



**South Dakota's
Long Term Care Study Update
Final Report**

History of Abt Long Term Care Study

2007 Long Term Care Study examined:

- Evaluation of utilization and cost of services to the aging population across the continuum
- Projected future long term care needs and capacity
- Identified and recommended policy options based on best practices



Key Findings from 2007 Long Term Care Study

The study identified several key findings which included:

- Rapidly aging population
- Geographic mismatch
- Historically high rates of nursing home bed utilization and low rates of use of home and community-based services



Key Findings from 2007 Long Term Care Study (Cont.)

- Rural and frontier areas faced particularly low availability of home and community based services
- Aging skilled nursing facilities
- Labor force not keeping pace with growth of elders



Policy Recommendations of 2007 LTC Study

- Scenario 1 – do nothing
- Scenario 2 – take moderate steps to address future demand
- Scenario 3 – take aggressive approach to address future demand



2008 LTC Task Force Recommendations

2008 - Task Force charged with developing recommendations and use most aggressive approach to addressing future demand. The Task Force developed seven recommendations:

1. Develop a Single Point of Entry system for long-term care services
 - Completed - Aging Disability Resource Center (ADRC) model implemented in October 2009



2008 LTC Task Force Recommendations

2. Expand and enhance existing home and community-based services – ongoing:
 - Enhancements through Adult Services and Aging waiver renewal
 - Implementing Money Follows the Person
 - Convened provider workgroup regarding dementia care



2008 LTC Task Force Recommendations (Cont.)

3. Implement an access critical nursing facility model
 - SB140 (2011 Legislative Session)
4. Right-size the nursing facility industry
 - Moratorium in place
 - Facility census report
5. Expand nursing facilities through a Request for Proposals (RFP) process
 - SB196 (2012 Legislative Session)



2008 LTC Task Force Recommendations (Cont.)

6. Maintain a sustainable financial infrastructure for the current and future system of care
 - No consensus was reached

7. Collect data and analyze the need for additional assisted living facilities
 - DSS collecting data for analysis

2015 Abt Long Term Care Study

2015 Long Term Care Study

- Updated projections for demographic trends
- Updated service delivery challenges
- Projected future demand for long term care services

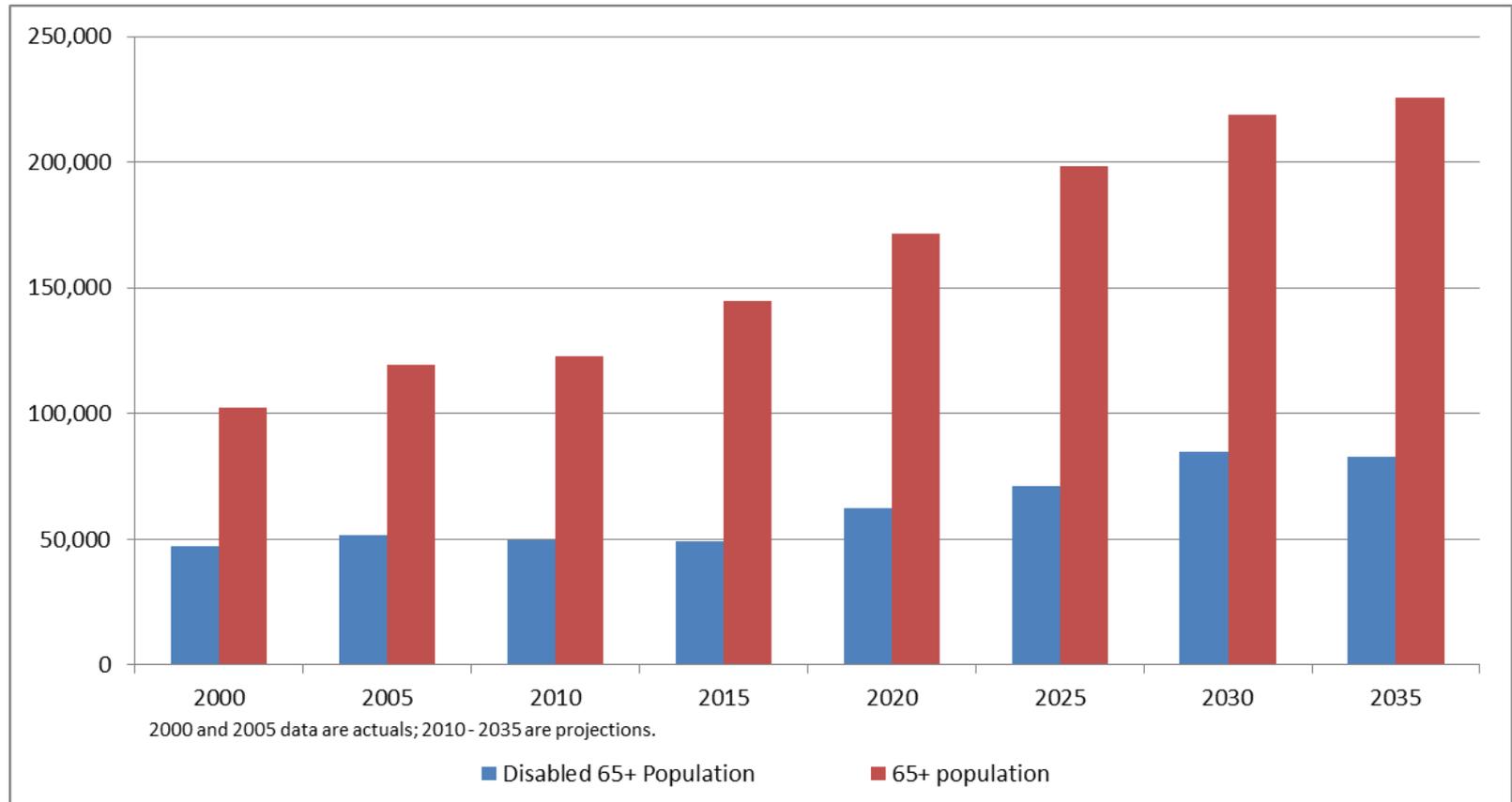


Key Findings from 2015 Update

Elderly Population Estimates:

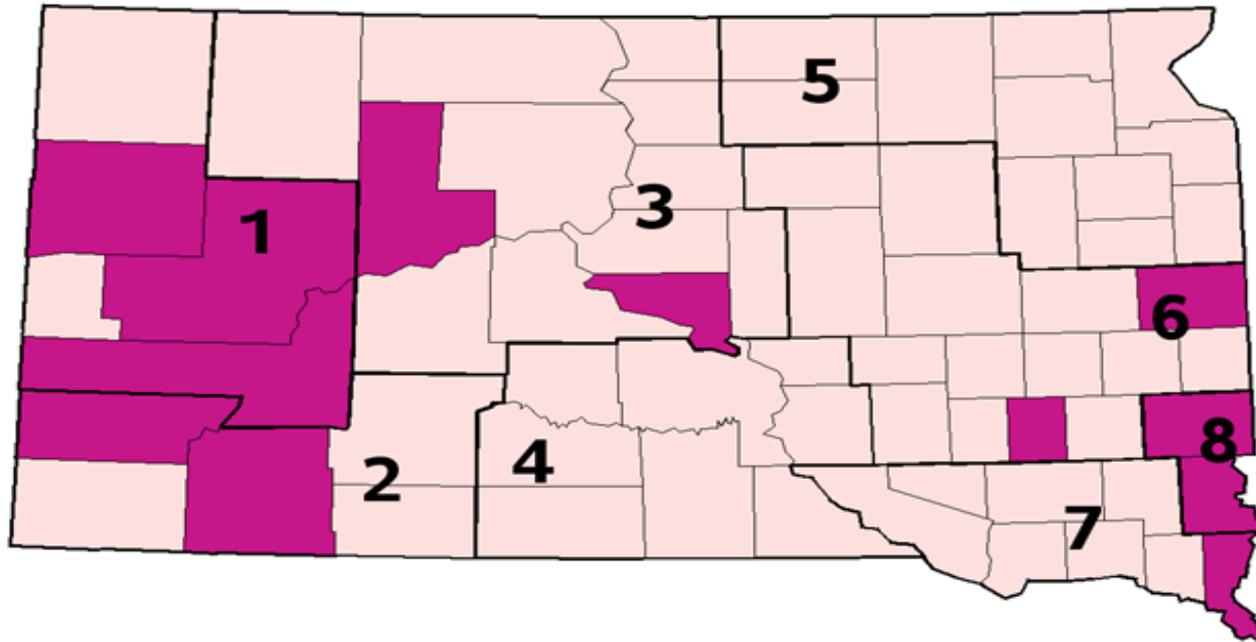
- Growth in elders has slowed relative to 2007 projections
- Growth rates for elderly and disabled are higher in some geographic regions
- Rapid City and Sioux Falls continue to see greatest growth rates

Projections of SD Elderly and Disabled Population



Source: Abt Associates' analysis of South Dakota Data Center's Population Projections data, 2010 and American Community Survey.

SD Counties Where Elderly Population is Expected to Double from 2010 to 2035 (in Dark Pink)



Source: Abt Associates' analysis of South Dakota Data Center's Population Projections data, 2015.

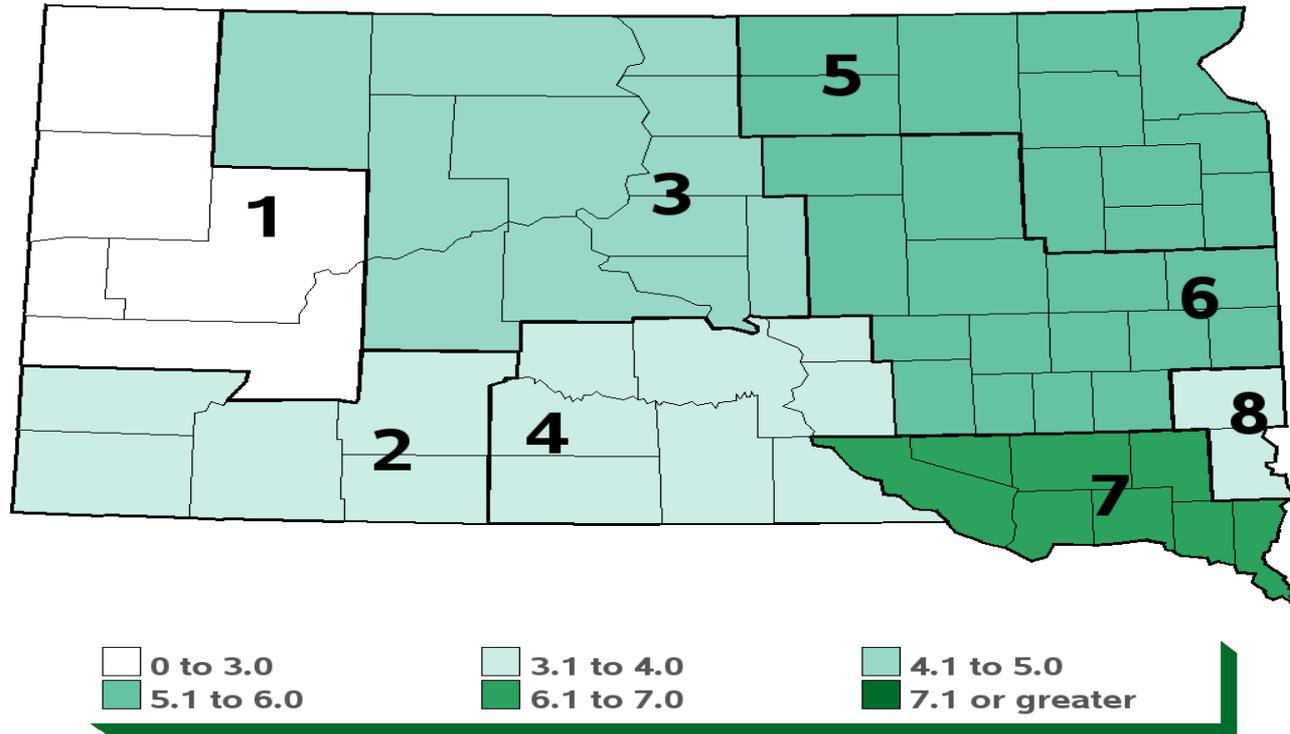


Key Service Delivery Challenges

Nursing Homes: Nursing home capacity and utilization rates have continued to drop both in South Dakota and nationwide since the release of the first study

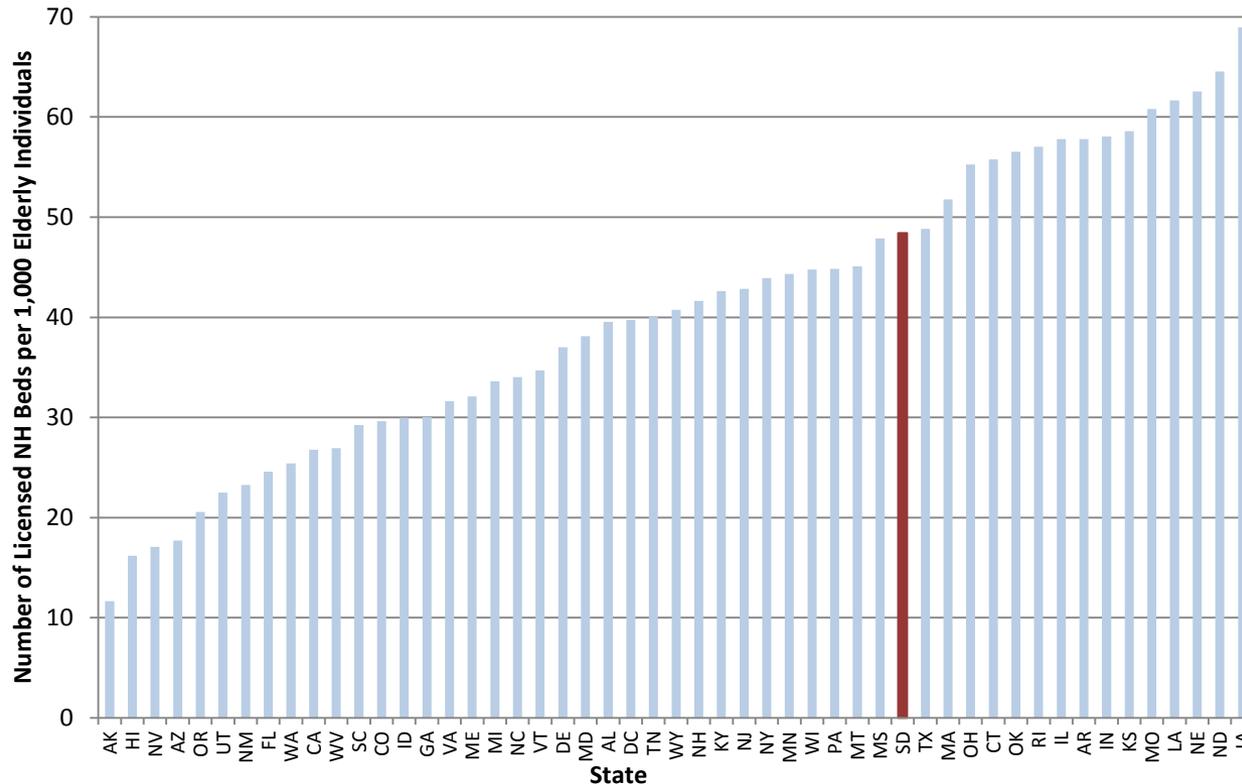
- SD Nursing home utilization
 - 2007 Study – 6.4% utilization (4.2 US)
 - 2015 Study – 4.7% utilization (3.2 US)
- SD Nursing home capacity per 100 elderly
 - 2007 Study – SD 10th in the nation
 - 2015 Study – SD 16th in the nation

Number of Licensed Beds in Use per 100 Elderly Individuals - SD 2014



Source: Abt Associates' analysis of South Dakota Data Center's Population Projections data, South Dakota's Nursing Facilities Data, and Nursing Home Compare.

National Comparison of State Nursing Home Capacity 2011



Source: Abt Associates' analysis of Henry J. Kaiser Family Foundation's Nursing Home Beds data and American Community Survey data. South Dakota utilization rates appear in red.



Key Service Delivery Challenges (Cont.)

Assisted Living: Assisted living capacity has increased slightly since the release of the original study:

- 2007 study – SD 16th in the nation for available assisted living beds
- 2015 study – SD 15th in the nation for available assisted living beds



Key Service Delivery Challenges (Cont.)

Home Health Care: South Dakota continues to have the 2nd fewest Medicare skilled home health episodes

Home and Community-Based Care: No evidence of perceptible shifts in availability of home and community based services



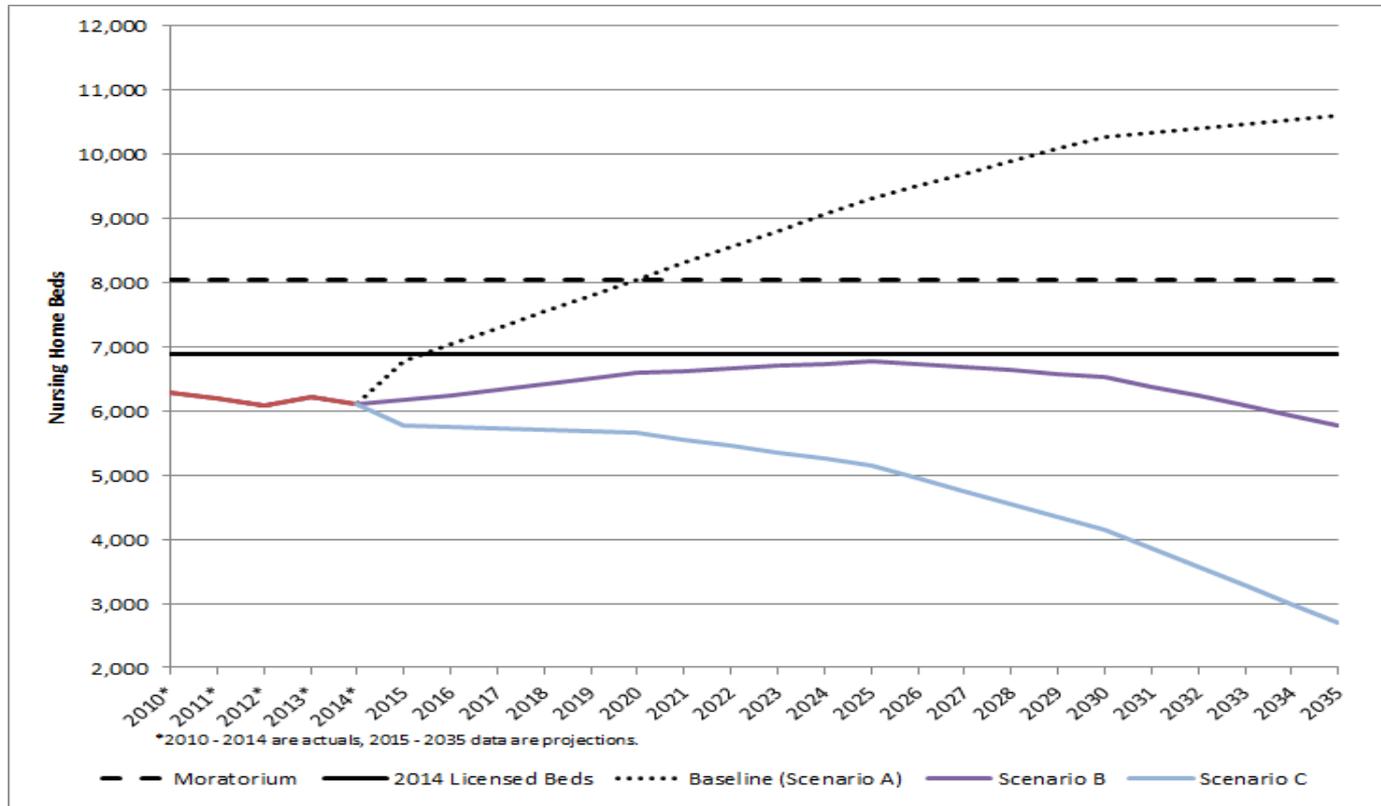
Projections of Future Demand for Nursing Home Services - 3 Scenarios

Scenario A: Nursing home utilization rate will remain at its 2010-2014 average level of 4.7 percent of the elderly population

Scenario B: Nursing home utilization rate will decline by 0.09 percentage points per year, or approximately one half the 2000-2014 rate of decline

Scenario C: Nursing home utilization rate will decline by 0.14 percentage points per year, reaching a rate of 1.2 percent by 2035

Forecast Number of SD Nursing Home Beds, 3 Scenarios 2000 - 2035



Source: Abt Associates' analysis of South Dakota's Nursing Facilities Data and South Dakota Department of Social Services' Nursing Home Occupancy Report.



Conclusions and Recommendations

- Policy changes made by the State have successfully accelerated the decline in nursing home utilization
- SD should continue to highlight the ADRC as a resource for consumers and families
- SD should continue to expand and enhance HCBS and other community based care
- SD should further explore care preferences and gather information regarding informal supports



Next Steps

- HCBS Workgroup was formed as a response to the study
 - Explore options to increase the availability of home and community based services
 - Explore current information on other supports being utilized
 - Discuss barriers to utilization of skilled home health



Thank you

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