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# Medicare Beneficiaries with LTC Needs By Setting

For the Senior Care Pharmacy Coalition

May 19, 2023

**ATI Advisory**



## About This Work

- ✓ The Senior Care Pharmacy Coalition (SCPC) engaged ATI Advisory to assess the characteristics of Medicare beneficiaries with long-term care (LTC) needs who receive help in the community, in assisted living, and in nursing homes.
- ✓ To understand what sets apart individuals with LTC needs from the rest of the Medicare population, ATI examined demographics, care complexity, and spending for Medicare beneficiaries in these settings who have LTC needs. ATI also compared these experiences to Medicare beneficiaries *without* LTC needs.
- ✓ The characteristics ATI studied include:
  - Demographics
  - Dual eligibility with Medicaid
  - Chronic conditions and medical care utilization
  - Functional impairment, cognitive impairment, and Alzheimer's Disease
  - Care complexity
  - Part D prescription drug use
  - Spending for Medicare Parts A & B
  - Out-of-pocket, plan, and gross spending for Part D

## About This Data

- ✓ The following data are from the 2019 Medicare Current Beneficiary Survey (MCBS), which consists of a representative sample of the Medicare population
- ✓ Populations are defined as:
  - **Nursing Home:** Individuals residing in a nursing facility for at least 100 days, including nursing home residents with fewer than two ADLs
  - **Assisted Living LTC:** Individuals residing in assisted living communities and who need assistance with two or more ADLs
  - **Community LTC:** Individuals residing in analyzed community settings and who need assistance with two or more ADLs
  - **Not LTC:** Individuals who do not need assistance with two or more ADLs and who reside outside of nursing facilities

*Note:* “LTC Needs” are defined based on ADLs or nursing facility residence, not behavioral conditions or cognitive limitations that might similarly require LTC support.
- ✓ Certain calculations were limited to Traditional Fee-for-Service (FFS) Medicare beneficiaries where the calculation relied on FFS claims data linked to the MCBS
- ✓ The analyses exclude 390 responses lacking household characteristics data; respondents who resided in facilities but spent fewer than 100 days in facilities during the year; or respondents who resided in small facilities, or ICFs, IRFs, or psychiatric facilities

# Settings and LTC Needs Described in This Brief

✓ With the 2019 MCBS survey, we examined the following LTC populations:

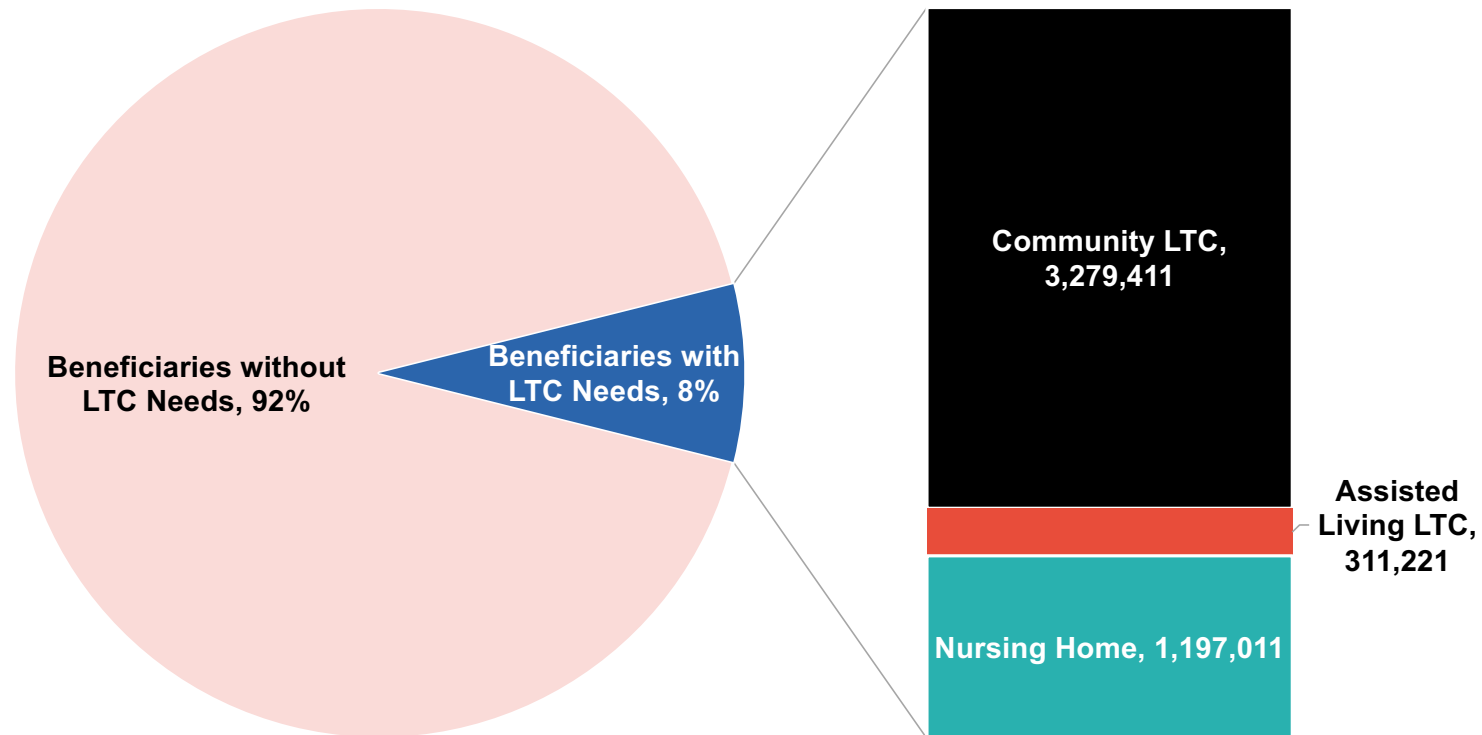


Excluded from this analysis: small assisted living facilities (<30 beds), as well as intermediate care facilities, inpatient rehabilitation facilities, and psychiatric facilities



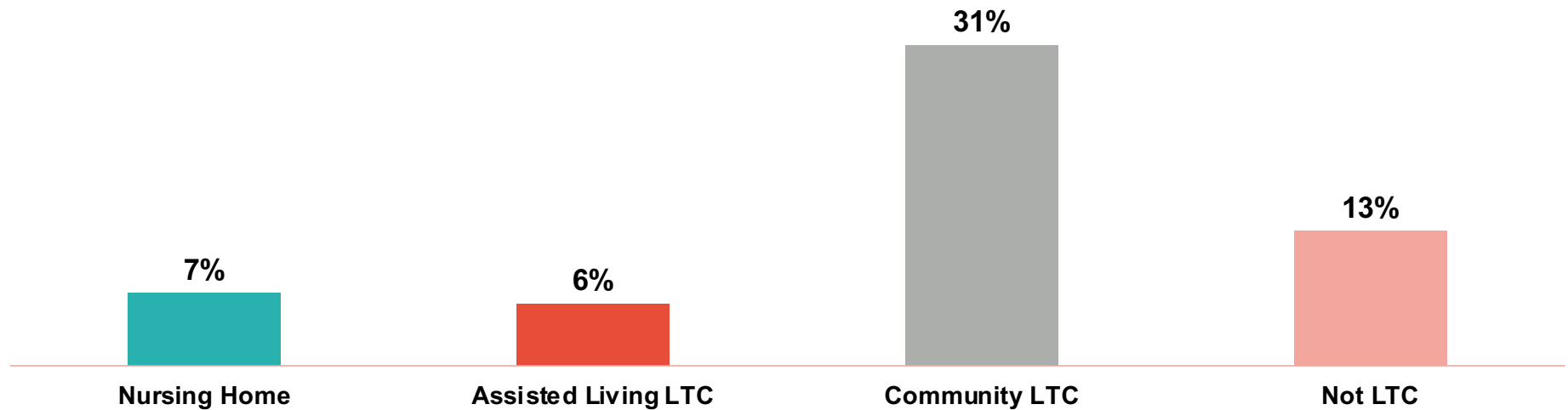
# Individuals with LTC Needs Living Outside the Nursing Home Setting Represent a Large and Demographically Diverse Population

## 75% Of Medicare Beneficiaries with LTC Needs Live in Community or Assisted Living Settings

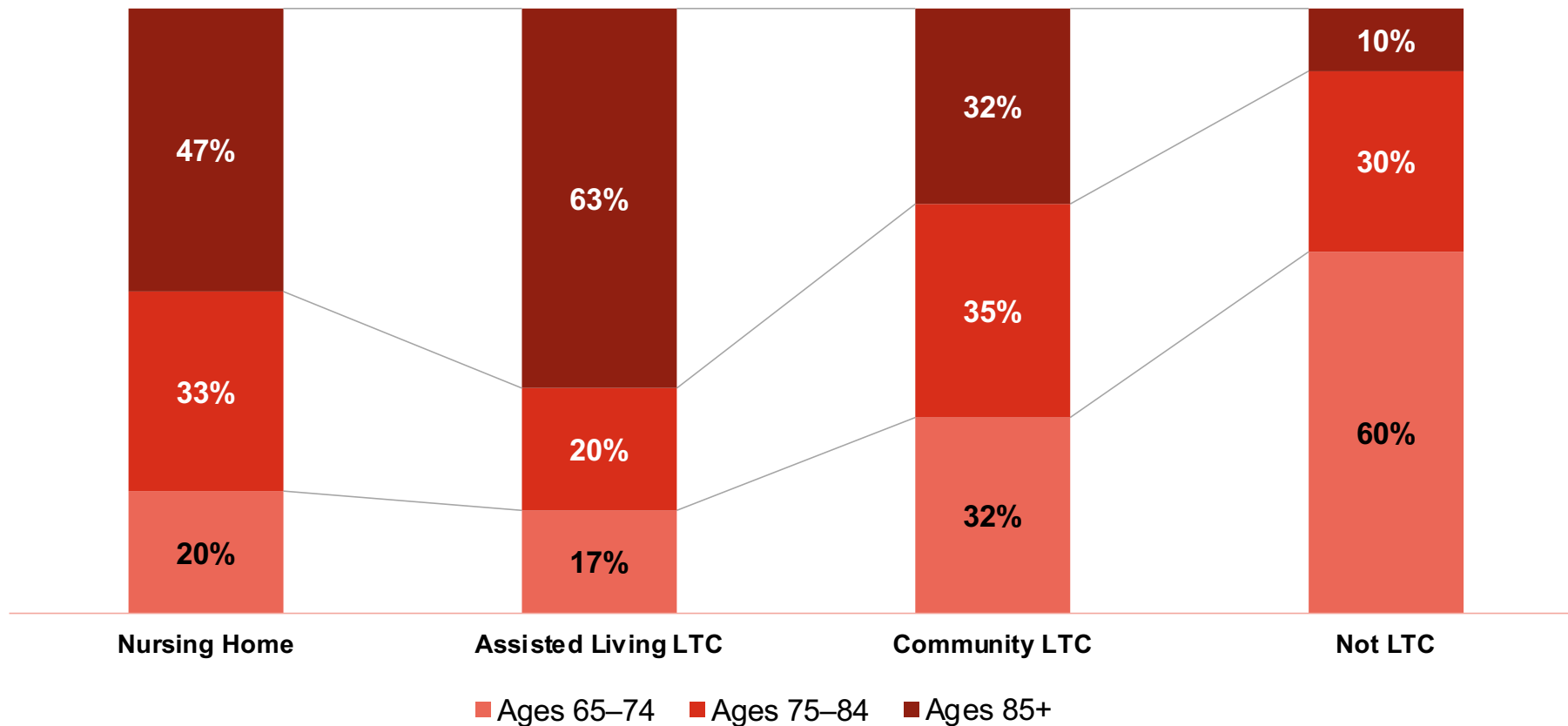


## Medicare Beneficiaries with LTC Needs Living in the Community Are Often Under Age 65

Percent of Beneficiaries Under Age 65



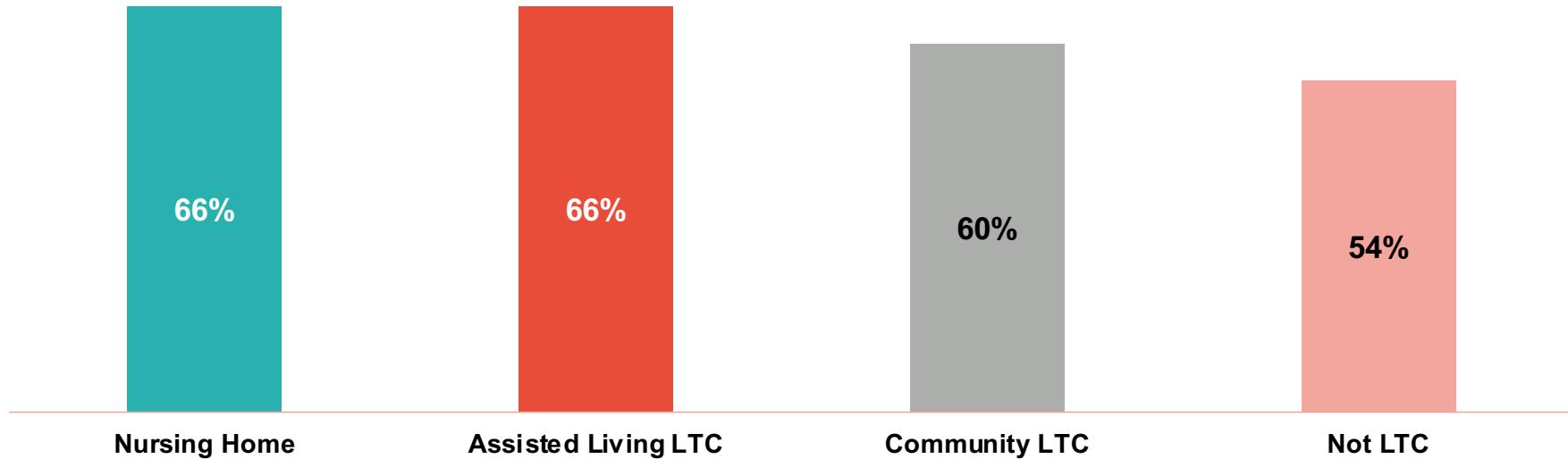
## Medicare Beneficiaries Living in Assisted Living with LTC Needs Are Often Age 85 or Older



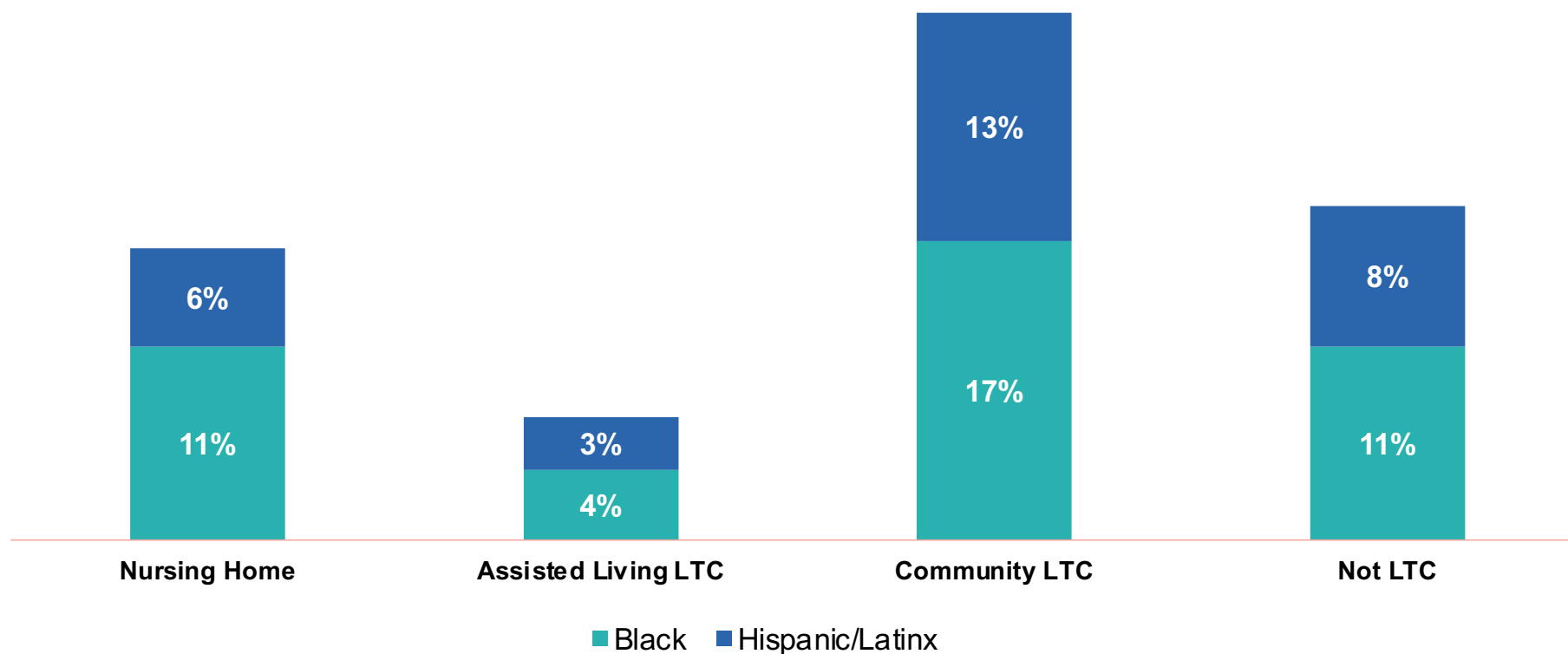


## Women Make Up a High Proportion of Medicare Beneficiaries with LTC Needs

Percent of Beneficiaries Who Are Women

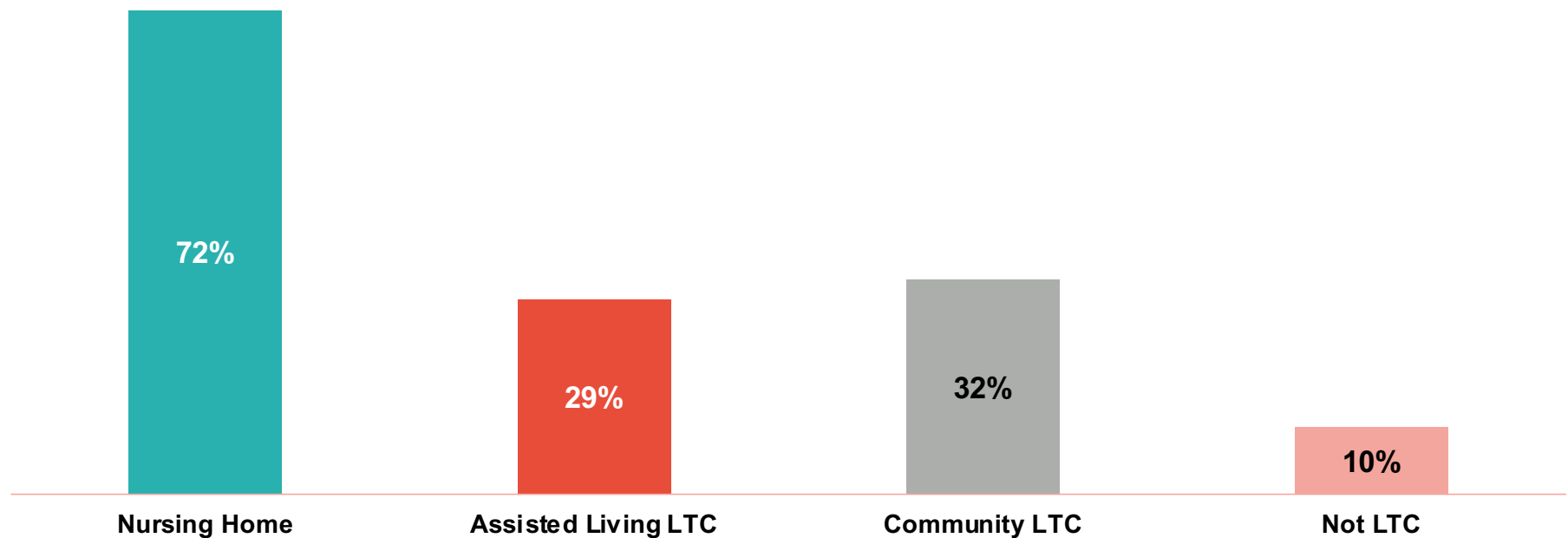


## Medicare Beneficiaries with LTC Needs Living in Community Are Often Black or Hispanic



## Duals Make Up Three in Ten Medicare Beneficiaries with LTC Needs Who Live in the Community or in Assisted Living

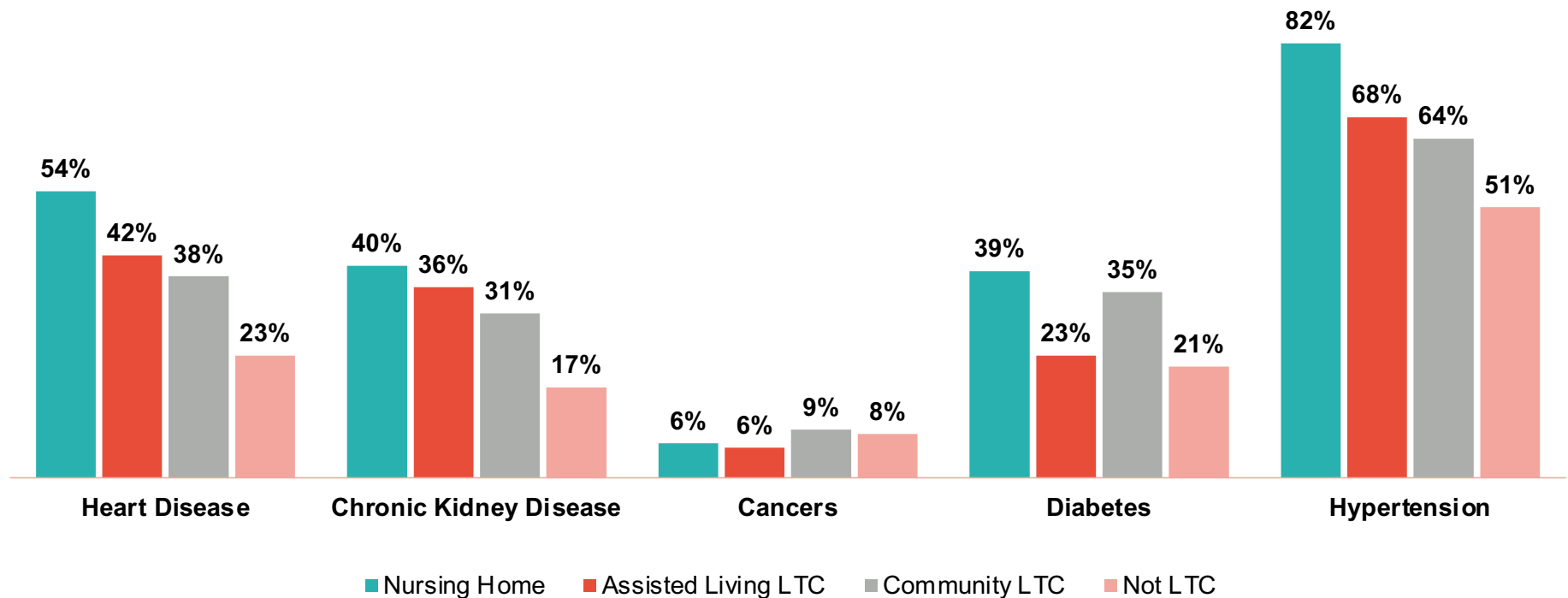
Percent of Beneficiaries with Full Dual Medicaid Benefits



# Individuals with LTC Needs Have Complex Care Needs

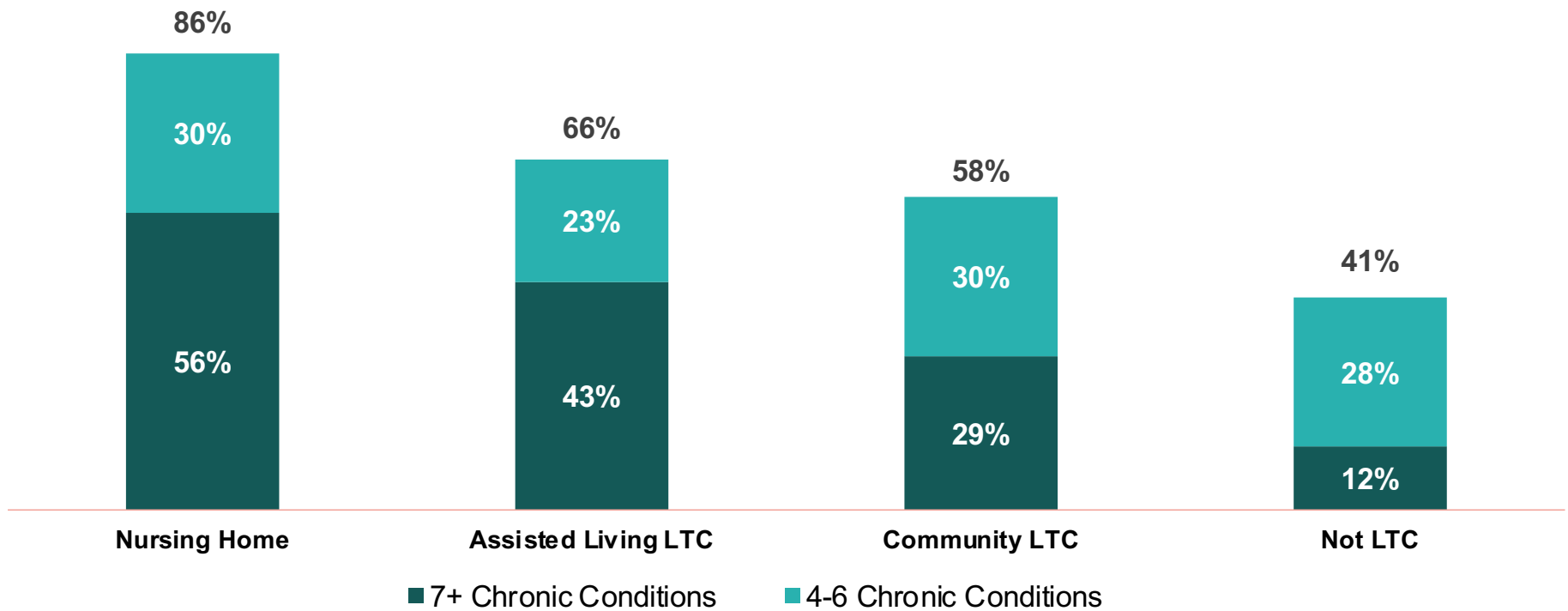
## Medicare Beneficiaries with LTC Needs Have High Prevalence of Key Chronic Conditions

✓ Among FFS Beneficiaries



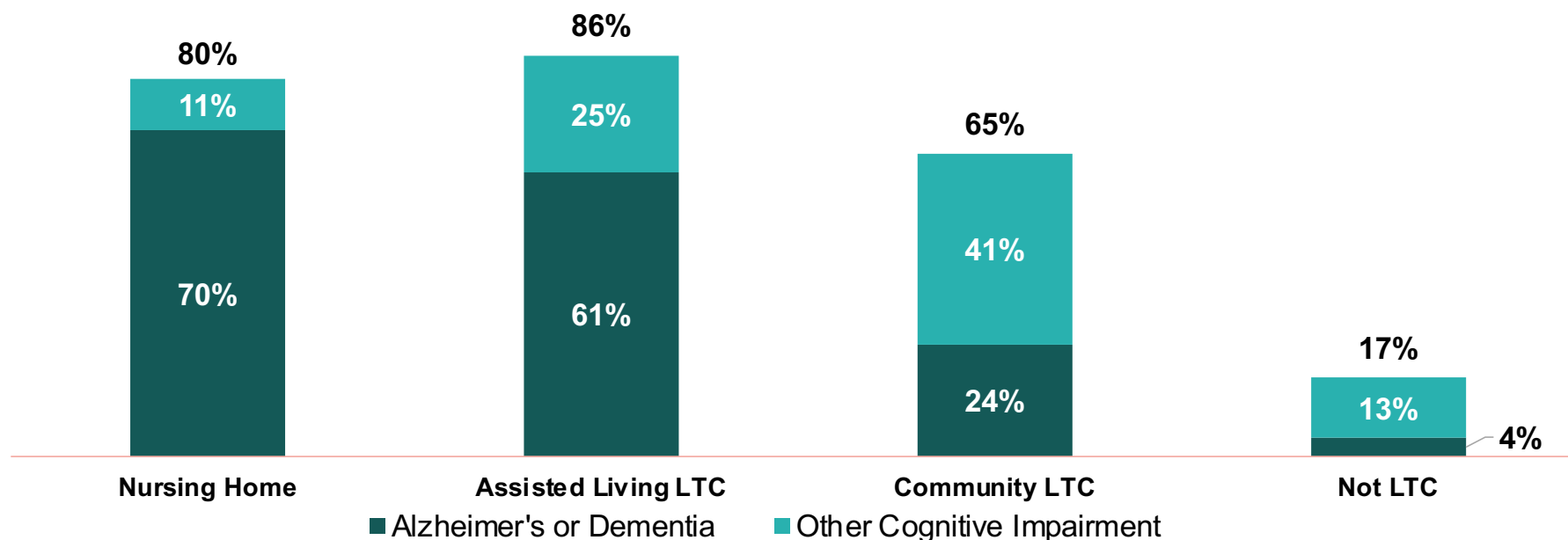
## Across Settings, Most Medicare Beneficiaries with LTC Needs Have 4+ Chronic Conditions

### ✓ Among FFS Beneficiaries



## Cognitive Impairment, Alzheimer's Disease, and Dementia are Associated with LTC Need, and Especially with Residing in a Facility

### ✓ Among FFS Beneficiaries

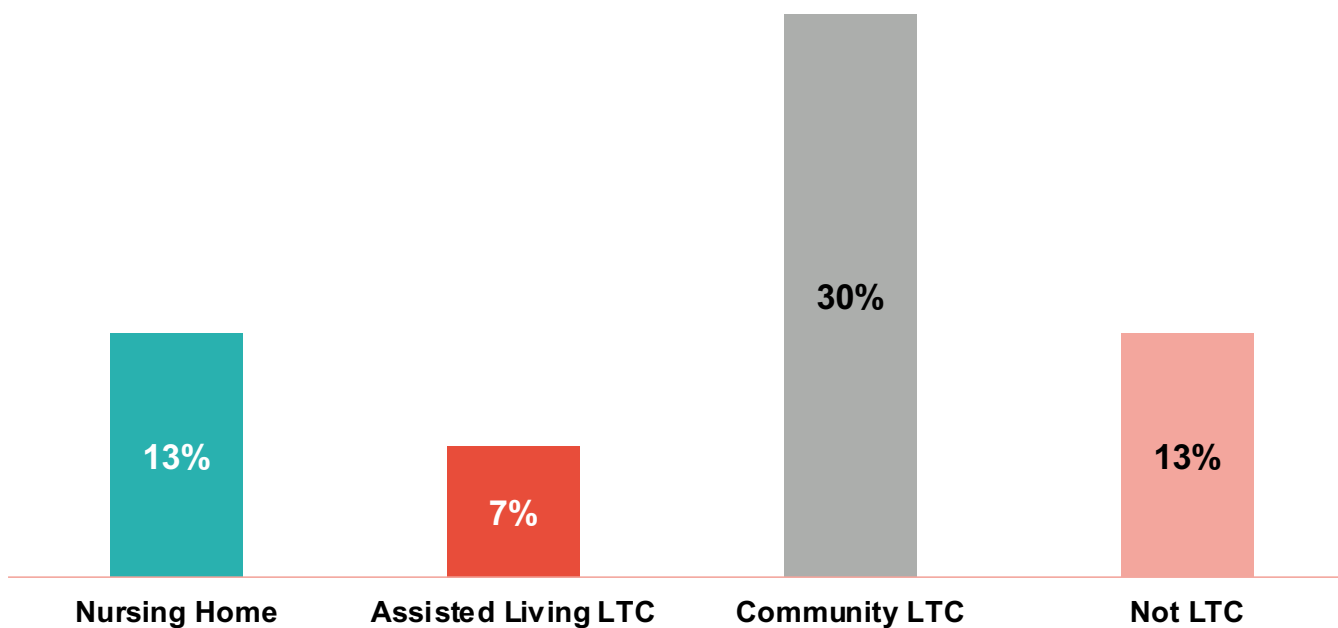


**Alzheimer's or Dementia (ADR):** Diagnosed patients with ADRD, identified by the related [CCW](#) algorithm run on 2019 Medicare FFS claims. *Note:* ADRD is underdiagnosed, so this estimate is likely an undercount of true ADRD cases.

**Other Cognitive Impairment (CI):** All others who have memory loss, impaired decision-making, a BIMS score  $\leq 12$ , or a survey indicating Alzheimer's Disease or dementia. *Note:* Definition of "LTC Needs" is ADL-based and may exclude people with LTC needs who have CI, ADRD, or other conditions and need supports for other essential activities, undercounting the prevalence of CI and ADRD.

## Serious Mental Illness Afflicts 3 in 10 Medicare Beneficiaries with LTC Needs in the Community

Percent of Beneficiaries with Serious Mental Illness

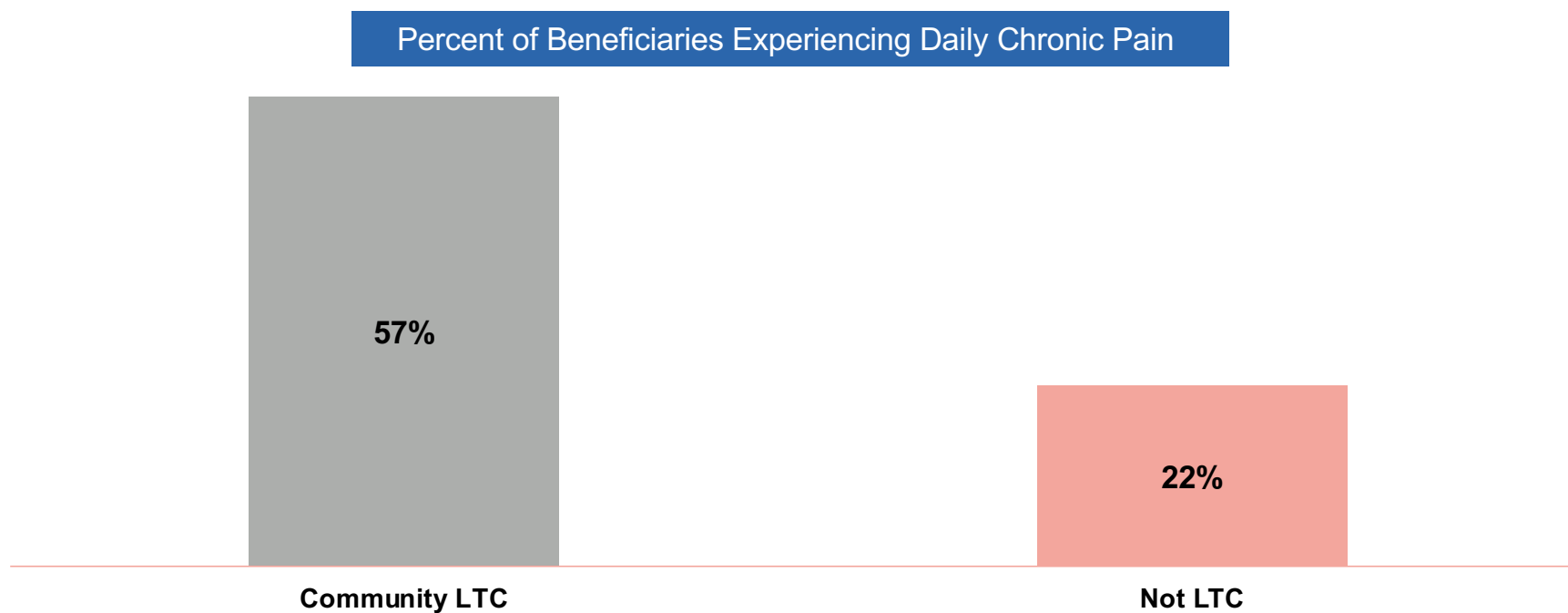


Serious Mental Illness (SMI) describes beneficiaries who report having a mental disorder or psychological disorder, including major depressive disorder



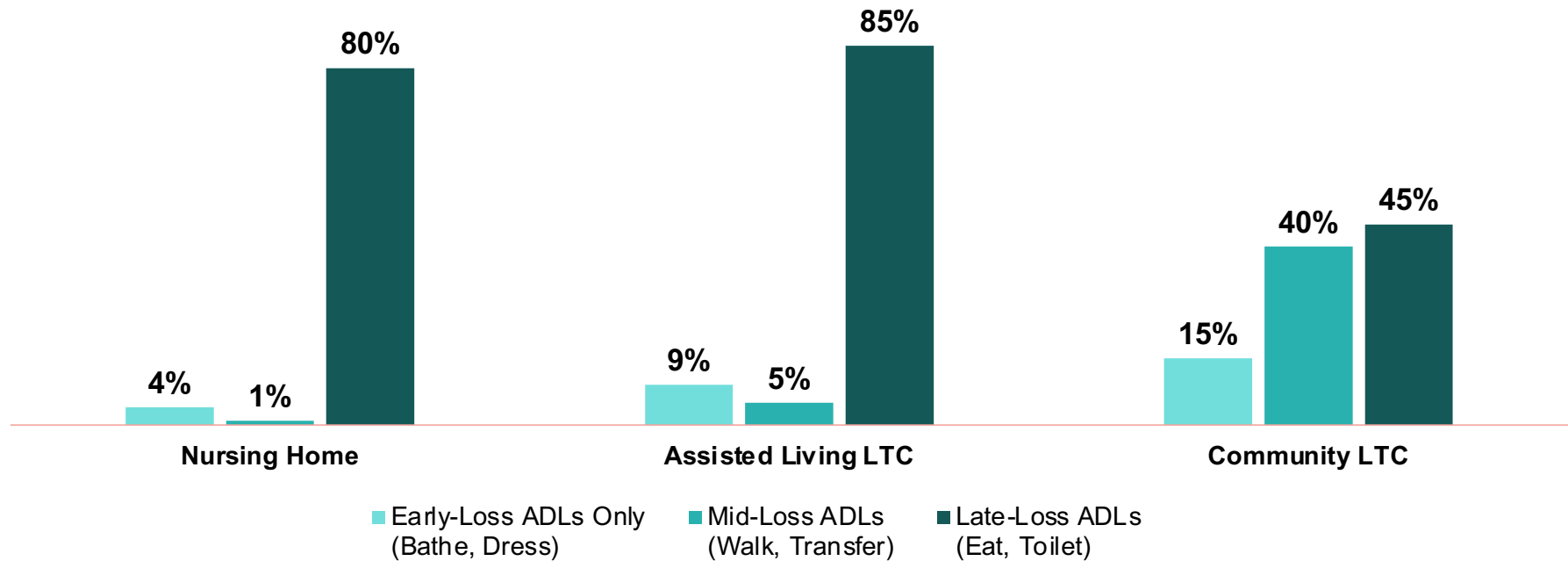
## Most Medicare Beneficiaries with LTC Needs Living in the Community Experience Daily Chronic Pain

### ✓ Among Community Residents



## Each Residential Setting Serves a Distinct Spectrum of ADL Dependence Stages

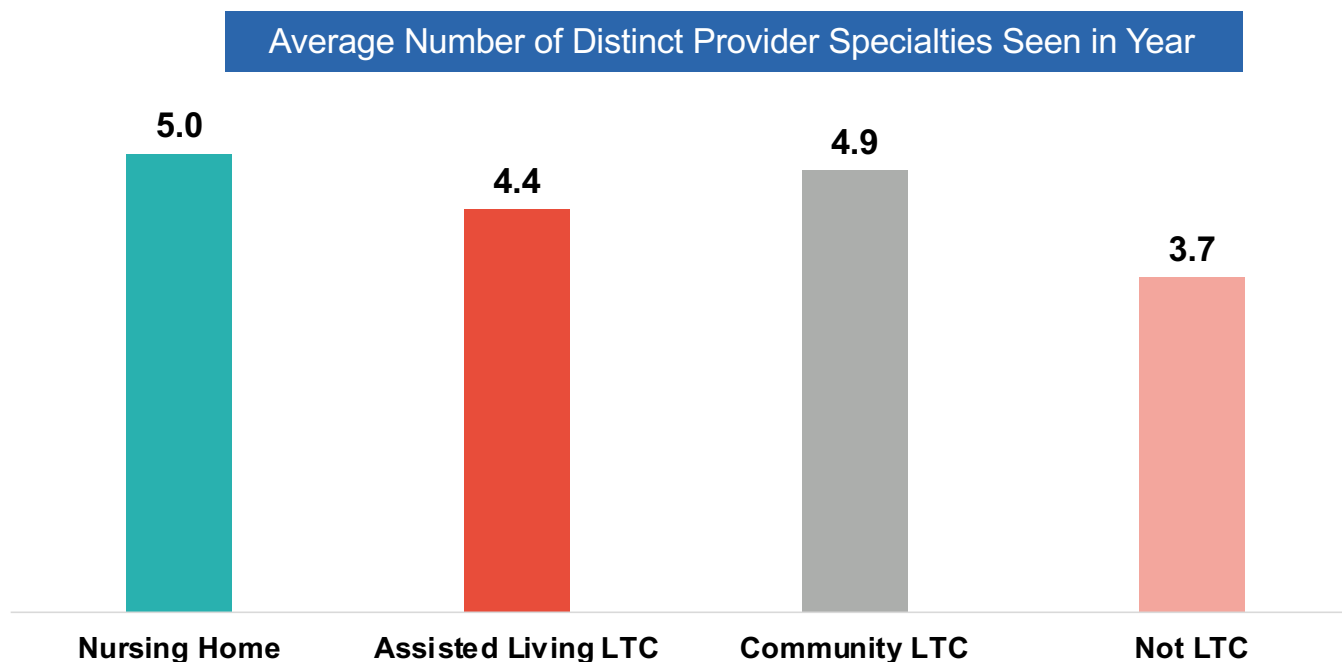
- ✓ Highest stage of ADLs for which beneficiary receives help (Early, Mid, or Late Loss ADLs)
- ✓ Among beneficiaries receiving help with one or more ADL



# Individuals with LTC Needs Have Particular Need for Care Coordination

## Medicare Beneficiaries with LTC Needs Visit a Wide Variety of Provider Specialties During the Year

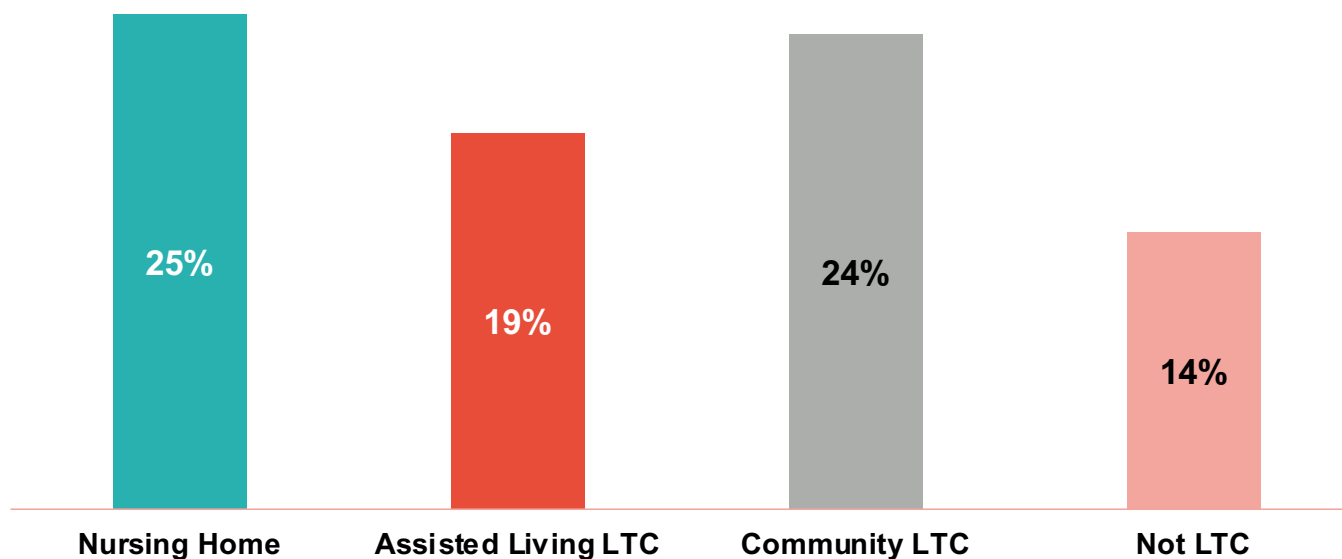
### ✓ Among FFS Beneficiaries



## One in Four Beneficiaries with LTC Needs Living in Nursing Facilities and Community See 8+ Different Provider Specialties Per Year

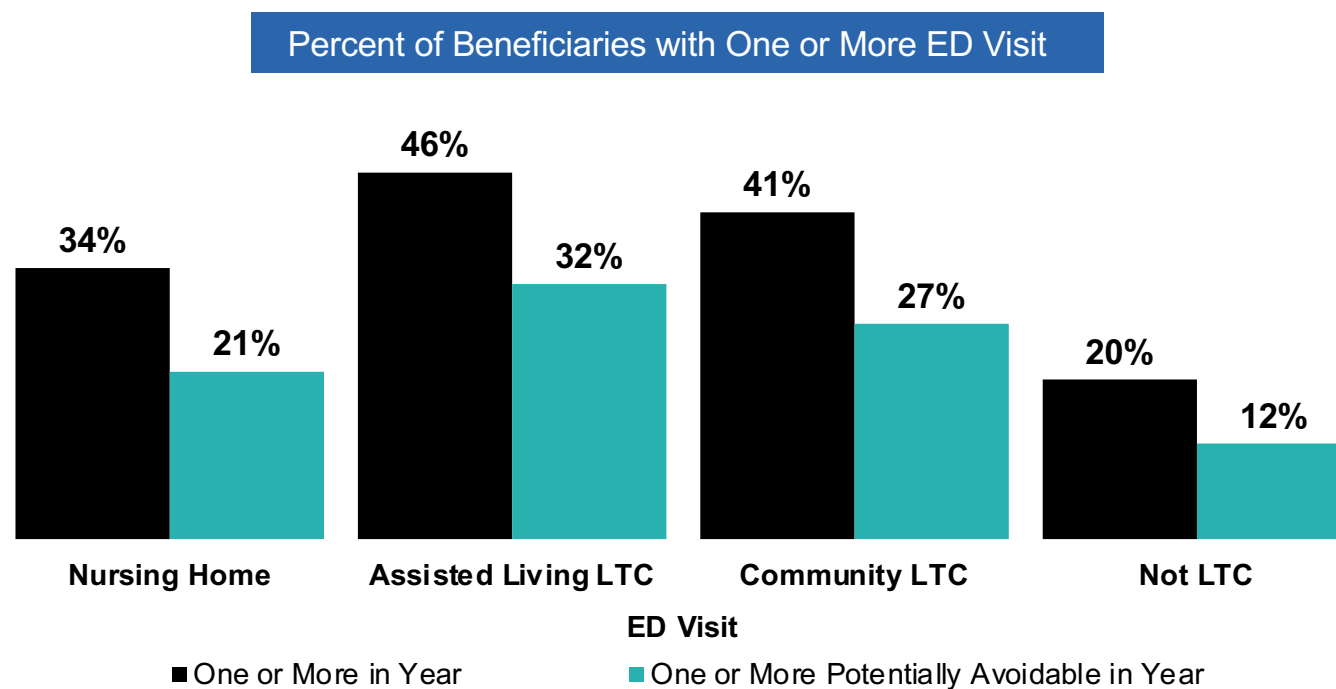
### ✓ Among FFS Beneficiaries

Beneficiaries Who Saw 8+ Distinct Provider Specialties in Year



## High Shares of Assisted Living and Community Residents with LTC Needs Had Avoidable ED Visits

### ✓ Among FFS Beneficiaries

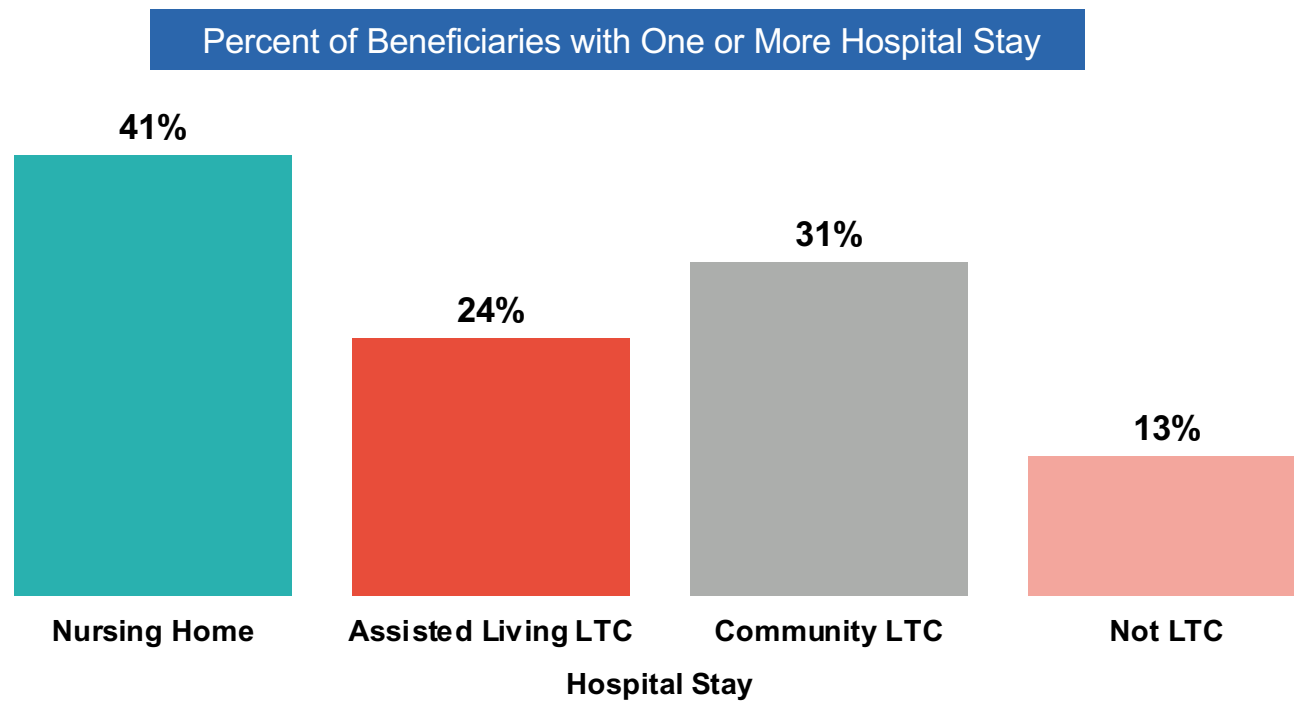


Potentially avoidable ED visits are those deemed to be non-emergent, preventable, primary care treatable, injury-related, or for behavioral health issues.

These are identified by [Johnston \(2017\)](#)'s patch to the NYU EDA algorithm.

## Individuals with LTC Needs Often Have Had a Hospital Stay in the Prior Year

### ✓ Among FFS Beneficiaries



## Half of Medicare Beneficiaries with LTC Needs Living in the Community Had a Fall in the Year

### ✓ Among Community Residents

Percent Experiencing One or More Falls in Past Year

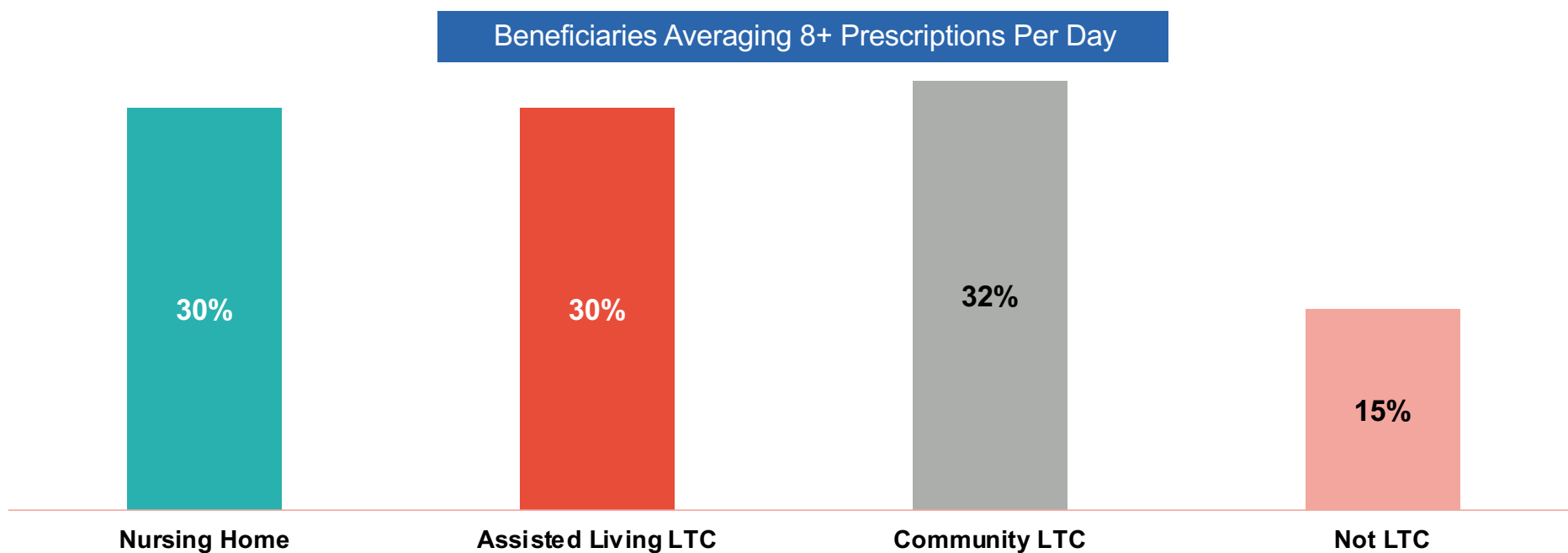




# Individuals with LTC Needs Have Many Prescriptions at a Time, Across Settings

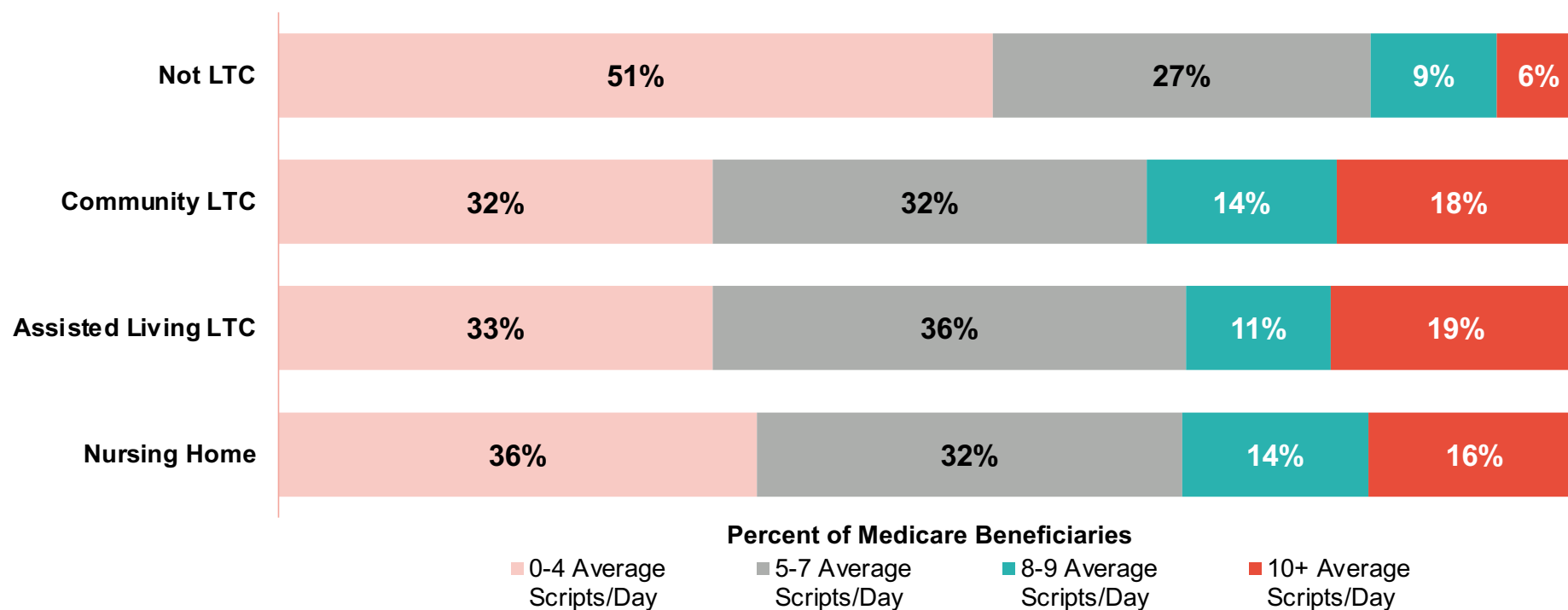
## Three in Ten Medicare Beneficiaries with LTC Needs Have Eight or More Part D Prescriptions Per Day

### ✓ Among Part D Enrollees



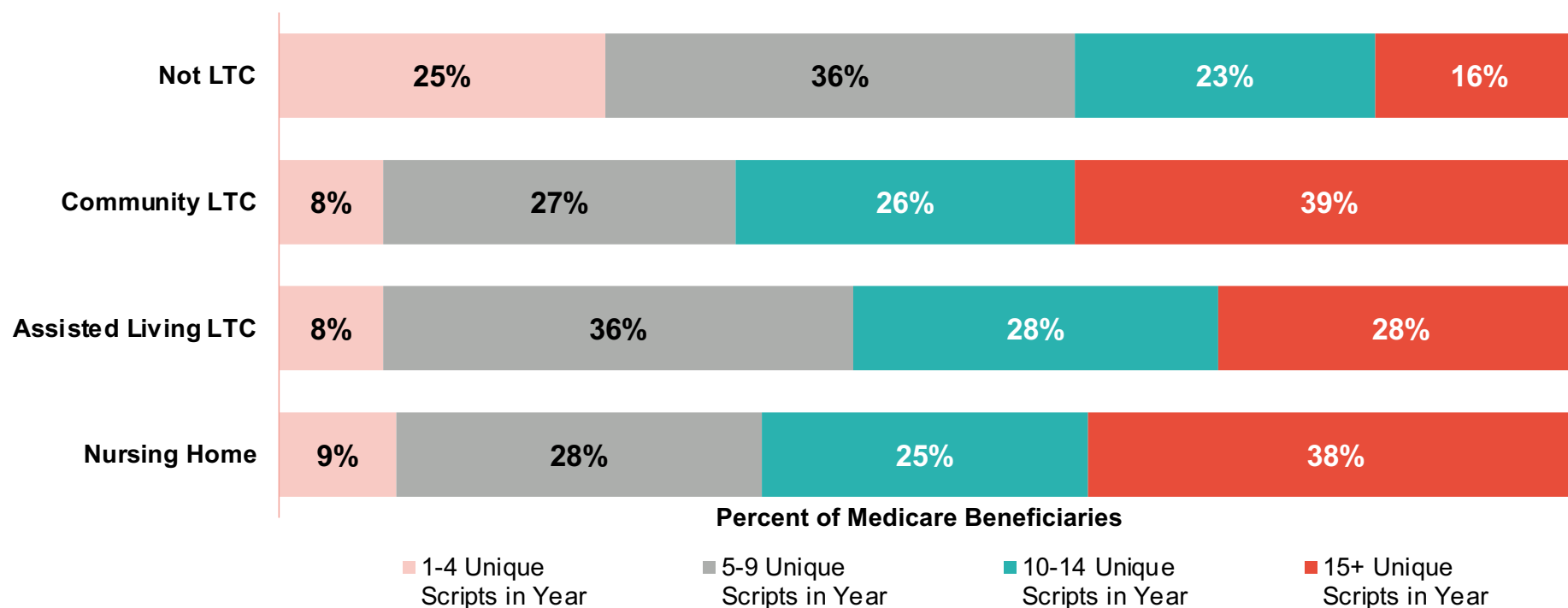
## Medicare Beneficiaries with LTC Needs Often Have Ten or More Part D Prescriptions Per Day

### ✓ Among Part D Enrollees



## Medicare Beneficiaries with LTC Needs Often Have 15 or More Unique Scripts in the Year

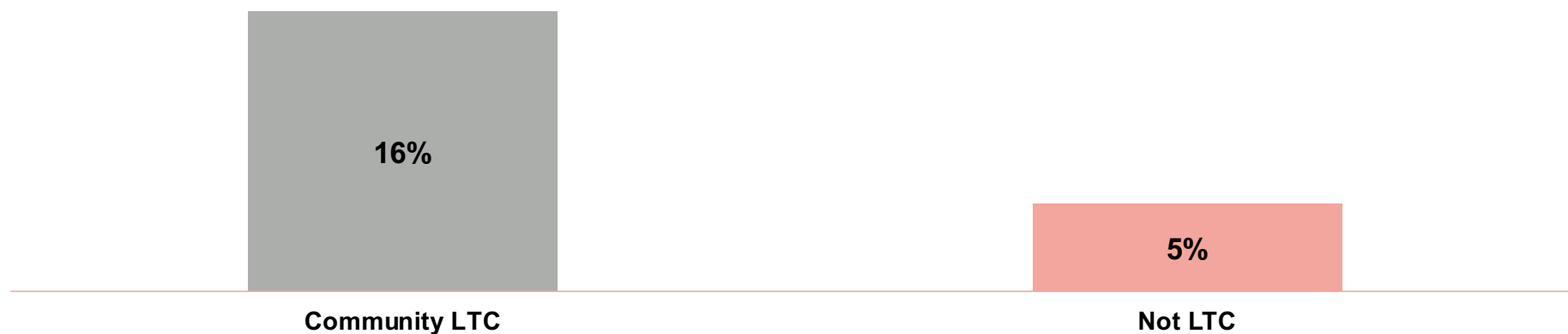
### ✓ Among Part D Enrollees With One or More Drug Fills



## In the Community, One in Six Medicare Beneficiaries with LTC Needs Uses Internet Pharmacy or Mail Order Pharmacy “Often”

### ✓ Among Community Residents

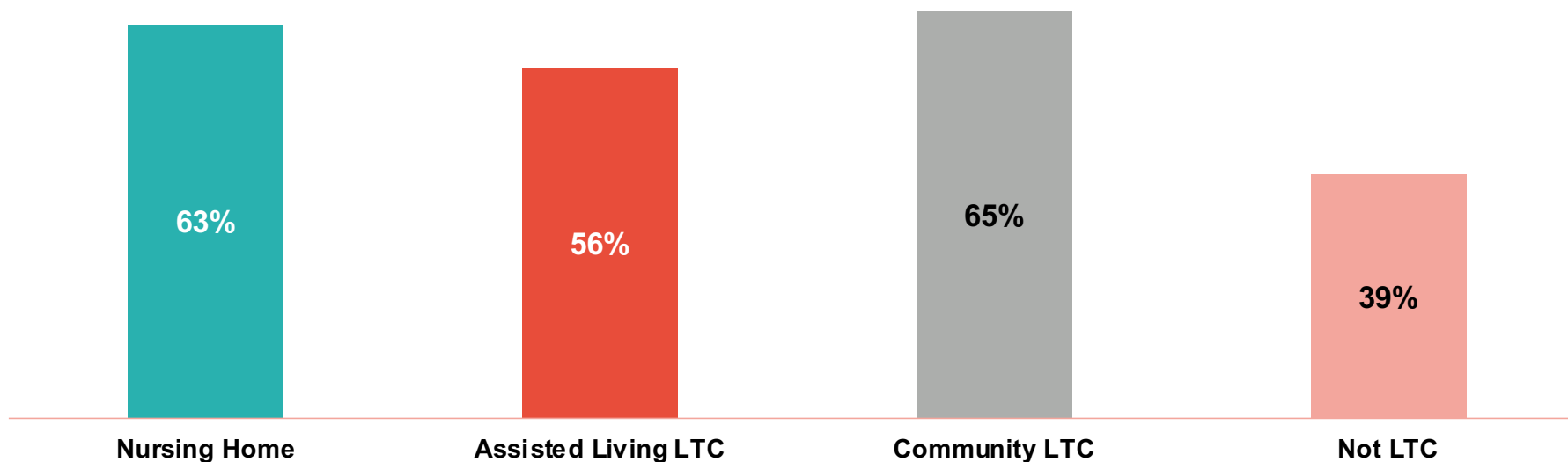
Percent Who Use Internet Pharmacy or Mail Order Often



## More than Half of Medicare Beneficiaries with LTC Needs Have 10 or More Unique Scripts Per Year

### ✓ Among Part D Enrollees With Any Drug Fills

Percent of Beneficiaries With 10+ Unique Scripts in Year

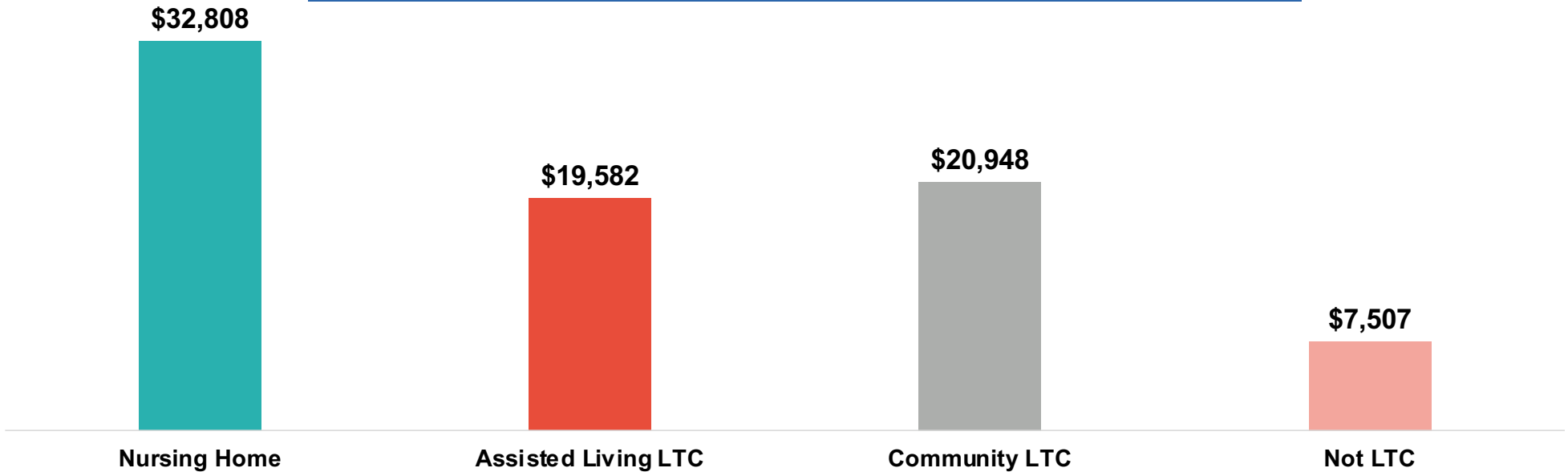


# The LTC Population Incurs High Medicare Spending Across Parts A, B, and D

## Medicare Beneficiaries with LTC Needs Have High Part A & B Spending

### ✓ Among FFS Beneficiaries

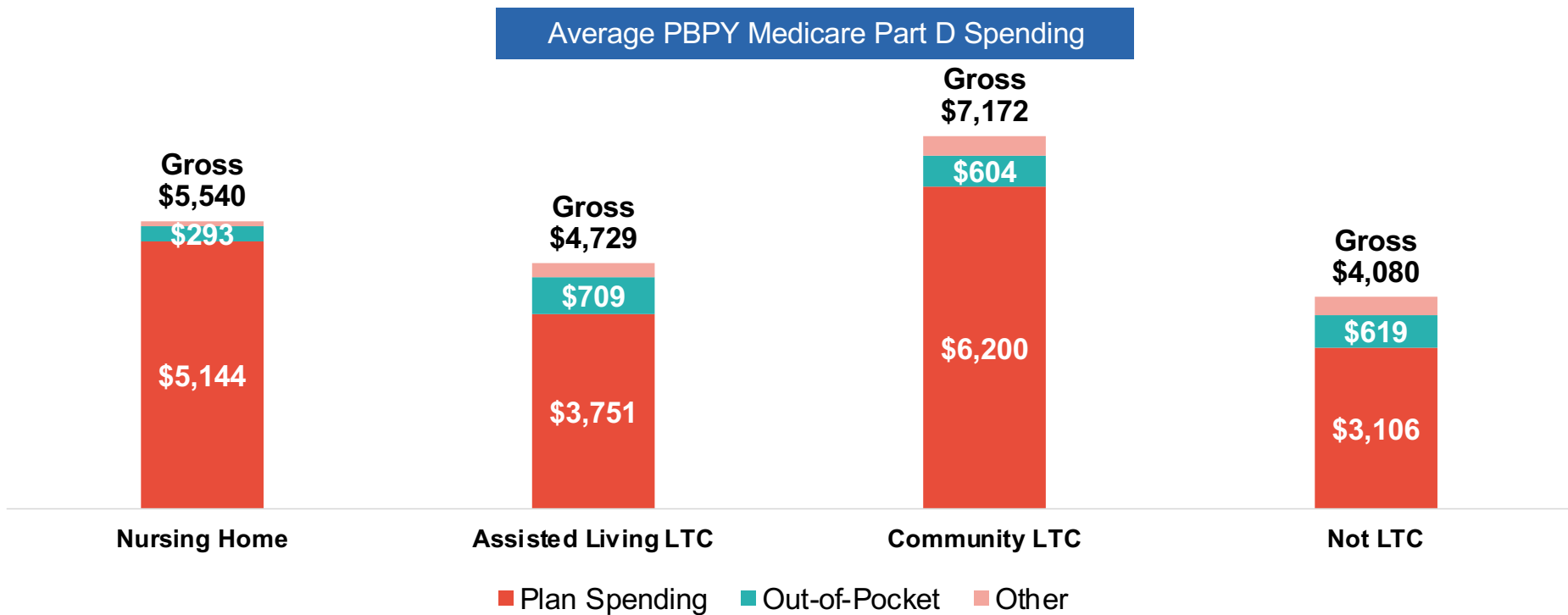
Average Per-Beneficiary-Per-Year (PBPY) Spending by Medicare Parts A & B





## Medicare Beneficiaries with LTC Needs in the Community Have High Part D Spending

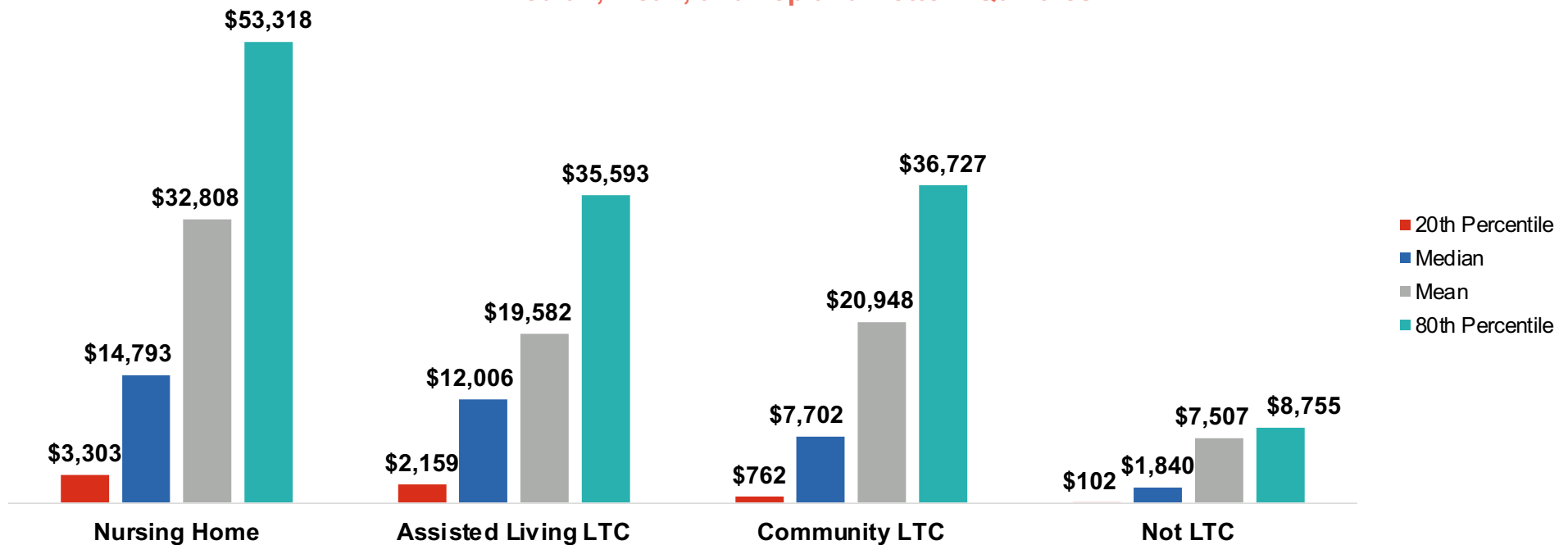
### ✓ Among Part D Enrollees



# Appendix

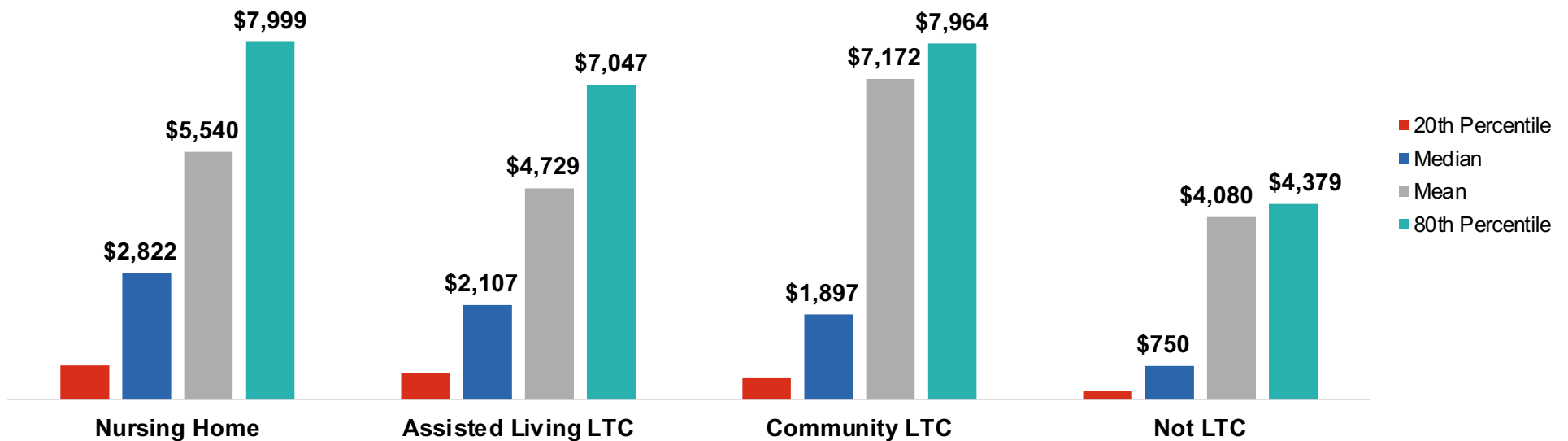
# Medicare Part A & B Spending for Fee-for-Service Medicare Beneficiaries

**Average PBPY Part A & B Spending:  
Median, Mean, and Top and Bottom Quintiles**



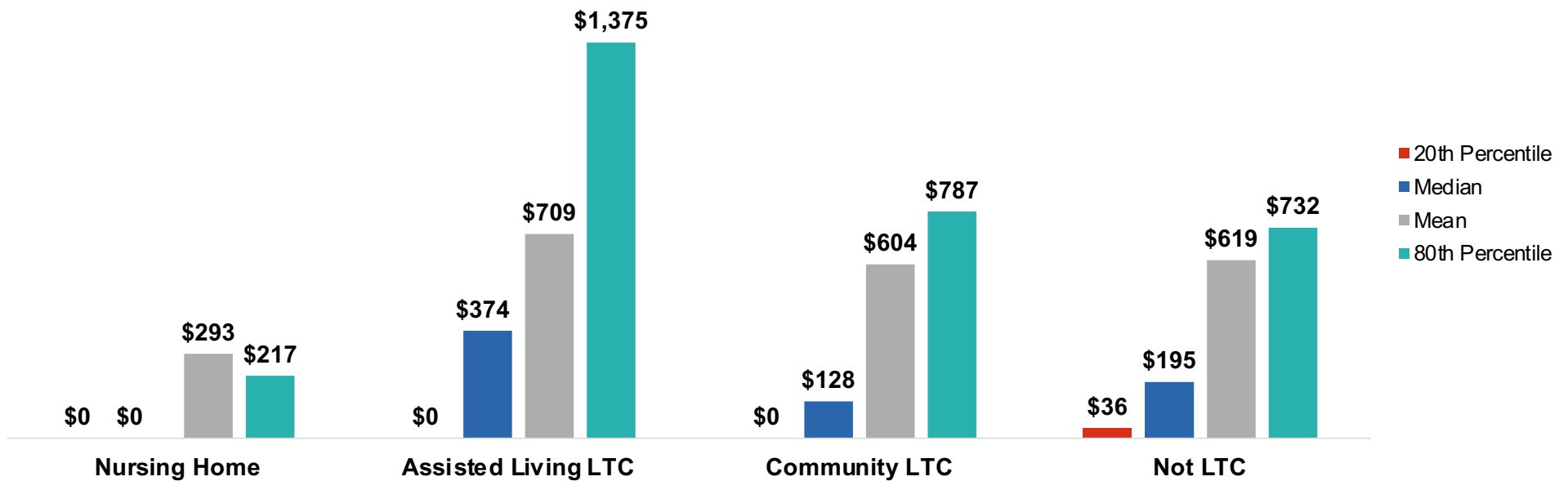
# Medicare Part D Gross Spending for Part D Beneficiaries

**Average PBPY Part D Gross Spending:  
Median, Mean, and Top and Bottom Quintiles**



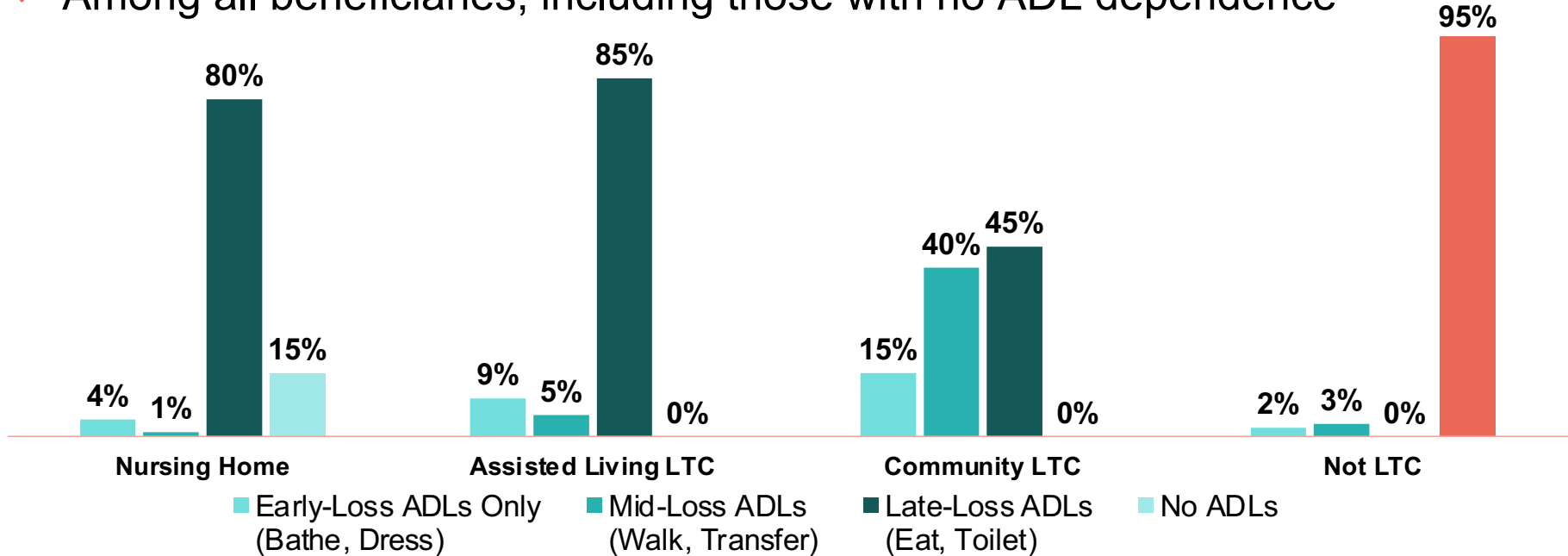
# Medicare Part D Out-of-Pocket Spending by Part D Beneficiaries

**Average PBPY Part D Beneficiary Out-of-Pocket Spending:  
Median, Mean, and Top and Bottom Quintiles**



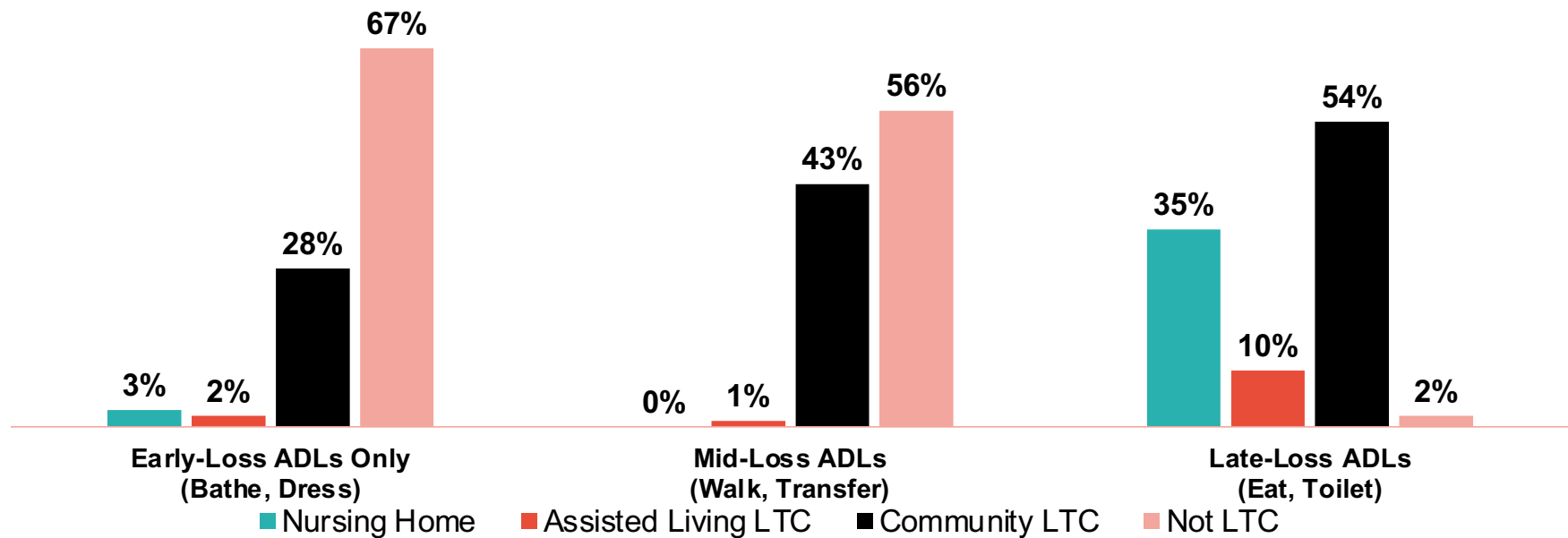
## ADL Dependence Stage by Setting, When Including Beneficiaries with No ADL Dependence

- ✓ Highest stage of ADLs for which beneficiary receives help (Early, Mid, or Late Loss ADLs)
- ✓ Among all beneficiaries, including those with no ADL dependence



## Residential Settings as a Percent of Beneficiaries at Each ADL Dependence Stage

- ✓ Highest stage of ADLs for which beneficiary receives help (Early, Mid, or Late Loss ADLs)
- ✓ Among beneficiaries receiving help with one or more ADL



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