

# Maintaining Long Term Care: Washington demographic and economic trends threaten access and quality

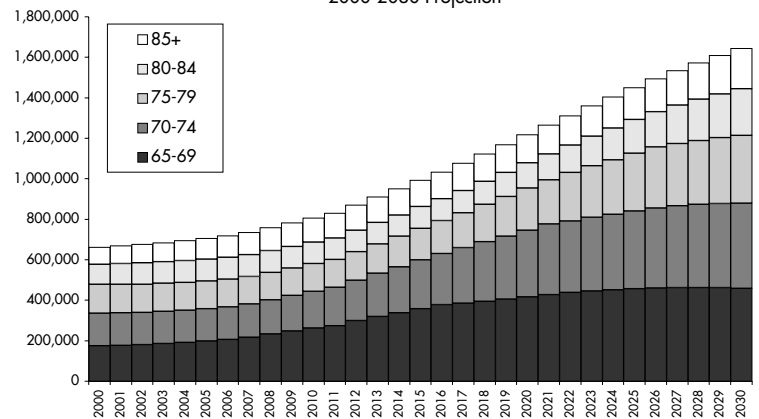
Starting in ten years, retirement of the baby boom generation will more than double the number of Washington residents over the age of 65. Coupled with rising life expectancies and improved medical care, the demand for long term care for the elderly is expected to substantially rise.

Care is currently most often provided by family members. More likely to be separated from relatives by geography and limited by work hours, over the next 30 years more retirees will have to make do without family help.

Long term care is expensive, and government help is limited. Medicare only fully covers the first three weeks of nursing home stays after serious illness and traditional private health insurance provides no coverage at all. Medicaid coverage becomes available only after elderly recipients have expended almost all of their assets, consumed typically by long term care costs. Medicaid is equally funded by the state and the federal government. Long term care Medicaid caseloads are more driven by those who have exhausted Medicare coverage or private resources than by those living in poverty prior to retirement.

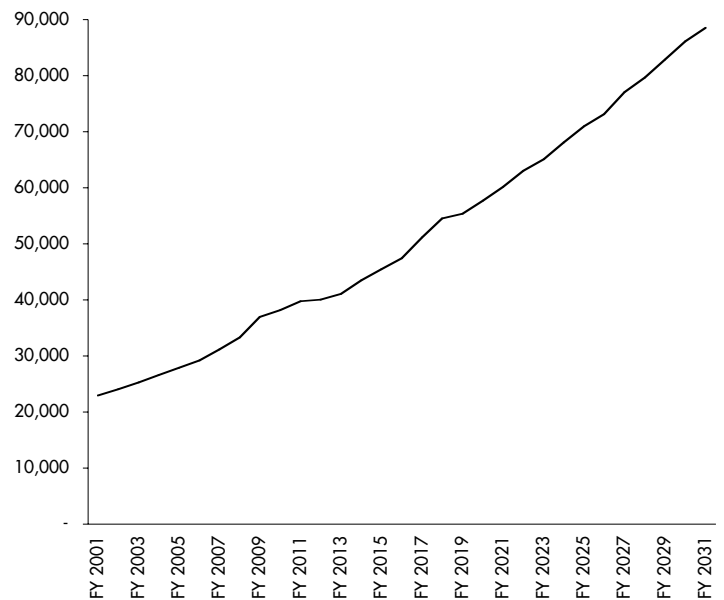
In recent years the composition of long term care has changed, with growing numbers utilizing home care instead of nursing homes. Home care is less costly and preferred by the elderly, particularly younger senior citizens. Under current state policy, which encourages home care and consumer choice, home care is expected to continue to grow.

**Washington Residents over 65**  
2000-2030 Projection



Source: Office of Financial Management projection.

**Home Care Enrollment Projection, 2001-2031**  
Medicaid-funded Caseload, Washington State



Source: Evans School of Public Affairs projection.

A caseload projection model was constructed for this study based on care preference by age and gender, flows from Medicare and private coverage, and generational wealth levels. While projecting little to no enrollment growth in nursing homes, the model predicts that Medicaid-funded home care enrollment will nearly quadruple over the next 30 years, rising from nearly 23,000 to over 88,000 by 2031.

Increased caseloads – and the likelihood of limited fiscal resources – will pose serious logistical challenges for state officials. A review of the gerontology literature suggests that, relative to other forms of long term care, home care quality is most sensitive to funding shortfalls. The state currently provides home care workers limited compensation – \$7.68 per hour – and it has proven difficult to recruit and retain home care workers.

Assuming funding levels increase by Initiative 601’s fiscal growth factor and caseloads increase as projected, home care worker wages will stagnate, falling 38.3 percent behind the growth in personal income by 2031.

With demand for home care workers outstripping the supply estimated in the Bureau of Labor Statistics Industry-Occupation Employment Projection, the state will face even larger problems finding care workers without boosting compensation. Based on projected caseloads, and assuming care worker turnover equal to enrollment turnover, the data predict a peak waiting periods in 2018 of about seven months from program enrollment to the start of care.

**Additional Home Care Placement Delay  
Washington State, 2007-2031**



Source: Evans School of Public Affairs projection.