

# Understanding the Long-Term Care Needs of the Medicare Population and the Role of Long-Term Care Pharmacies in Addressing this Need

July 2021

## About this brief:

In partnership with the Senior Care Pharmacy Coalition (SCPC), ATI Advisory analyzed the 2018 Medicare Current Beneficiary Survey (MCBS) to create a profile of Medicare beneficiaries with LTC needs. Approximately 3.5 million individuals with LTC needs are Medicaid only and are not included in this analysis.<sup>1</sup>

<sup>1</sup> ATI Advisory analysis of the American Community Survey

# What are Long-Term Services and Supports (LTSS)?

Individuals with functional and/or cognitive frailty often need assistance with everyday activities such as bathing, dressing, managing medications, and managing finances. These are referred to as long-term care (LTC) needs, and the services that provide this assistance are referred to as long-term services and supports, or LTSS. Individuals with LTC needs live at home, in the community in residential settings (like assisted living), or in institutional facilities.

## Brief Summary

As many as **70 percent of individuals** who reach age 65 will experience severe LTC needs before they die.<sup>2</sup>

LTC pharmacies are at the center of **an individual's LTC, medical, and medication needs.**

Existing state, federal, and health plan policies can create **barriers to receiving LTSS, including LTC pharmacy, outside facility settings,** excluding millions of individuals who live at home or other community settings.

Individuals, their caregivers, payers, and policymakers often **do not understand the role of LTC pharmacies.**

1

### Demographic Diversity

Medicare beneficiaries with LTC needs are demographically different from those without LTC needs

2

### Clinical Complexity

Medicare beneficiaries with LTC needs experience a high prevalence of multiple chronic conditions

3

### High Utilization

Healthcare and prescription drug utilization are high among Medicare beneficiaries with LTC needs

4

### LTC Pharmacy Value

Regardless of residence type, LTC pharmacies offer meaningful services to individuals with LTC needs and their caregivers

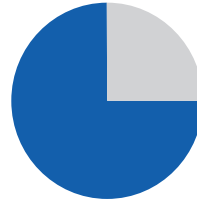
<sup>2</sup> Office of the Assistant Secretary for Planning and Evaluation. What is the Lifetime Risk of Needing and Receiving Long-term Services and Supports? (Apr 2019).

## Medicare Beneficiaries with LTC Needs are Demographically Different from those without LTC Needs



**+4M**

Medicare beneficiaries have long-term care (LTC) needs

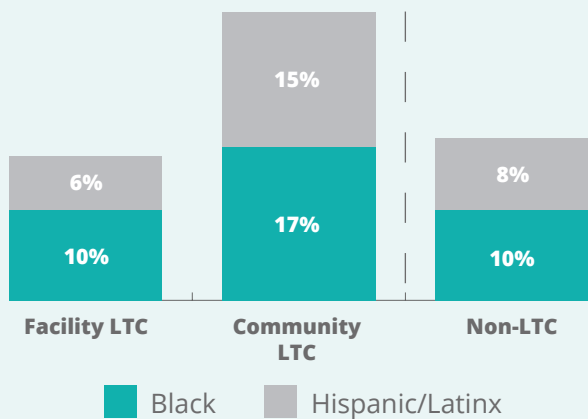


**~75%**

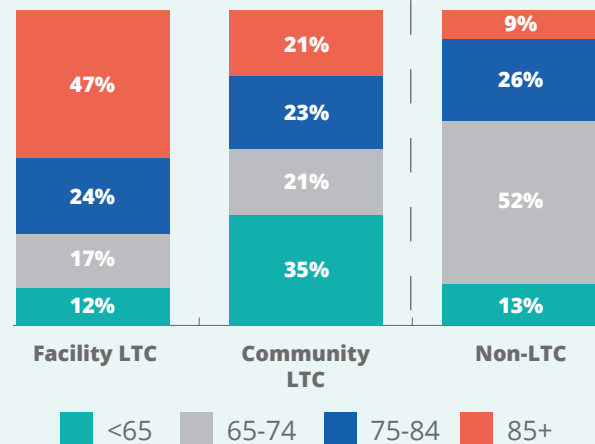
of Medicare beneficiaries with LTC needs **live at home and in the community**

**Compared to Medicare beneficiaries without LTC needs, Medicare beneficiaries with LTC needs are:**

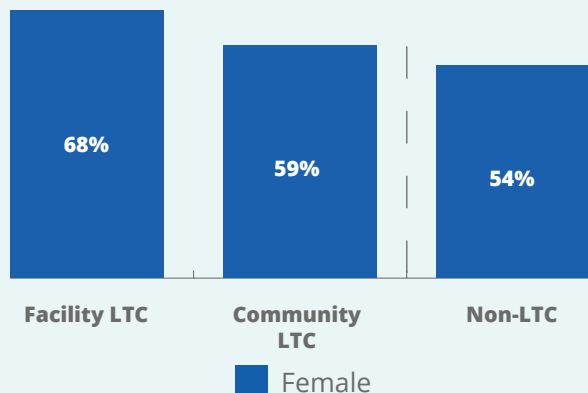
**More likely to be Black or Latinx (community)**



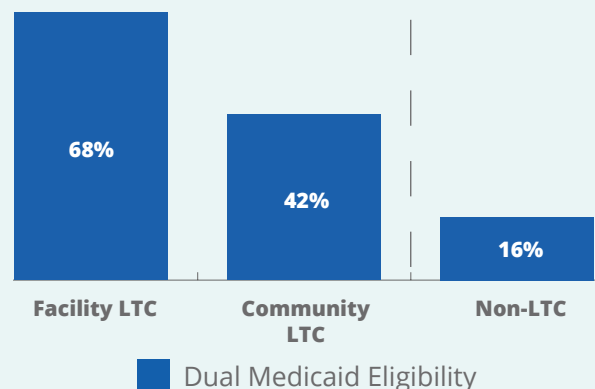
**More likely to be 85+ (all settings) or <65 years old (community)**



**More likely to be female (all settings)**



**More likely to be dually eligible for Medicaid (all settings)**

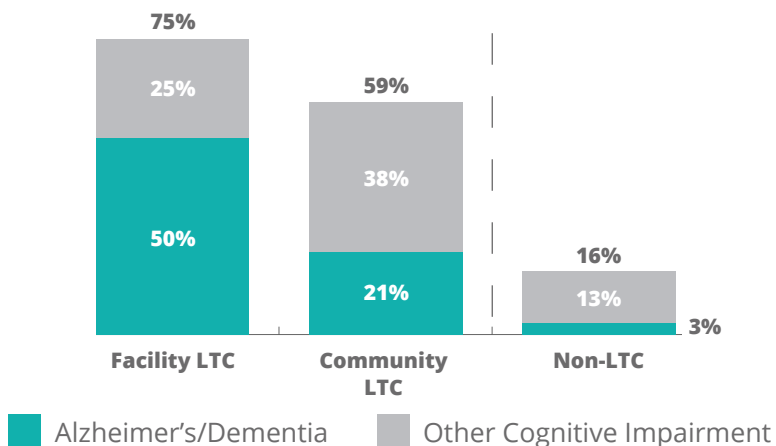


## Medicare Beneficiaries with LTC Needs are Clinically Complex

Medical and functional frailty often co-occur, and beneficiaries with LTC needs have **higher clinical complexity than those without LTC needs**.

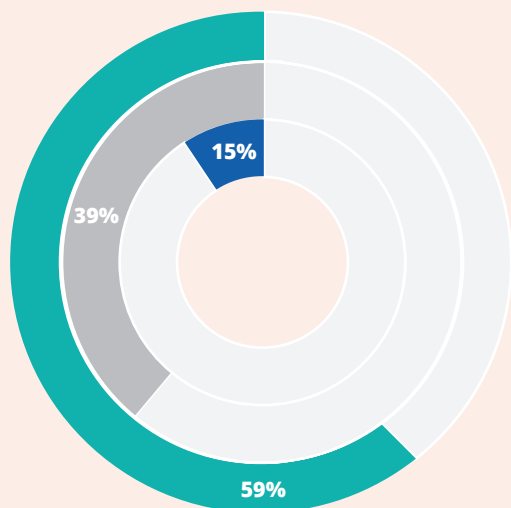
The majority of Medicare beneficiaries with LTC needs have cognitive impairment including Alzheimer's disease and other dementias.

**Prevalence of Cognitive Impairment**

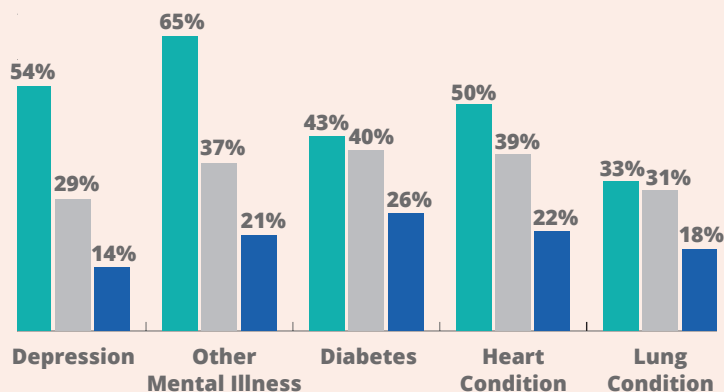


## Medicare beneficiaries with LTC needs have higher rates of mental and physical illness than beneficiaries without LTC needs.

**Percent with 4+ Chronic Conditions**



**Prevalence of Select Conditions\***



Facility LTC Community LTC Non-LTC

\*Heart condition = congestive heart failure, coronary heart disease, heart attack;  
Lung condition = asthma, chronic obstructive pulmonary disease, emphysema

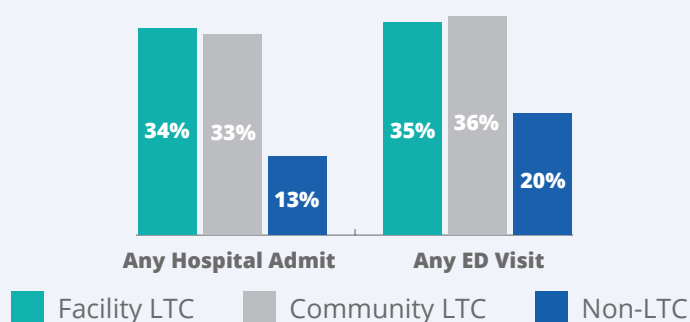
## Healthcare and Prescription Drug Utilization is High Among Medicare Beneficiaries with LTC Needs

Regardless of residence, Medicare beneficiaries with LTC needs have considerable medical and pharmacy complexity and require a more intense level of care, service integration, and care management than their non-LTC peers. This is reflected in their higher medical and prescription drug utilization compared to beneficiaries without LTC needs.

### Healthcare Utilization

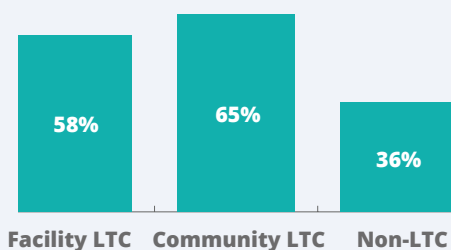
Medicare beneficiaries with LTC needs are **more likely to have an inpatient hospital admission or emergency department (ED) visit** than beneficiaries without LTC needs.

Percent of Medicare Beneficiaries with a Medical Event



### Prescription Drug Utilization

Percent of Medicare Beneficiaries with 10+ Prescriptions per Year



- Medicare beneficiaries with LTC needs who reside in a facility or institutional setting average **12 prescriptions per year**.
- Those with LTC needs who live at home or in other community settings average **14 prescriptions per year**.
- This compares with **8 prescriptions per year** among Medicare beneficiaries without LTC needs.

### Medicare Spending

Total Medicare Part A and B medical **spending is 2x-3x higher** among beneficiaries with LTC needs than those without LTC needs.

Facility LTC: **\$27,317**    Community LTC: **\$19,790**    Non-LTC: **\$7,472**

Total Medicare Part D drug **spending is nearly twice** as high among beneficiaries with LTC needs than those without LTC needs.

Facility LTC: **\$6,327**    Community LTC: **\$6,311**    Non-LTC: **\$3,825**

## LTC Pharmacies Provide Services Important to Individuals with LTC Needs and their Caregivers

LTC pharmacies offer enhanced services for a population that requires careful management of prescription and medical utilization. However, current policy creates barriers to providing LTC pharmacy coverage in the community. These barriers will become more pronounced as care increasingly shifts to the home and to caregivers.

**Parity in LTC pharmacy coverage across facility, home, and other community settings can help improve equity and outcomes for individuals with LTC needs, and provide necessary supports to their caregivers.**

**LTC pharmacies offer enhanced pharmacy and clinical services, a key difference from standard retail pharmacies.**

Given the chronic and clinical complexity of this population, LTC pharmacies are uniquely positioned to provide high-quality care beyond typical medication dispensing.



### Medication Management

Given the number of prescriptions taken by individuals with LTC needs, medication organization and management is important to prevent adverse reactions and assure appropriate care.



### Care Coordination

For most people with LTC needs, a team of specialists is involved in their care. LTC pharmacies are key to health outcomes within these teams.



### 24/7 Support and Emergency Medication Delivery

LTC pharmacies are equipped to advise on and dispense medication for the rapidly changing health of patients within two hours of the request.



### Caregiver and Patient Education

LTC pharmacies spend valuable time with patients and family caregivers, providing education to support patient safety and health. This is particularly important for caregivers without a medical background.

**LTC pharmacy services should not be limited to individuals who reside in facility and institutional settings.**

This research demonstrates that Medicare beneficiaries with LTC needs are similarly complex regardless of residence location. ***Current LTC pharmacy policy and coverage emphasizes an individual's residential setting rather than factors such as functional level of care, medical complexity, and medications needed.*** This increases the risk for unmet need and polypharmacy in the home and other community settings, exacerbates racial and social barriers to services, and perpetuates a bias toward institutional care.

# The Senior Care Pharmacy Coalition (SCPC) and ATI Advisory are partnering to produce a series of briefs on the LTC population and the role of LTC pharmacies in addressing the needs of these individuals.

## Our Organizations



**ATI Advisory** is an advisory services and research consulting firm focused on transforming the healthcare delivery and financing systems for frail, older adults. ATI Advisory applies quantitative and qualitative research methods to identify opportunities to improve Medicare, Medicaid, and long-term care, and it stands by research and data as the foundation of quality.



**The Senior Care Pharmacy Coalition (SCPC)** is the voice in Washington, D.C. for the LTC pharmacy community, which provides crucial patient care services to one of our nation's most vulnerable populations. LTC pharmacies serve a unique and essential role in our health care system, working alongside other providers to deliver high-quality, cost-effective, coordinated care to patients in various long-term care settings.

## Study Methods

Graphic statistics were calculated using the 2018 Medicare Current Beneficiary Survey (MCBS), a nationally representative annual survey. Demographics, Medicaid enrollment, Alzheimer's/Dementia, and cognitive impairment statistics were weighted to reflect the entire Medicare population. "Percent with 4+ Chronic Conditions," "Prevalence of Select Chronic Conditions," and Utilization/Spend data were limited to Medicare beneficiaries enrolled in Traditional Fee-for-Service (FFS) because FFS claims data were used to determine these data points. Through the brief, "LTC needs" are defined as beneficiaries needing assistance with at least two activities of daily living; "facility" includes beneficiaries residing in a long-term residential setting (including assisted living and nursing facility) due to MCBS survey methods; and, "community" refers to individuals residing in traditional private housing, low-income seniors housing, independent living, and retirement communities.