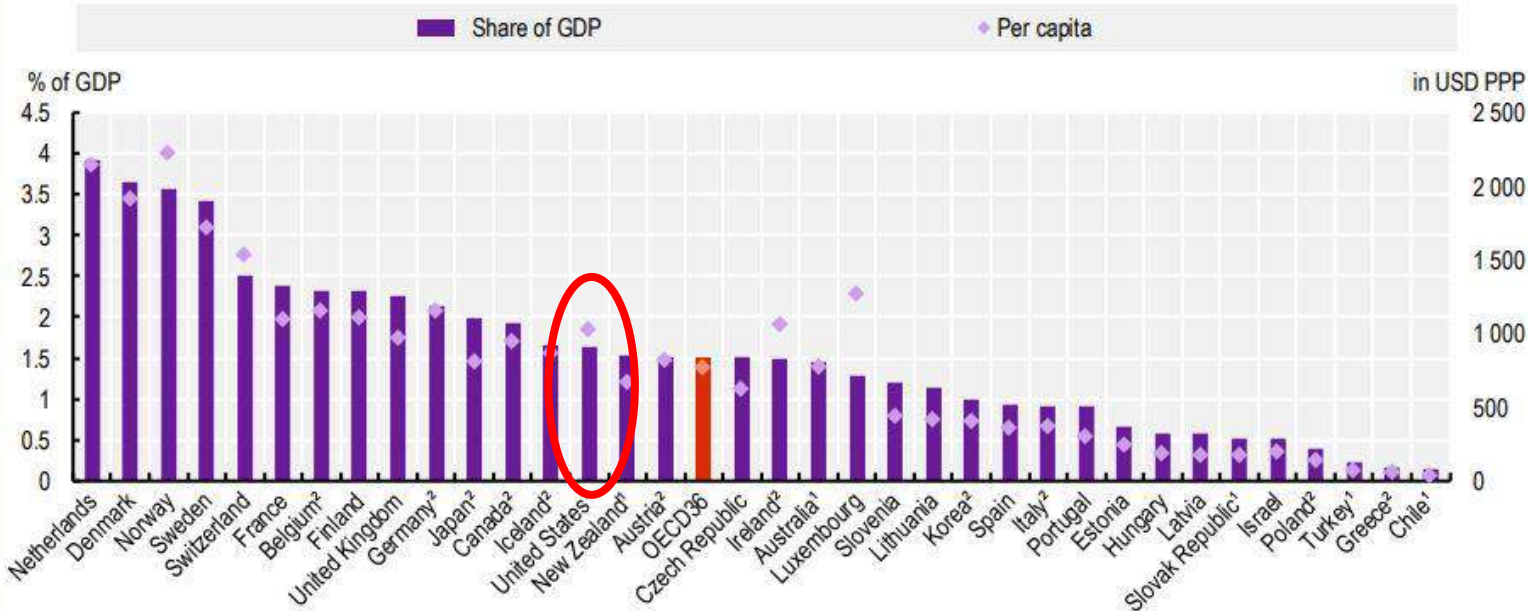
SOURCE: Organisation for Economic Co-operation and Development, OECD Health Statistics 2022, July 2022.

NOTES: Data are latest available, which was 2019, 2020, or 2021. Average does not include the United States. The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, were included. Chart uses purchasing power parities to convert data into U.S. dollars.

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Spending on LTC



1. Estimated by the OECD Secretariat. 2. Countries not reporting spending for LTC (social). In many countries this component is therefore missing from total LTC but in some countries it is partly included under LTC (health). Colombia became an OECD member after the 2020 data collection and is missing from the chart.

Source: OECD Health Statistics 2020, <https://doi.org/10.1787/health-data-en>; Mueller, Bourke and Morgan. (2020^[1]) "Assessing the comparability of Long-Term Care spending estimates under the Joint Health Accounts Questionnaire", <https://www.oecd.org/health/health-systems/LTC-Spending-Estimates-under-the-Joint-Health-Accounts-Questionnaire.pdf>.

Outcomes

- Clinical Results – only part of the story
- QUALITY –
 - The degree to which service is free of defects (Deming)
 - QRP – has only half the equation
- Consumer Satisfaction
- Is this what consumers want?
- Is this what they need?
- Is this what their families want?

Outcomes: What gets measured gets done

- Clinical Results – only part of the story
- QUALITY –
 - The degree to which service is free of defects (Deming)
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- Consumer Satisfaction
- Is this what consumers want?
- Is this what they need?
- Is this what their families want?
- And if they don't know what they want, why aren't WE teaching them?

Economics – Ideas to get what we need

- Federal insurance for long term care
 - Always the bridesmaid, never the bride
- Funding –
 - Small increase in Medicare payroll deduction AND
 - Small premium (w/ means test) on Part A, C & D
 - Don't worry, they can afford it – *really*
- Private LTC insurance fully deductible and
- Create LTC risk pool in each state
- **REQUIRE** participating LTC HIP's to spend 0.5% of premiums on education / communications

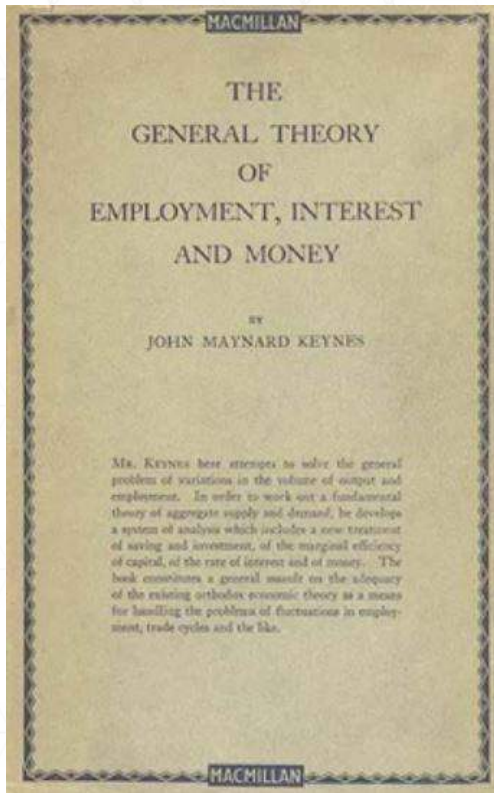
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John Maynard Keynes



- To those who say, “How can we afford this?”
- ***“Assuredly we can afford this and much more. Anything we can actually do we can afford.”***

Case Managers –what we need

- *Navigators*
 - *No one knows where to go, what to do!*
- *Funding (Paying) Navigators*
- *Educating the public*



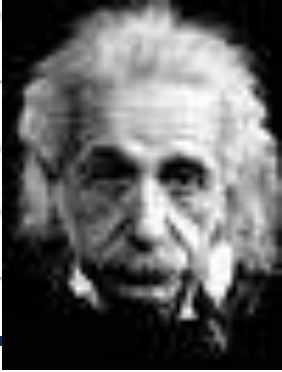
Next Steps - ???



Conclusion

“The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.”

— Albert Einstein



Resources

- Williams, B. Failure to Thrive? Long-Term Care's Tenuous Long-Term Future.. See: <https://scholarship.shu.edu/shlj/vol43/iss2/3/>
- Stackpole, I. Bridging the Divide: Transitions to Cross-Continuum Collaborations in Healthcare. See: <https://stackpoleassociates.com/transitions-cross-continuum-collaborations-healthcare>
- Who Cares? The pandemic shows the urgency of reforming care for the elderly. The Economist. See: <https://www.economist.com/international/2020/07/25/the-pandemic-shows-the-urgency-of-reforming-care-for-the-elderly>
- True, S. et al. COVID-19 and Workers at Risk: Examining the Long-Term Care Workforce. See: <https://www.kff.org/report-section/covid-19-and-workers-at-risk-examining-the-long-term-care-workforce-tables/>
- [Adoption factors associated with electronic health record ...](#)
- www.ncbi.nlm.nih.gov/pmc/articles/PMC4316426
- Jan 28, 2015 - **Long-term care** (LTC) facilities (as defined by the ARRA) are facility types **excluded** from the incentives including: skilled nursing homes, assisted ... also a source of statistical interference when '**meaningful use**' is assessed.
- Coronavirus Commission on Safety and Quality in Nursing Homes. September 2020. See: <https://sites.mitre.org/nhcovidcomm/wp-content/uploads/sites/14/2020/09/FINAL-REPORT-of-NH-Commission-Public-Release-Case-20-2378.pdf>