

Understanding the Health Needs and Spending of Senior Housing Residents

2022 NIC Fall Conference

September 14, 2022



The senior housing and care industry needs to have a better understanding of the health needs of residents

What?

Understand the health needs of residents within private-pay senior housing and care properties* and Nursing Homes in the US.

Why?

Understanding seniors residing within congregate care will help to better serve residents

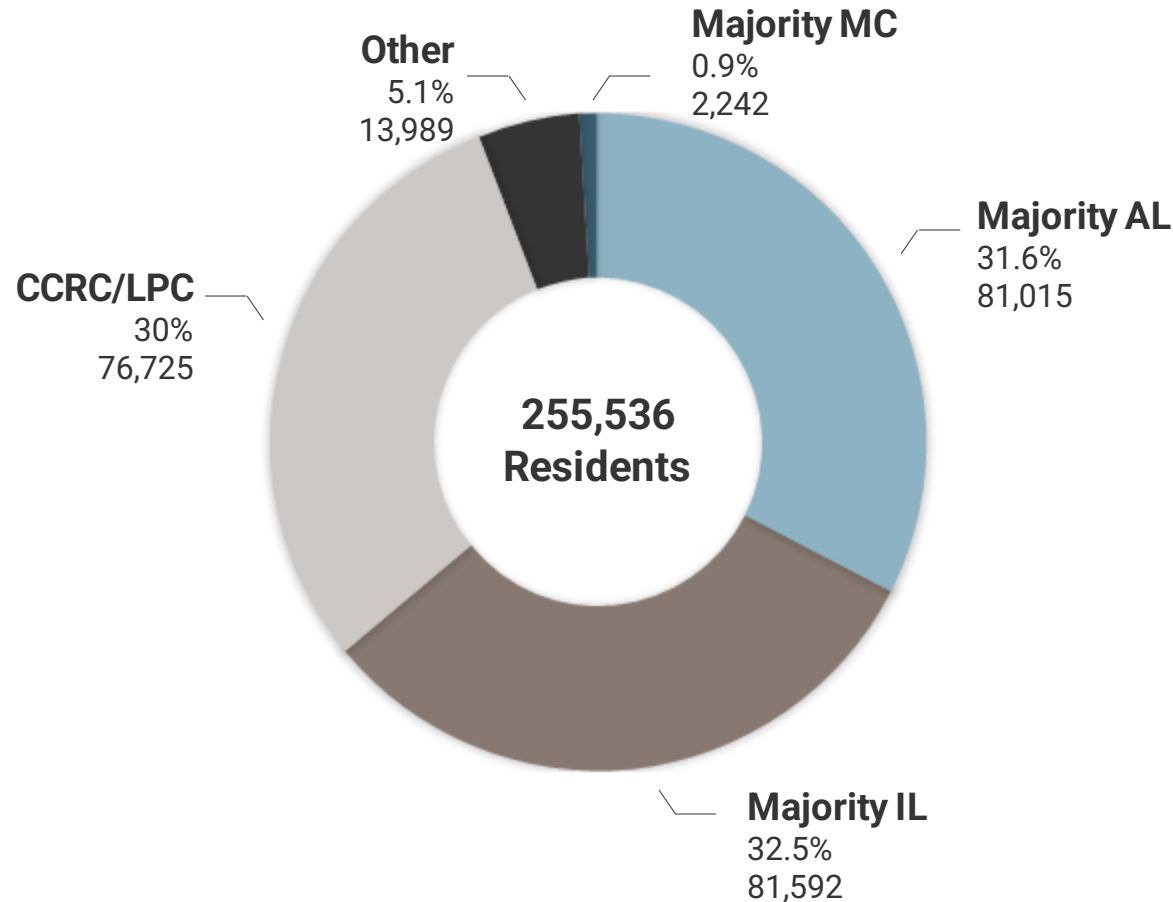
How?

Linked NIC MAP[®] and Medicare administrative and claims data

✧ **Unit types were designated by the majority unit type within NIC MAP[®] data: CCRC/LPC, Majority IL, Majority AL, and Majority MC.*

Methodology & Key Findings

Study cohort includes more than 250k senior housing residents and over 325k living in nursing homes enrolled in Medicare fee-for-service



Nursing homes refer to long-stay nursing facilities and are not included in our senior housing definition

Key Findings

Residents of senior housing and skilled nursing average over a dozen chronic conditions

Behavioral health conditions are common, affecting the majority of residents across settings

Many residents use high-cost healthcare services such as emergency rooms, acute hospitals and post-acute care – highlighting the opportunity for value-based care organizations to partner with senior housing and skilled nursing operators

Inpatient hospital and other institutional spending accounts for 62-76% of resident healthcare spend

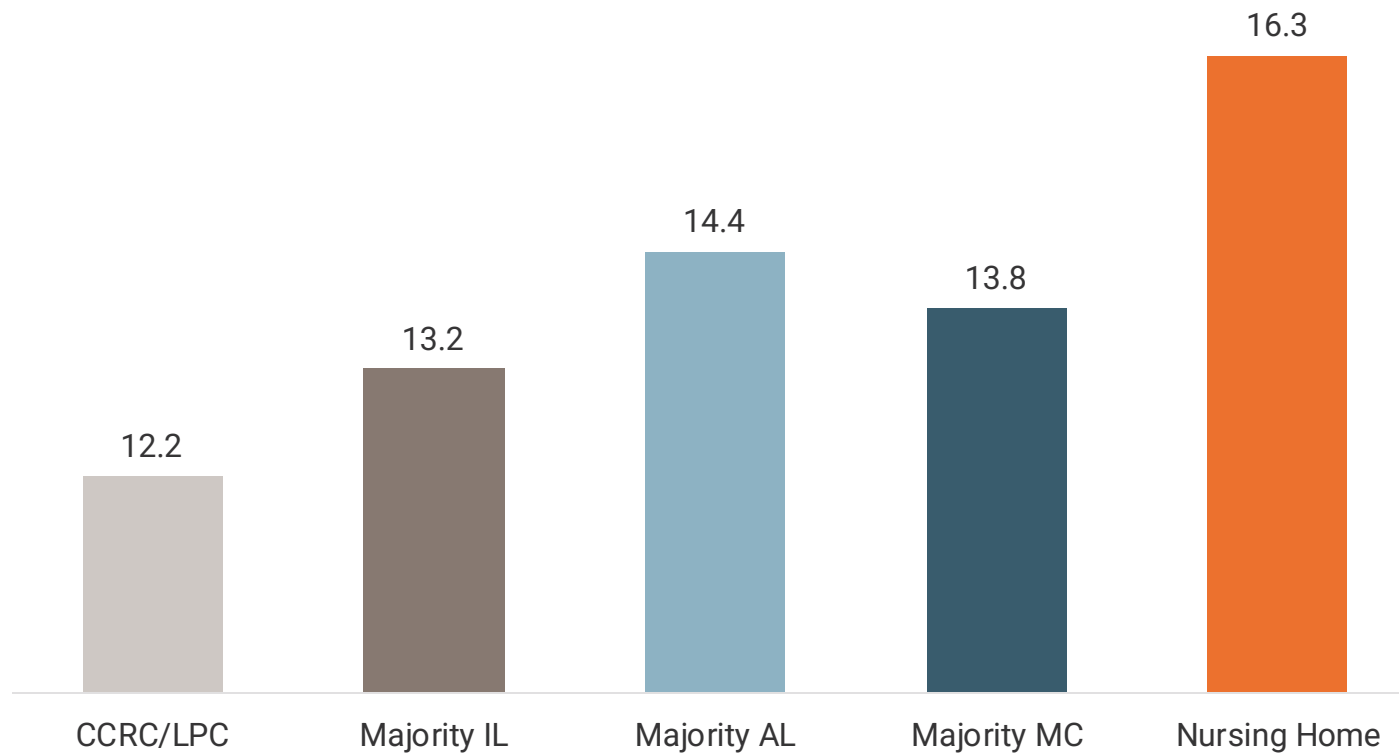
Reducing use of avoidable high-cost services is a key focus area for MA plans and other 'risk-bearing' programs

Across nearly every dimension analyzed, the data indicates an increasingly frail and high healthcare cost resident from CCRC/LPC through to Nursing Home

Results

Residents of Senior Housing Settings Average Over 12 Chronic Medical Conditions

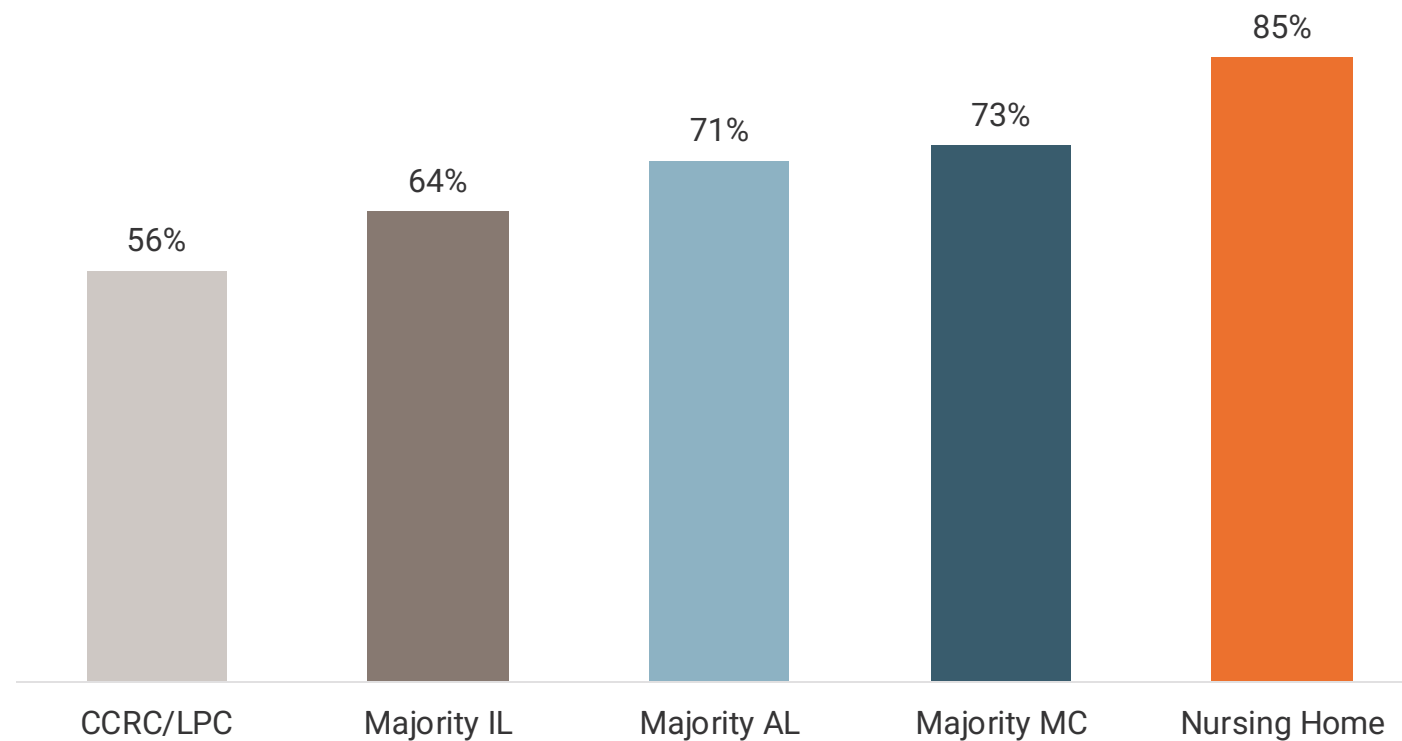
Mean Number of Chronic Conditions per Resident by Property Type



Residents of congregate care settings have multiple chronic conditions which indicates the high level of frailty within the population

More Than Half of All Senior Housing Residents Have a Mental and Behavioral Health Diagnosis*

Prevalence of Behavioral Health Conditions Among Residents
by Property Type



Approximately 4 in 5
Nursing Home residents
have a behavioral health
diagnosis

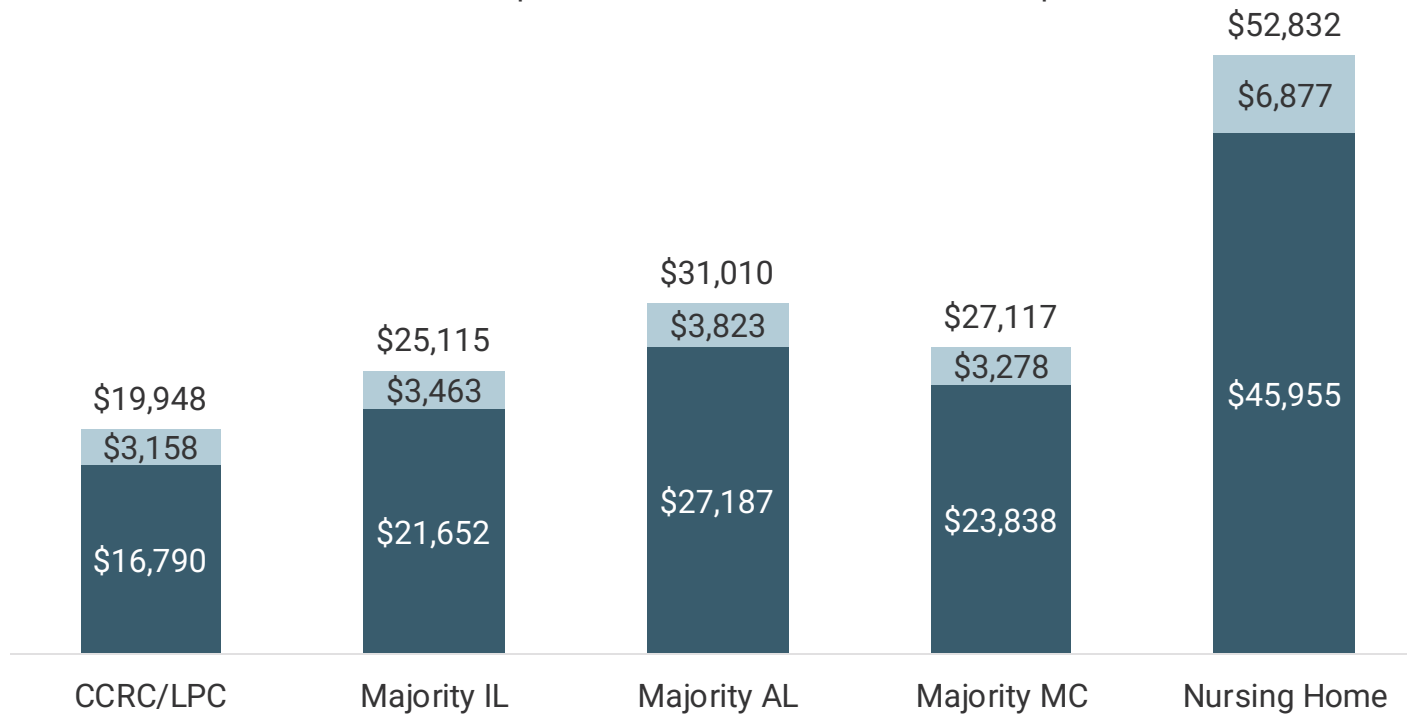
More than 70% of majority
AL and MC residents have a
behavioral health condition,
such as depression

*Behavioral Health includes ADHD and Other Conduct Disorders, Autism, Schizophrenia and Other Psychotic Disorders, Mood Disorders (Bipolar Disorder, Depression, Major Depressive Affective Disorder), Anxiety Disorders (Anxiety, PTSD), Personality Disorders, and Substance Use Disorders (Drug Use Disorder, Opioid Use Disorder, Tobacco Use Disorder, and Alcohol Use Disorder).

MA and Other Risk-Bearers Have Incentive to Reduce Spending, Particularly in AL, IL, MC Where Annual Spending Is >\$25,000/Yr.

Average Claims Spend per Resident by Property Type

■ Medicare Spend* ■ Resident Out-of-Pocket Spend



Senior housing residents have annual health care spending of about \$20-\$30k, with residents spending \$3-4k in out-of-pocket cost sharing

By comparison, the average U.S. Medicare beneficiary, regardless of place of residence, incurs about \$16k in annual health care costs from traditional Medicare, prescription drugs, and out-of-pocket costs

Numbers on this page do not include ~\$2.5K average premium costs*

*Medicare spend includes Parts A, B and D as well as other primary payer spending, which ranges from \$16-\$81 on average per year. The average beneficiary part B premium in 2022 is \$170¹ per month and the average part D premium is \$40 per month.²

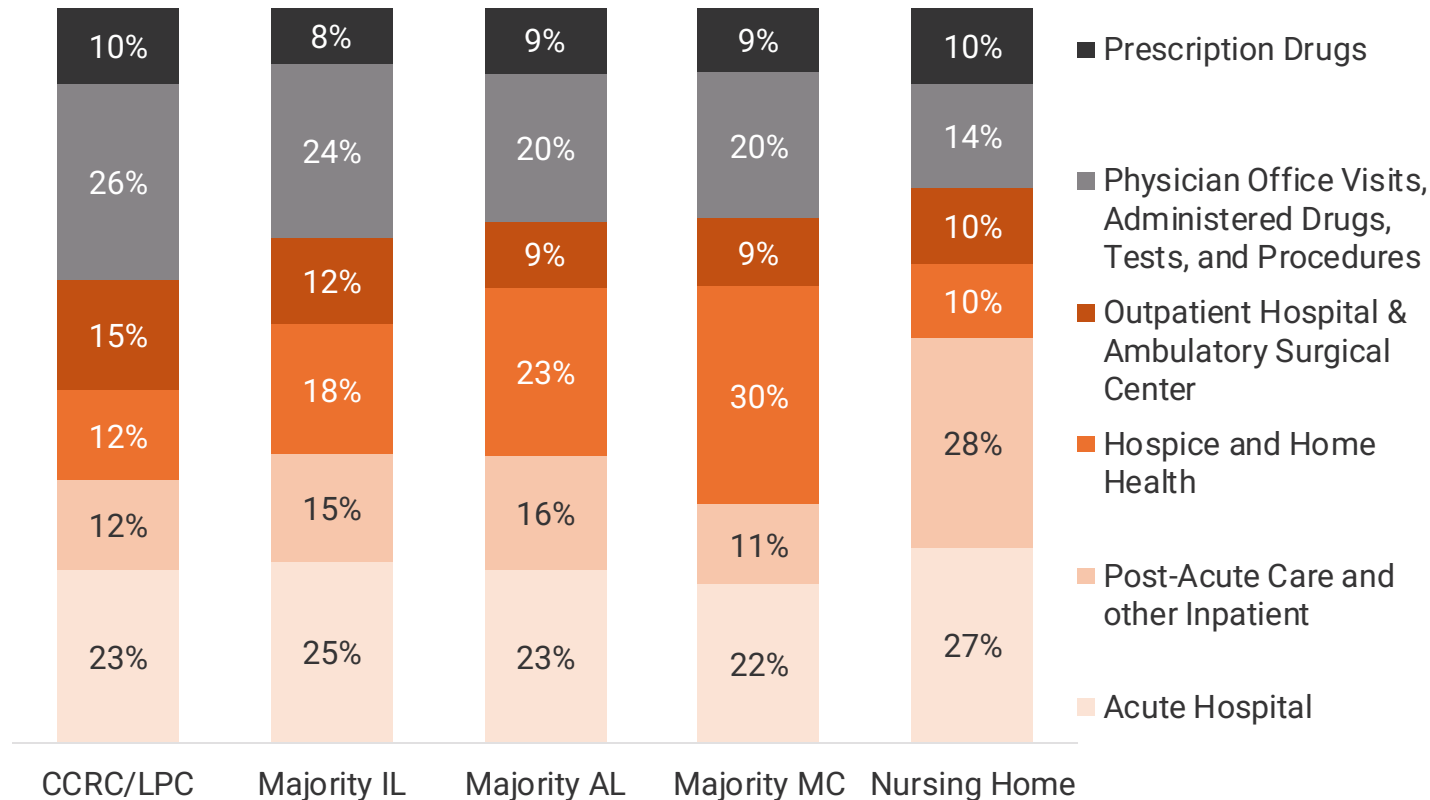
More than 1/3 of Senior Housing Residents Have an Inpatient Stay or ER Visit During the Year; Most Are Using Prescription Drugs

	CCRC/LPC	Majority IL	Majority AL	Majority MC	Nursing Home
ER Visits (Outpatient)	32%	40%	44%	43%	35%
ER Visits (Inpatient)	23%	30%	36%	30%	45%
Hospital Outpatient	82%	79%	77%	71%	89%
Hospital Acute Inpatient	26%	33%	38%	31%	47%
Hospital Other Inpatient	2%	4%	5%	3%	7%
Hospice	8%	10%	16%	22%	21%
Home Health	20%	36%	47%	41%	15%
Durable Medical Equipment	27%	33%	35%	32%	29%
Physician-Administered Drugs	78%	78%	75%	70%	*
Pharmacy Drugs	69%	64%	68%	69%	*

*Long-term care pharmacy coverage differs from that of other Medicare beneficiaries.

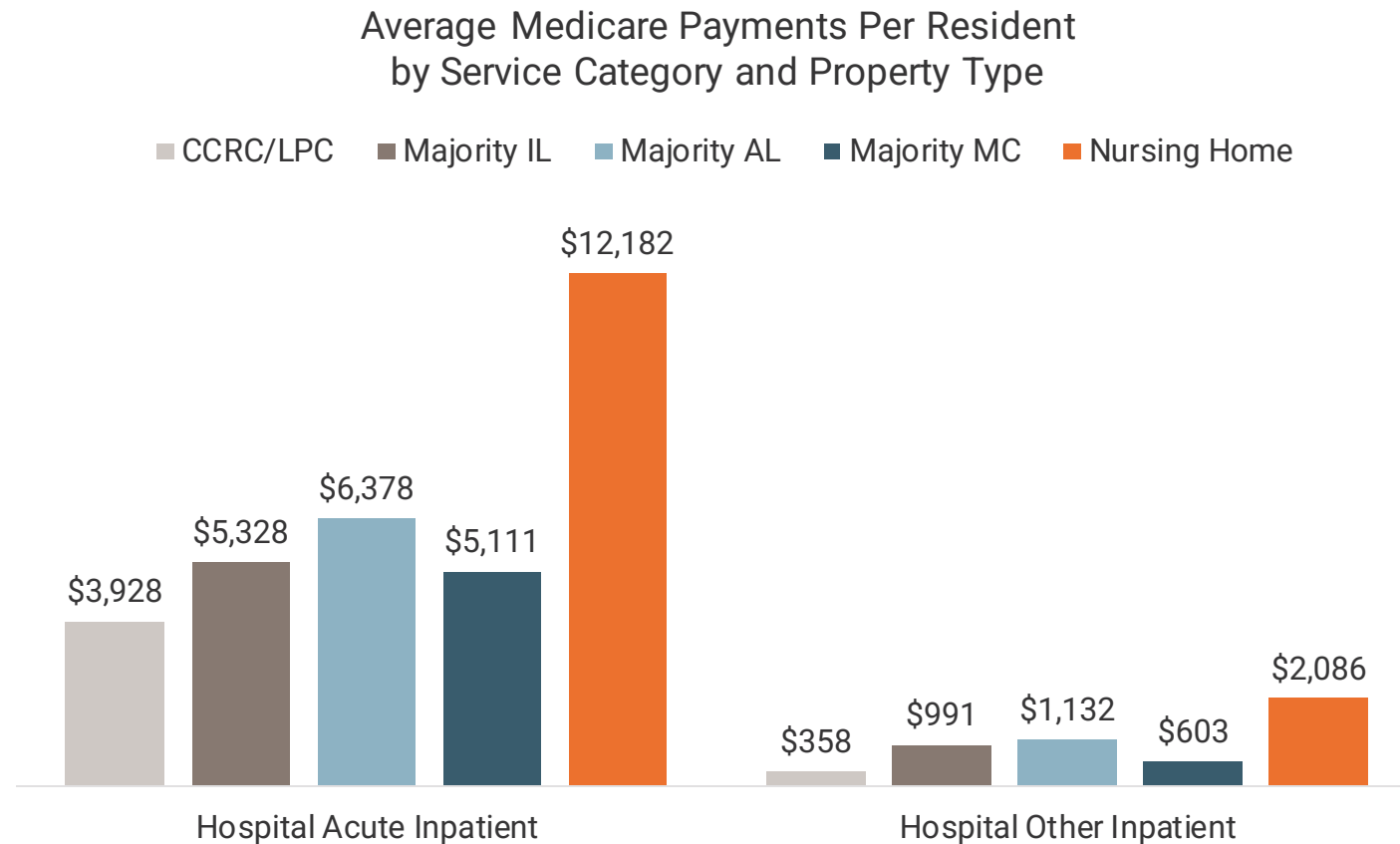
Institutional Setting Spending Makes Up over 60% of the Medicare Spending of Residents

Proportion of Medicare Spending Per Resident



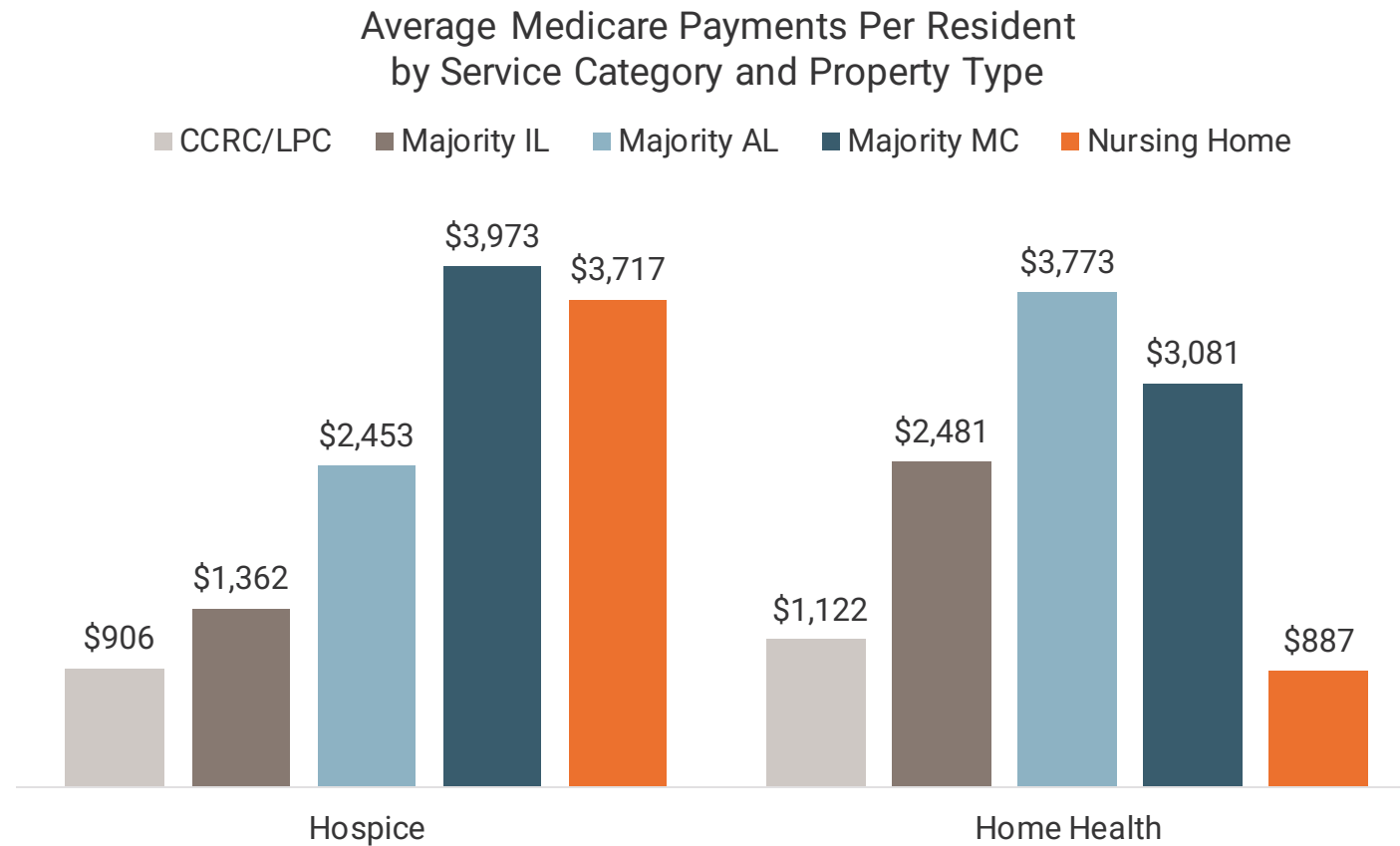
As resident acuity increases, so does the proportion of spending on post-acute care and hospice

Spending on Hospital Inpatient Care Suggests Opportunity for Operators to Build Programs Aimed at Reducing Hospitalizations



Senior housing residents have significant acute inpatient spending, as well as other inpatient stays (including long-term care and rehabilitation stays)

Senior Housing Residents Also Have Considerable Hospice and Home Health Spending

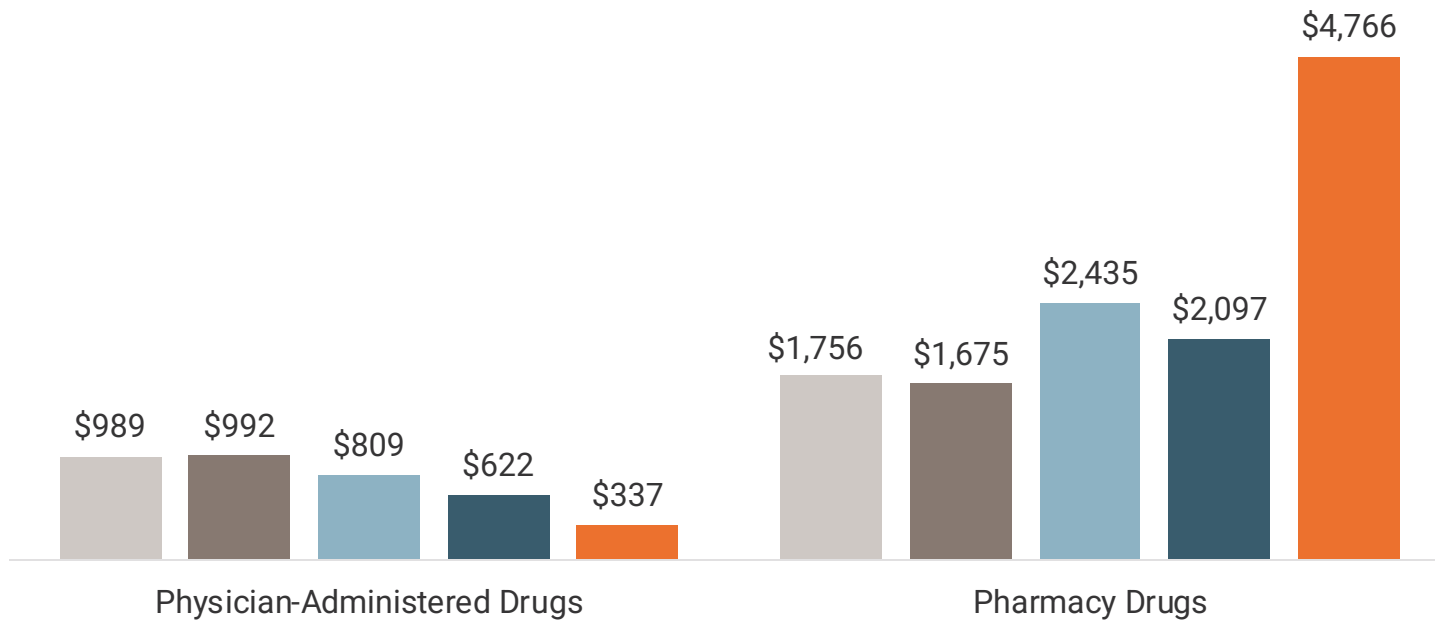


Home Health services are predominantly for restorative therapy, but may also involve skilled nursing and medication management

Residents, Especially in Assisted Living, Have Higher Spending for Self-Administered Drugs

Average Medicare Payments Per Resident by Service Category and Property Type

■ CCRC/LPC ■ Majority IL ■ Majority AL ■ Majority MC ■ Nursing Home



Senior housing residents have >\$1,600 in annual Medicare spending for self-administered drugs

Creates an opportunity to focus on medication therapy management and polypharmacy

Thank you.

 Research You Can Trust™

 **NORC** at the
University of
Chicago

Appendix

Relevant inclusion criteria

Senior housing residents were included in analyses if they:

- Reside in a 9-digit zip code with a property designated by NIC MAP® data
- Are age 65+ at the start of the study period
- Are enrolled in traditional Medicare (Parts A, B and not C)
- Are not a long-stay nursing home resident

Nursing home residents were included if they:

- Reside in a 5-digit zip code with at least one NIC MAP® data property
- Are age 65+ at the start of the study period
- Are enrolled in traditional Medicare (Parts A, B and not C)
- Spent at least 100 days in a nursing home with no gaps of greater than 30 days

There have been few data sources available to analyze the health needs of senior housing residents

NORC methodology combines comprehensive health care data on Medicare beneficiaries with NIC MAP[®] data using a new academically-designed data linkage approach.

Some peer-reviewed academic studies (e.g., Thomas et al¹) have been able to achieve high-resolution, large sample residency data using similar residency data as ours.

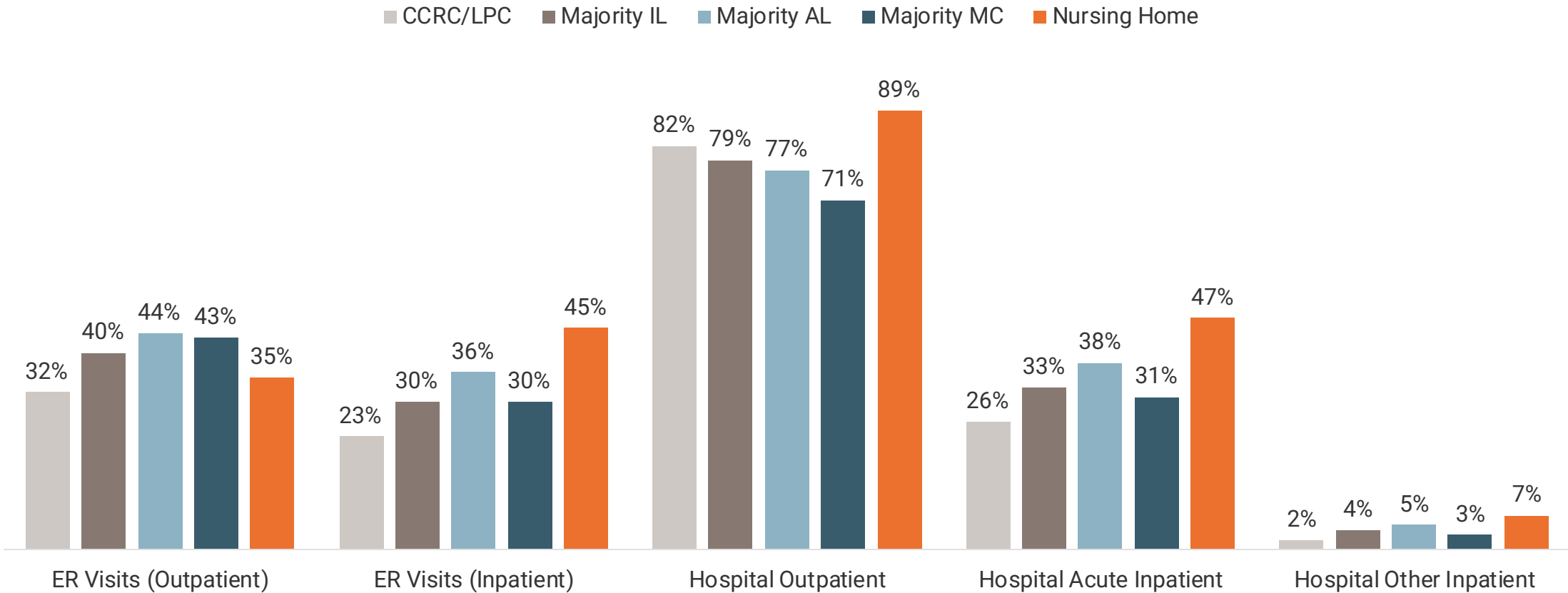
These studies derive property lists from state licensure data that may not be complete and are comingled with nursing homes.

Other analyses use the Medicare Current Beneficiary Survey² (MCBS).

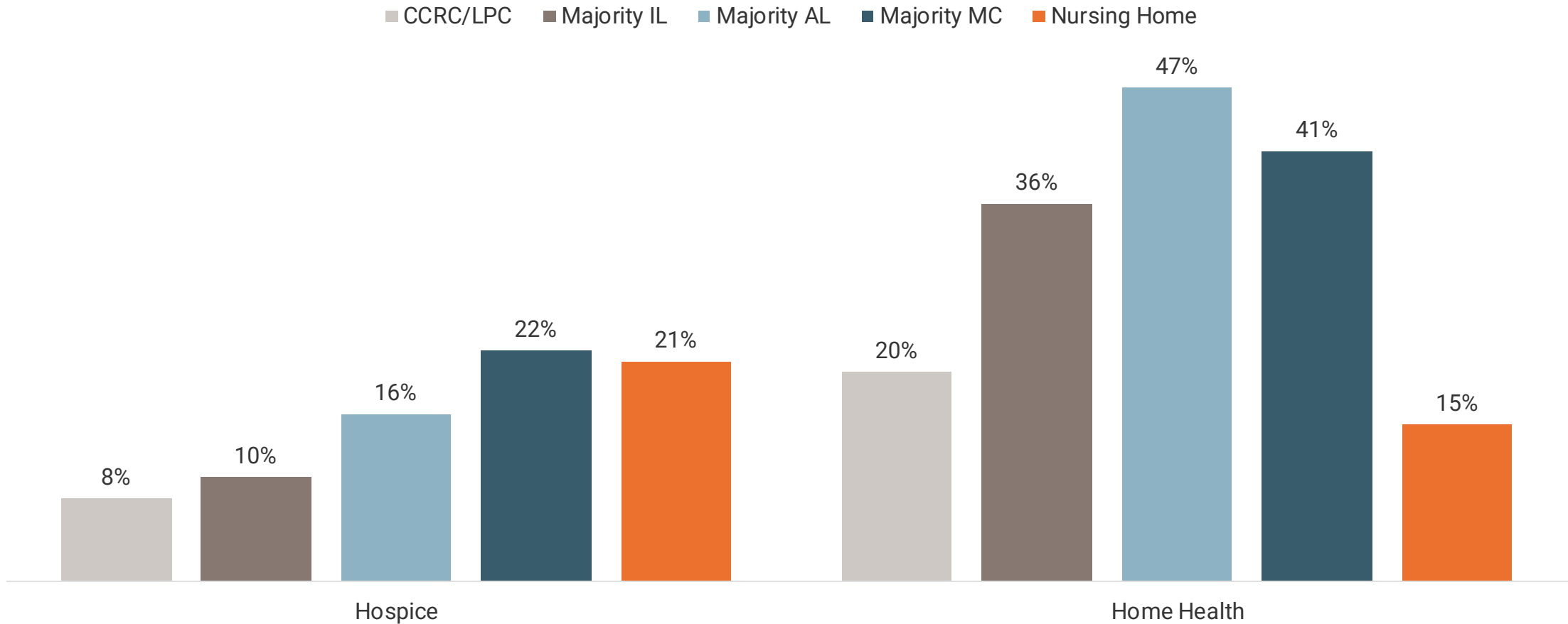
This nationally representative survey provides robust data, but the sample for senior housing residents is small and independent living is not identified in the survey.

There are many published case studies and trials involving limited numbers of senior housing residents. While these studies are highly useful for their specificity, they are not pragmatic or applicable to studying the larger universe of residents.

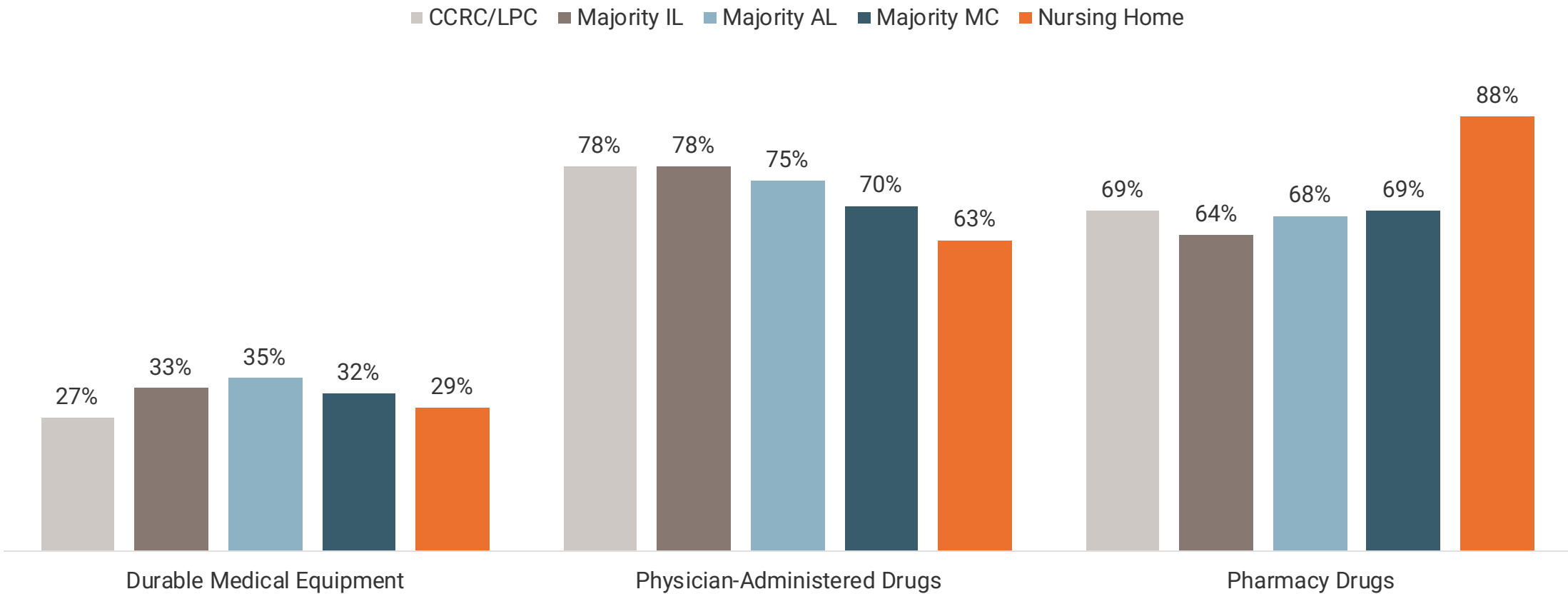
Proportion of Residents Who Use at Least One Service in the Category



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Age Distribution by Property Type

