



Rural long-term care services and supports

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Introduction

With an increasingly older rural population, there is growing concern over necessary policies and programs to support aging, especially in communities where individuals tend to be at greater risk for poverty, lack of transportation, food insecurity, and more complex illnesses. Long-term care (LTC) involves a variety of services designed to meet a person's health or personal care needs when they can no longer perform everyday activities on their own.¹ Despite widespread need, the U.S. has no national program to cover the costs of long-term care or support services, leaving it up to states and individuals to fill the need through a combination of privately funded programs, Medicaid, and out-of-pocket expenditures.² While LTC is may be utilized to support individuals in post-acute care recovery and those suffering from mental illness who may lack full functional independence, this paper focuses on the needs of rural older adults. Certain challenges must be addressed to support provision of quality long-term care for older adults in rural areas, including sustainable financing, regulatory reform, and ongoing staffing support.

Background

LTC can include care in the home or community, known as home health or home and community-based services, or in institutional settings, such as a skilled nursing facility (SNF), assisted living, or long-term care facility. Care within a facility may include clinical care as well as an array of services consisting of non-medical needs to support activities of daily living (bathing, dressing, medication management), housekeeping, meal support and/or dining services, transportation, and support from social work and/or nurse care management services.³ The level of clinical support can include doctors, mid-level practitioners, and various levels of nursing support depending on patient needs and place of care.

Prior to the pandemic, rural nursing homes were struggling, and access was declining for rural residents. Between 2008 and 2018, 472 rural nursing homes closed, resulting in 10.1 percent of rural counties becoming nursing home deserts.⁴ Those numbers have worsened since COVID-19, which hurt long-term care more than other health care sectors.⁵ A myriad of factors play into the challenge of keeping rural nursing homes open and viable, many of which stem from workforce shortages, financing of LTC, and administrative burdens.

Analysis

Cost

U.S. spending for LTC in 2020 totaled \$361.6 billion, with Medicaid and other public insurance sources (COVID 19 pandemic assistance, Veterans Health Administration, and Children's Health Insurance Program) accounting for the majority of LTC spending at \$230 billion. Medicare, which is the primary insurance source for individuals aged 65 and older and individuals with disabilities, does not cover LTC costs. In the U.S., nursing home care is often the most expensive form of LTC because they provide the highest level of clinical care. Approximately 5,900 nursing facilities, or 35 percent, are located in rural areas, and they operate nearly 500,000 certified beds, or about 29



percent of the total nursing home bed supply.⁶ This highly skilled care costs individuals and their families more than \$100,000 annually, making the cost of care burdensome and increasing the likelihood of bad debt accrual.⁷ Long-term care insurance (LTCI) can help cover care that is not covered by health insurance, Medicare, or Medicaid, yet relatively few Americans purchase private LTCI, with only approximately 12 percent of the population over the age of 65 maintaining coverage. LTCI plan premiums can be expensive and are financially unsustainable for many. Therefore, investments in long-term services and supports (LTSS) are needed to allow rural residents to access support and care at home or in their local communities.

Workforce

Recruiting and retaining a high-quality workforce is challenging in rural LTC settings. Nationally, registered nurses employed in SNFs are paid about \$10,000 to \$15,000 less on average than registered nurses employed in other common health care settings including hospitals, outpatient departments, and physicians' offices.⁸ When examining urban and rural nursing salaries, nurses working in nonmetropolitan areas generally have a lower average and median salary than those in urban areas.⁹ Many nursing homes have increased pay and offer bonuses to attract staff, but rural facilities are disadvantaged as they operate on thinner margins and have less flexibility to increase wages or offer additional benefits.¹⁰

Rampant staffing shortages across the nursing home and assisted living industries have forced most facilities to reduce new admissions and rely on overtime shifts and expensive agency hires to maintain operations within the past five years. The American Health Care Association and the National Center for Assisted Living released a poll sampling 1,183 long-term care providers revealing that 99 percent of nursing homes and 96 percent of assisted living communities are facing some degree of staffing shortages. Fifty-nine percent of nursing homes and 30 percent of assisted living communities characterized their staffing situation as "severe."¹¹

Nurse vacancy and turnover rates are among the key measures for assessing a workforce shortage and its severity. The recent popularity of traveling nurses has played an integral role in increased turnover at rural facilities. Specifically, the survey concluded that registered nurses providing direct resident care had the highest vacancy rates, with significant growth in licensed practical nurse and certified nurse assistant vacancies.¹² Numerous studies have shown that these turnover rates are related to poor pay, lack of benefits, stressful workloads, inadequate training, and lack of career advancement. Most importantly, high turnover can contribute to lower quality of care and poorer health outcomes for residents. Nursing homes with higher turnover have increased instances of resident abuse, harm to residents, worse Medicare ratings, and greater numbers of resident complaints.¹³

"Caring for older adults isn't cheap. Americans provide \$522 billion worth of unpaid care for elderly family and friends each year."¹⁴ Many rural older adults receiving care in the home setting rely on unpaid caregivers like family members for LTC services. The high-cost burden of LTC services puts financial pressure on families and often worsens inequities in care delivery outcomes. This does not account for the indirect costs of serving as a caregiver, such as reduced work productivity, lost wages, and caregivers' medical expenses stemming from caregiving activities.¹⁵



Policy recommendations

- **Funding for long-term care:** Develop a unified mechanism for funding long-term care to reduce the heavy financial burden of care on individuals and their caregivers. This may be accomplished through universal, publicly funded comprehensive coverage, which includes cost sharing and is provided similarly to the Medicare program.
- **Reimbursement adjustments:** Adjusting reimbursement rates to account for the higher costs and lower patient volumes in rural areas can incentivize health care providers to offer long-term care services. This could involve increased reimbursement rates or special funding mechanisms for rural facilities to ensure financial sustainability.
- **Private long-term care insurance:** Increase the availability and affordability of private LTCI. Middle-income individuals should have a functional, sustainable private LTCI marketplace to help them pay for LTC and/or LTSS should they need it.¹⁶ This would support individuals living in their homes and communities. Employers should be provided incentives to offer retirement LTCI on an opt-out basis through workplace retirement.
- **Telehealth expansion:** Support the expansion of telehealth services in rural areas by removing barriers (lack of high-speed internet infrastructure) and creating reimbursement frameworks that adequately cover virtual care. This will improve access to specialists, reduce transportation challenges, and enhance the delivery of long-term care.
- **Regulatory flexibilities:** Federal and state regulation and oversight must consider the unique circumstances of rural facilities. Regulatory flexibility should be provided for small, rural long-term care facilities, considering limited resources. This could involve streamlined reporting requirements, simplified compliance processes, and tailored regulations that recognize the distinct challenges faced by rural providers.
- **Loan forgiveness and incentives:** Offering loan forgiveness programs or financial incentives for health care professionals who commit to working in rural areas can help address workforce shortages; however, few opportunities exist in the LTC space.¹⁷ Increasing eligibility for LTC facilities to serve as host sites will help to attract and retain qualified professionals in long-term care settings.
- **Adequate compensation and a ranked pay increase:** Increased compensation is one of the most effective strategies for recruiting and retaining staff. A more robust recruitment plan that includes increased compensation, provision of health insurance, accessible health benefits, tax credits, loan forgiveness, paid vacation, and employee recognition programs could attract potential employees and retain existing staff.
- **Targeted funding and grants:** Allocating specific funding and grants for rural long-term care facilities and services can help support their infrastructure development, technology adoption, and service expansion. For example, availability of financial resources can help increase collaboration between LTC facilities, educational programs, and institutions of higher education for health professions training.
- **Expanding and refining federal tax credits for caregiving expenses:** Improving or expanding the availability of respite-care benefit or other direct-service benefits under Medicare would help family members and others who provide care to seniors in home health care settings.



Conclusion

Policymakers, with community input, must develop targeted policy reforms that address the challenges of rural long-term care and improve access to quality services by reducing costs, limiting unnecessary regulatory burdens, and ameliorating staffing issues. These services should be funded in a way that supports the necessary levels of care (by place of service) and provides quality of life to individuals with complex medical, mental, or functional needs. Agencies that regulate LTC facilities should explore their policies and implement changes as listed above that streamline regulatory requirements for rural providers. Staff working in rural long-term care environments should be compensated fairly for services provided and have access to educational resources to support competency development to ensure high-quality services.



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