

## **Assessing Long Term Care and Policy Options for the State of Hawaii**

The Social Sciences Public Policy Center (SSPPC), University of Hawaii at Manoa, is issuing this Request for Proposal (RFP) for a researcher to be considered to undertake and to coordinate research to execute a work plan developed by the State of Hawaii Long-Term Care Commission [see attached **Exhibit A**]. The Long-Term Care Commission was established by Act 224, Session Laws of Hawaii's 2008 to undertake a two-year comprehensive assessment of the long-care needs of the population, to assess the adequacy and challenges of the current long-term care infrastructure, and to recommend measures and policies which would create a system of financing and a structure of services which would meet the future needs of the aging population. The work-plan anticipates that the research would use existing secondary data sources supplemented by a survey of the population, a survey of providers, an inventory of exemplary policies in practice in other states, and interviews and focus groups with key stakeholders. The work would likely entail cooperative work with Hawaii researchers. The research should be guided by the priorities identified by the Commission's agenda [see attached **Exhibit B**]. The research is split into two phases, each requiring interim and final reports, as specified in the workplan, and the project is to be completed by June 30, 2011. The available budget is \$300,000, including direct and indirect expenses.

Interested parties should have a strong record of research in long-term care services and policies, including familiarity with innovative and exemplary efforts of other states to address the long-term care issues facing their populations. Familiarity or experience with the state of Hawaii is also desirable.

Inquiries should be made to Dr. David Nixon, email address: [dnixon@hawaii.edu](mailto:dnixon@hawaii.edu) or phone: (808) 956-7718.

### **Schedule for RFP**

The closing date for receipt of proposals is July 20, 2009. The proposal review period will follow and the contractor selection and award will be completed no later than July 31, 2009.

### **Submission of Proposal**

Submit proposals to the Social Sciences Public Policy Center either electronically (preferred) by 4:00 p.m. on July 20, 2009 (email: [dnixon@hawaii.edu](mailto:dnixon@hawaii.edu)) or by mailing one (1) single-sided original plus three (3) copies of the proposal to the SSPPC, University of Hawaii at Manoa; Saunders Hall 723, 2424 Maile Way, Honolulu, HI 96822. Mailed proposals must be USPS or commercial express postmarked by 4:00 p.m. Hawaii Standard Time on July 15, 2009.

Proposals are strictly limited to 25 one-sided pages, no smaller than 12 point type, with margins no less than 1 inch top, bottom and sides. Proposals should address the following: 1) Name, address, contact information, and CV of Lead Researcher (CV should be in 2-page federal grant submission format); 2) Description and Experience of Submitting Lead Researcher and Organization, including a listing of pertinent web sites and references to help the commission better understand the experience of the submitting research and organization; 3) Methods to Address Each Section of the Work Plan; 4) Budget and Budget Description; 5) Feasibility. The section on feasibility should address how the researcher plans to work with a Hawaii based commission. Appendices to the proposal are not allowed.

# Exhibit A

## LONG-TERM CARE COMMISSION TWO-PHASE WORK PLAN

### EXECUTIVE SUMMARY

The work of the Long-Term Care Commission (LTCC) is described in Act 224, Session Laws of Hawai'i 2008. In a nutshell, the work of the Commission is to take stock and determine where Hawai'i stands with respect to our long-term care needs, near-term and future; to recommend long-term care objectives; and, finally, to recommend ways and means for policy-makers to attain those objectives. Importantly, the Commission shall also address the question of how to finance the attainment of those objectives.

The work will be divided into two phases, each phase taking approximately 12 months to complete, and each producing a full report of the work covered, as follows:

#### ***Phase 1. Twelve months***

1. *Policy Objective:* The goal is to produce a report containing an assessment of the current state of long term care in Hawaii, with recommendations to improve the system of services.
2. *Work Objective:* (a) Ascertain what Hawai'i currently has in place in facilities, programs and predictable funding; (b) Assess the current system's strengths, weaknesses and limitations; (c) Assess Hawai'i's current ability to manage and meet current demand for long-term care services; (d) Project demand for long-term care services; (e) Learn from the experience and best practices of other states; (f) Report findings and make recommendations for meeting near-term and future demand for long-term care services; and (g) Solicit the opinion of the public on the Commission's recommendations.

#### ***Phase 2. Twelve months***

1. *Policy Objective:* Produce a five-year action and financing plan.
2. *Work Objective:* (a) Study financing alternatives and recommend an equitable solution to financing the needs of the long-term care system; and (b) Integrate the financing recommendation and all Phase 1 recommendations into a five-year action plan to deal with Hawai'i's near-term and future long-term care needs.

## I. INTRODUCTION: HAWAII'S LONG-TERM CARE CRISIS

### A. PRESENT: Unaffordable; few options available; Hawai'i's people are worried.

A 2006 survey of Hawai'i registered voters found that 75% of respondents were not confident (*not at all confident: 49%; not very confident: 26%*) they could afford the cost of a nursing home for even one year. Moreover, 47% of registered voters were not confident they could afford the cost of a home health aide for even one year.

So concerned are Hawai'i residents that in a large 2008 survey, almost two-thirds (62%) of the registered voters surveyed favored a proposal to develop a public long-term care insurance program designed to defray the costs associated with disability and chronic conditions. (Only 9% *strongly oppose* such a proposal; another 11% *somewhat oppose* the proposal.)

Local nursing homes operate at full occupancy. Home and community-based services are underfunded, and only a few attempts have been made to vertically integrate services. The industry is fragmented among myriad service providers rather than coordinated and systemic, with caregivers left to sort out what services are available to meet their needs. Yet, two-thirds (69%) of registered voters surveyed responded that they would prefer to receive long-term care services at home. Hawai'i spends fewer of its long-term care dollars on community-based care for the aged and disabled than the U.S. average (18% vs. 31%).

### B. FUTURE: More people to care for; fewer people to care for them; a problem for employers and employees alike—and something has to give.

Hawai'i's 65+ population is projected to grow by 78% over the next 20 years as the Boomers pass into retirement. Conversely, the 50-64 population—the age cohort of many volunteer caregivers—will shrink by 10% over the same period. Today the ranks of unpaid family caregivers in Hawai'i are significant. They currently number, at any given time, approximately 169,000, and a conservative value of their unpaid service *annually* is nearly \$1.5 billion. Clearly, this is a cost the state government would not like to see laid at its doorstep.

A demographic finger directly points towards a coming social and economic collision: People on the job with increased family responsibilities at home. The problem is identical to our Social Security challenge: a few people working for many. Something will need to give, and the risk of lost productivity in the work place will only be one problem that emerges.

## II. WORK PLAN DETAILS – PHASE 1

### A. Research, Assessment, Interim Report (nine months)

1. Collect and analyze information that describes the state of long-term care in Hawai'i. Develop reports and recommendations based on input from the LTCC with these subjects in mind:

- a. Program and service responsibilities of executive departments and agencies relating to long-term care.
  - b. Gateways into the LTC system.
  - c. Controls on the supply of institutional (e.g., nursing home) services, e.g., state certificate of need process.
  - d. Programs to provide public education addressing individual responsibility for long term care, associated costs and personal and insurance funding options.
  - e. Programs to assist individuals in transitioning from hospitals, nursing homes, and other institutions to community living.
  - f. Residential service choices available to consumers.
  - g. The array of home and community-based services available to consumers.
  - h. Use of information technology to support services administration and delivery.
  - i. Availability of consumer-directed (rather than agency-provided) services, where consumers hire and manage their own caregivers.
  - j. Quality controls and management of LTC programs and services.
  - k. Estimates of future need for services.
  - l. Programmatic support for caregivers.
  - m. Workforce adequacy.
2. Study reports, plans, budgets, and the official record, and develop information from:
    - a. Interviews with stakeholders, including government leaders and administrators, LTC service providers, LTC advocates and, in some cases, LTCC commissioners
    - b. Two surveys: one a survey of public perceptions, awareness and attitudes about LTC, the other a survey of LTC stakeholders.
3. Synthesize all facts and findings into an interim report to the LTCC.
    - a. Identify problems, if any, with current capacity, programs, services, system access, and system integrating mechanisms and make recommendations for system improvements. (The report will use the federal template, *Technical Assistance Guide for Assessing a Long Term Care System*, and will disclose gaps in Hawai'i's LTC system and enable comparisons with other states.)

4. Distribute the interim report to stakeholders and the public, and convene a series of public hearings to receive comments.
5. Identify the need for additional research because of input obtained at the public hearings and/or topics identified in the Phase 1 assessment.

**B. Public Hearings, Further Input, Development of Final Report (three months)**

1. Compile all findings, reports and stakeholder comments into a final (Phase I) report
2. Upon LTCC acceptance of the report, the Commission submits the report to the Governor and the 2010 Legislature.

**III. WORK PLAN DETAILS – PHASE 2**

**A. Develop Plan to Implement Reform Proposals (six months)**

1. Develop cost estimates for proposed LTC system reforms.
2. Conduct additional research on projecting service needs and costs.
3. Develop and analyze options for public and private financing of LTC services.
4. Synthesize all facts and findings into an interim report by the LTCC

**B. Develop Final Report – Five-Year Plan (four months)**

1. Complete development of the Commission’s final report—Five-Year Plan
2. Assist in developing drafts of necessary legislation

# Exhibit B

## LONG TERM CARE COMMISSION AGENDA PROCESS

The Long Term Care Commission held a facilitated dialog regarding its goals on April 9, 2009. The following Commissioners or agency designees/representatives participated: Waynette Cabral, Stuart T.K. Ho, Robin Campaniano, Linda J. Posto, Sister Agnelle Ching, Chuck Sted, Kenneth Fink, Gerard Russo, Ron Gallegos, Eldon Wegner, Sam Michaels (DOH)

Facilitator: Martha Im, with assistance from Patty Johnson

### SUMMARY

The LTCC identified four areas that need to receive priority attention by the researcher. They are:

- Financing for Long Term Care Services(LTCS)
- Education about and access to services in Hawaii
- Policies and services that support “Aging in Place”
- Identifying effective solutions

Additionally, the LTCC identified several principles which should be attended to when conducting research and developing the LTCC report. They include:

- Medicaid/ Medicare should not be the primary payer for LTCS
- Review past research and initiatives (LRB may be a resource), do not duplicate previously studied work, conduct primary research to fill in knowledge gaps or to confirm the validity of previous findings (*It should be noted that this principle received mention by individuals or groups more than any other principle*)
- This report needs to acknowledge that LTC is a dynamic and challenging subject area where technology and medical advances are rapidly changing what we know about health care for aging populations. Demographics and the level of health of the aging population in the future are very hard to predict.
- No one solution will address this problem.

Aging in Place and Financing for Long Term Care, which includes the urgency of raising public awareness about the impending crisis, received the highest emphasis in the process. However, education and access were areas mentioned in all three breakout groups.

### **Policies and services that support “Aging in Place”**

“Aging in Place” is the right thing to do because it is what most people want. Additionally, it is the only practical solution because there are not enough LTC beds to meet the coming need. There will need to be an increase in providers to ensure that the full complement of services is available. Also it is the most cost-effective method of providing LTC. People will need assistance in preparing for “aging in place”. Families will need support of professionals,

including case managers to help them navigate the system. Working family caregivers will need support to balance work and their care giving responsibilities.

The public needs to have discussions regarding familial responsibility.

### **Financing for Long Term Care Services**

Paying for long term care is an urgent crisis with the potential for an enormous cost. There seems to be strong consensus that Medicaid cannot be the primary payer. The public needs to be encouraged to prepare for their LTC. There will always be a need for Medicaid to pay for LTC for those who cannot afford to save or prepare for the future. Several specific options were identified.

- Offer incentives for people to buy LTC (tax credits or rebates).
- A public / private supported solution combination may be appropriate (Medicaid buy-in, Medicaid set aside programs)
- Care Plus-like Program where everyone pays for a minimum benefit package- this doesn't discriminate against people with pre-existing conditions and requires all to participate
- In Japan people start paying into a public program at age 40.
- Own Your Own Future

It was noted that at this point, long term care insurance is a failure since it has not attracted enough business to address a significant proportion of the problem. Perhaps presenting the concept of buying retirement insurance, just like people buy fire and car insurance might be a marketing strategy that people could more easily understand.

### **Education about and access to LTC services**

All three groups recognized the importance of this issue. The highest level of concern seemed to be weighted towards lack of public awareness of the upcoming LTC crisis. Although their choice of words is different, the urgency of their concern was clear. The community must

- Wake up to the problem
- Must convince the public that long term care will affect their future
- Warn the community that a train wreck is coming

A secondary level of need for education relates to people needing to be educated about options including home and community-based care, "aging in place" and the benefits of buying LTC insurance. They need to know how to access LTC services and navigate the LTC system. One group suggested that employers be encouraged to act as conduits for education about LTC insurance and to make the benefit available.

There was interest in having a one-stop single point to get information and referral for services. The Aging and Disability Resource Center was one model that several people were aware of.

We don't have the resources to meet the demand for services and it is only going to get worse. A multi-pronged approach which emphasizes effective use of technology, encourage students as

young as high school to consider a career in LTC, educate the natural supports, (families, friends who might provide a portion of home based care).

Policy makers also must be educated about the facts.

### **Identifying effective solutions**

Engaging the Governor and Legislature in expressing their priorities and willingness to act is essential. There is a high need for public education so that they will support the needed changes to bring about an effective solution.

The LTCC needs to recommend a comprehensive policy that will streamline regulatory system- this must be an aggressive political strategy with bold action to break down regulatory barriers e.g., HCBS can be killed by Neighborhood Board, water supply, fire department and other regulatory boards.