

OLDER ADULTS' CHALLENGES ACCESSING AGING SERVICES

Older adults and their families face immediate challenges in accessing essential care and services to remain independent, safe and healthy. As the share of the population of adults 65+ is expected to grow from 16% to 21.6% by 2040, federal and state policymakers must act to support families today and to bolster access to aging services.¹

Massive—and Growing—Shortage of Professional Caregivers

- An estimated 400,000 employees in nursing and residential care settings left their jobs since the start of the pandemic.²
- As of March 2022, more than one in four nursing homes nationally reported a shortage of at least one type of staff. The most common shortage is among aides, followed by nursing staff.³
- The nation will need to fill 8.2 million direct care jobs in the long-term care sector between 2018 and 2028 as existing workers leave the field or exit the labor force altogether.⁴

Decline in Availability of Care and Services

NURSING HOMES

- Nursing homes across the country have been forced to limit admissions of new short- and long-term residents—or to close entirely—because there are not enough direct caregiving professionals to provide quality care.
- In Minnesota, 11% of nursing homes (and 20% of assisted living providers) face closure due to significant increases in operating expenses, including labor costs.⁵

HOME AND COMMUNITY-BASED SERVICES

- States determine recipients' eligibility for and the amount of Medicaid-reimbursed home and community-based services provided, which limits access to care. Adult day programs, in particular, continue to grapple with pandemic-related operational challenges.
- In Pennsylvania, 98% of agencies charged with finding and referring care to older adults and families who request it are "having trouble finding in-home services for consumers."⁶

"Programs like ours are competing with organizations such as hospitals and private care who can pay higher wages. We're relying on chronically low Medicaid reimbursement to pay our CNAs, nurses, intake coordinators, kitchen coordinators, transportation managers and other critical staff."

— Jennifer Stitt, Rogerson Communities Adult Day Health Programs, Boston, MA

Chronic State and Federal Underfunding of Essential Services for Older Adults

NURSING HOMES

- Medicaid, the dominant payer of long-term care services, doesn't fully cover the cost of nursing home care in most states.

“Right now, the Medicaid reimbursement rate is \$189 a day. In 2021 our actual care costs per day were \$412. The state’s reimbursement rate does not even cover 50% of the costs, which leaves us to make up the deficit.”

– Jonathan Hollinger, Pleasant View CEO, PA

AFFORDABLE HOUSING

- According to HUD, more than 2.24 million very low-income older adult renter households spent more than half of their incomes for housing in 2019, a number that's increased 68% since 2009.
- For years, the need for affordable housing has far outstripped the supply available for low-income older adults, due to stagnant funding for federal programs. While new funds have been allocated, need is skyrocketing as the population ages.
- Only one in three older adults eligible for affordable housing can access it, leading to years-long waiting lists.

“The shortage of affordable housing is crushing our seniors. In my home state of New Jersey, one Section 202 provider has waiting lists eight to 10 years long to get into their communities. With waiting lists that long, the sad reality is that some seniors will never have the opportunity to benefit from that critical program.”

— March 2022 Senate Hearing, Senator Robert Menendez

HOME AND COMMUNITY-BASED SERVICES

- Medicaid does not cover the cost of services provided by home health and home care providers in most states.

“To retain staff, Tabitha is paying up to 25% higher hourly rates compared with pre-pandemic times...Inflation has driven costs up 20% for supplies, food and insurance. The current average Medicaid reimbursement rate of \$79 per day falls short by \$40 per day for assisted living services and falls short by \$80 per day for memory care services. This is a cost shortage of \$15,000 to \$29,000 per year per client depending on the type of care delivered. Rate adjustments have not kept up with the cost of care and this is simply not sustainable.”

– Brian Shanks, CFO, Tabitha Health Care Services, Lincoln, NE

¹ 2020 Profile of Older Americans (PDF). [Administration for Community Living](#).

² Schmidt, Hayden. Skilled Nursing Facilities Are Facing a Staffing Crisis. [Healthcare Exec Intelligence](#). January 26, 2022.

³ State Actions to Address Nursing Home Staffing During COVID-19. [Kaiser Family Foundation](#). May 16, 2022. See Introduction.

⁴ It's Time to Care: A Detailed Profile of America's Direct Care Workforce (Section 1). [PHI](#). 2020. See Key Takeaways box.

⁵ Survey results. [LeadingAge Minnesota](#). May 5, 2022.

⁶ Network Crisis Survey Results. [Pennsylvania Association of Area Agencies on Aging](#). March 2022. See Slide 4.