

THE DEMOGRAPHICS BEHIND AGING IN PLACE

IMPLICATIONS FOR SUPPLEMENTAL SECURITY INCOME AND RECEIPT

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Despite population aging, fewer older adults live in nursing homes now than 40 years ago. This shift to community-based living has implications for the Supplemental Security Income (SSI) program and for Medicaid long-term care programs. Medicaid covers the costs of room and board for low-income older adults living in nursing homes, but not for those living in the community. Older adults dwelling in their community who are financially vulnerable may require more help from the SSI program to pay for food and shelter.

How Demographics and Policy May Influence Trends in Living Arrangements

Since 1980, the demographic make-up of the older adult population has changed – it is more racially and ethnically diverse, and increasing longevity among men has reduced the gender imbalance. These demographic changes alone may have played an important role in the decline in nursing home residents. Historically, persons of color, men, and married (not widowed) women were less likely to live in nursing homes than white, female, and non-married persons.

The last four decades also span a period of dramatic change in the long-term care policy landscape, and an expansion in community-based options for long-term care, like assisted living. Though private long-term care costs are very high, many states adopted long-term care Medicaid waiver programs that allowed financially vulnerable adults to receive care in the community. Although these programs are associated with reductions in the share of total Medicaid long-term spending going to nursing home care, prior studies do find consistent evidence that they reduced nursing home use.

Using Census data spanning nearly 40 years (1980 through 2018), this research estimated the decline in nursing home residency among very low-income older adults; examined which living arrangements increased to offset this decline; and determined proportions of the decline that can be attributed to changing demographics and state Medicaid policies. Estimates describe trends for the country as a whole, and state-by-state.

Nursing Home Residency Fell 55%, but So Did Independent Living

From 1980 to 2018, institutional residency fell by 55% among the lowest income older adults – a substantially larger decline than among higher-income people. Yet, today 13% fewer older adults live in their own homes without co-resident family than in 1980. Large increases in rates of co-residency in another person’s home, (such as an adult child), and more modest increases in assisted living offset the decline in institutional residency. Notably, the increase in assisted living happened exclusively in the white population.

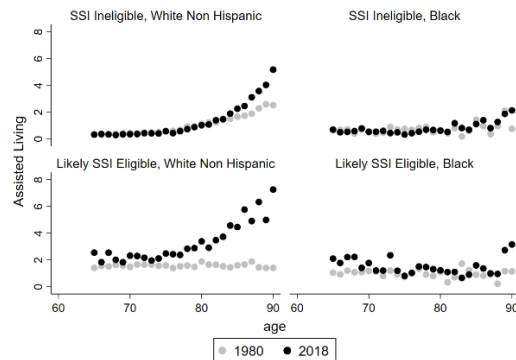
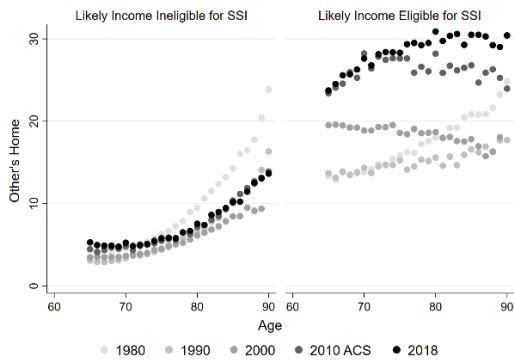
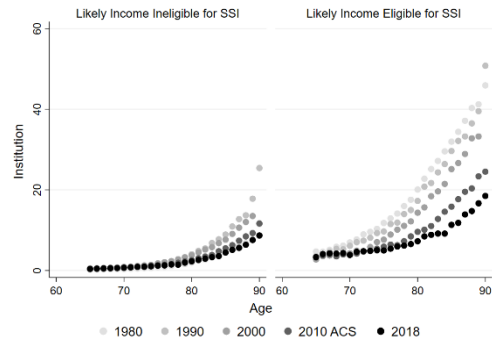


Figure: Trends in Living Arrangements of Older Adults

Medicaid Waiver Programs Explain 62% of Decline, Demographics Explain 19%

Findings indicate the total 55% decline in nursing home residence among low-income older adults can be largely attributed to changes in Medicaid coverage of community-based long-term care, and the increasing racial and ethnic diversity of the older adult population. An estimated 62% of the decline is due to the introduction of state Medicaid waiver programs to cover home- and community-based long-term care services. Increasing racial and ethnic diversity explain an additional 19%. State-level analysis indicate demographics played an even larger role in some states, explaining more than 30% of the total decline in eight states (LA, SC, NM, NC, FL, TN, NJ, and GA). Though reported rates of disability did fall over this period, changes in the incidence of disability over time explain only 7% of the decline.

Implications

Demographic changes in the older adult population have already, and may continue, to shift long-term care of financially vulnerable older adults from nursing homes to co-resident family members, especially for persons of color.

- *Policymakers might investigate disparate rates of assisted living arrangements by race. Results indicate disparities in assisted living rates cannot be explained by ability to pay alone because they persist in the higher-income group.*
- *Medicaid home-and-community based long-term care waiver programs may be achieving the aim of shifting care from institutions to the community, but may not offer enough support to enable independent living in one's own home. Expanded programs and policies to support family caregivers could be needed to accompany home and community-based care programs.*
- *Programs like SSI and state supplemental payments that determine payment amounts on living arrangements and marital status may face more complex determinations due to increasing co-resident and unmarried partnership living arrangements.*

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