State of Illinois
Pat Quinn, Governor

Illinois Department on Aging
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Funding and Service Recommendations for Transitioning Older Adults:
An Examination of Illinois' Money Management Participants

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Summary of Study and Purpose

This report is in partial fulfillment of the agreement between the University of Illinois at Chicago (UIC) Department of Disability and Human Development and the Illinois Department on Aging (IDOA) and IDOA's Centers for Medicare and Medicaid Real Choice Systems Change grant. It is the second in a series of reports examining various Illinois systems and processes directed to older adults to realize the goals of the Real Choice Systems Change grants.

For Illinois, the Real Choice Systems Change grant is to help our state build the infrastructure that will result in effective and enduring improvements to reform Illinois' long-term care system. This includes a shift in the balance from nursing home to home and community-based care. These efforts are being initiated in order for older adults, including persons with disabilities, to live in the most integrated community setting suited to their needs, to have meaningful choices about their living arrangements, and to exercise more control over the services they receive.

Purpose

The purpose of this report is to quantify the actual expenses faced by older Illinois residents, defined as persons over the age of 60, living in the community and apply it to similar older adults living in a nursing home seeking reintegration to sustainable community residency. It hopes to identify a floor of income required to sustain community residency.

Assumption

An assumption in this report is that an older adult must have an adequate income to afford the cost of long-term care whether services are paid for on a private pay basis or provided through the array of government support programs and services.

Methodology

In order to explore and understand this assumption, primary data analysis was conducted of 555 existing Illinois Department on Aging (IDOA) Money Management Program 60+ year old client participants. The older adult Money Management participant is a community resident and represents a subset of low income Illinois older adults that are maintaining community residency. Specifically, how successful they are at maintaining community residency is unknown. However, they are routinely visited by a volunteer or staff member of the participating Case Coordination Unit (CCU) Money Management Program. Most receive Community Care Program (CCP) supportive services under an expanded Center for Medicare and Medicaid 1915c Home and Community-based (HCBS) waiver. These services include adult day services, homemaker and personal emergency response. By definition the older adult participants are at-risk of nursing home placement.

The selection of the Money Management Program participants was in part due to the data being easily accessible, and the belief that these older adults should demonstrate similar characteristics to older adults currently residing in nursing homes who may have the potential to be transitioned to community residency. It was hoped that the descriptive statistics concerning income and expenses of this sample population would be representative of low income older adults residing in the community and help to establish a minimal floor of income required to cover expenses associated with community residency.

Conclusions and Recommendations

While the research is not drawing specific conclusions from the descriptive statistics and data analysis, it is believed that the results provide a baseline description of costs facing older adults. It provides information concerning the minimal costs of living in the community, especially housing, and it raises issues confronting caregivers and older adult consumers about the cost of services. The descriptive statistics and analysis focusing on median income and expenditures for single older adults using Housing and Urban Development (HUD) 2007 Fair Market Housing data are particularly revealing as they indicate that **an older adult moving from a nursing home to community residency is likely to be unable to manage financially without housing supports or subsidies. It also indicates that housing expenses need to be considered and asset levels preserved in order to prevent or delay nursing home residency.**

The analysis should be helpful in formulating system changes to home and community-based programs and services, including eligibility standards and policies serving older adults considering reintegration to community residency and for those that are currently attempting to grow old at home.

In order to give depth to the data analysis discussion, this report includes a summary of analogous research conducted in other parts of the country concerning reasonable income requirements and expenses for persons to maintain community residency.

Finally, UIC agreed to examine costs of nursing home care in relationship to home and community-based services and to develop recommendations and strategies to address funding needs of our older adults concerning transitional services. Consideration of income and expenditure costs is part of these strategies, as well as a number of specific programmatic ideas. It is believed that there is a relationship between programs and services that target nursing home to community transitional services and the cost of maintaining community residency. Older adults relocating from nursing home care to community residency will be assuming community living expenses.

Money Management Program Overview

IDOA's Money Management Program (MMP) is co-sponsored by the AARP Foundation and local sponsoring agencies contracted to provide the AARP Foundation's Money Management Program. The Illinois Council of Case Coordination Units (ICCCU), the professional and trade association of the Case Coordination Units (CCU) is under contract with IDOA to provide local sites with training, support, monitoring, and compliance for the Money Management Program. The ICCCU also serves as the liaison between the AARP Foundation, IDOA and the sponsoring agency. Each local sponsoring agency is responsible for the recruitment, training and linkage of the volunteer with the older adult in need of money management services. These volunteers assist individual older adults with organizing mail, budget planning, checkbook balancing, and bill paying. The goal is to assist the older adult to remain in control of their finances, in order that the older adult is able to maintain themselves in the community where they may continue to grow old.

There are a number of absolutes pertaining to the program's implementation required by the AARP Foundation and IDOA. Some of these absolutes are:

- The sponsoring agency must have a local Advisory Council representing the community that meets twice a year and focuses on the needs of older adults.
- The sponsoring agency may determine that the older adult participant needs more assistance and will apply to become Representative Payee of the older adult's federal benefits. If the program serves Representative Payee participants and chooses to have this component to their service package, then a representative from the Social Security Administration must participate in the Advisory Council.
- Each year the AARP Foundation establishes income and asset limits for participants. During 2007, those limits are $35,000 in assets and an income limit is $22,947 for one person or $32,470 for a couple. Additionally, the older adult must participate in the Community Care Program (CCP) or be a client of the state's Elder Abuse and Neglect program.
- Program participants must sign a client agreement to be considered a valid participant and eligible for insurance coverage of client funds by the AARP Foundation and for the participating CCU to receive IDOA reimbursement for the service.
- Funds are monitored regularly. All volunteer representative payees are monitored monthly and bill payers monitored on a quarterly basis.
- The volunteers must compete and sign a Volunteer Monthly Activity Report for each month that services are provided.

Each participating sponsoring agency has an identified Money Management Program (MMP) coordinator who completes the assessment and reassessment of need for each participant on an annual basis. It is at this time, that the participant's budget of income and expenses is obtained or up-dated. This assessment process includes the completion of the Client Interview Form, and the Client Service Agreement. The MMP coordinator and the participant sign the agreement and when a volunteer is designated, that person too signs the agreement. The assistance with money management begins when CCP eligibility is determined and in the case of an Elder Abuse client, money management service begins depending upon the need and risk of abuse and financial exploitation.

Methodology for Money Management Research

Primary data from 555 older adult participants in the Illinois Department on Aging's MMP were analyzed. This represents close to 100% of the older adults participating in the MMP as of the Winter 2006-2007. Some of the data submitted were unusable and not included in the sample. This represented approximately 10 records. Other data were incomplete as shown in a number of the figures, e.g. 53 records did not show age, 343 records did not indicate living arrangement and 131 records did not indicate type of housing. Consequently, some reported variables show missing data.

Participating Case Coordination Units (CCUs) in the MMP were asked to submit to the Illinois Department on Aging a copy of the participant's most recent budget of income and expenses. In addition, each CCU attached a copy of either the participant's Client Fact Sheet from the Case Management Information System (CMIS) data program or a completed demographic worksheet. All participant and personal identifiers were removed prior to release to the researchers at UIC. UIC staff subsequently entered a range of variables obtained from both forms of documentation

into the SPSS quantitative data analysis program. The variables entered in SPSS were each participant's:

- DON (Determination of Need) Total Score, as defined as points given based on the administration of the Folstein Mini-Mental State Examination and needs associated with activities and instrumental activities of daily living
- Family Income, defined as the total income of all individuals in the household dependent upon the participant
- Family Size, defined as the number of persons with whom the participant resides
- Gender
- Housing, defined as the specific type of housing
- Individual Income, includes Social Security (SSA) and other income
- Living Arrangement, defined as where a participant resides
- Living Status, defined as with whom the participant resides
- Marital Status
- Part A Score of the DON, defined as the participant's abilities to perform specific activities and instrumental activities of daily living
- Race
- SSA, defined as the individual participant's monthly Social Security check
- Total Expenses, defined as the summary of all expenses subsequently listed:
    - Average Monthly Cable Bill
    - Average Monthly Doctor Expenses
    - Average Monthly Electricity Expenses
    - Average Monthly Food Expenses
    - Average Monthly Loan Expenses
    - Average Monthly Medication Expenses
    - Average Monthly Personal Care Expenses
    - Average Monthly Telephone Bill
    - Average Monthly Transportation Expenses
    - Average of Other Monthly Expenses
    - Average Personal Care Expenses
    - Insurance Costs Prorated on a Monthly Basis
    - Monthly Cost of Water or Sewer Expenses
    - Monthly Gas and/or Oil Expenses
    - Monthly Rent or Mortgage Payment
    - Taxes Prorated on a Monthly Basis
- Township code of home residency
- Zip Code of home residency

UIC researchers were able to calculate Part B DON scores representing an older adult's need for care from the data provided.

Literature Review and Rationale for Money Management Research Study

This research examines the assumption that insufficient income is a barrier to access home and community-based services. This is caused partially by what Wood (1997) states as "People over 50 experience a reduction of income unexpectedly – a spouse dies, an illness hits or early retirement is unforeseen. Many others in this age group have worked a lifetime for low wages and retire with a lower income than they had earned in their working years" (p.19).

Insufficient income as a barrier to aging-in-place in the community in association with relocation to a nursing home is cited in a number of studies and reports. It was also echoed in many focus groups conducted throughout Illinois during the Winter 2006-2007 for a separate, but related deliverable under the Systems Change grant that will be reported on later in 2007.

Studies indicate that large numbers of individuals who enter nursing homes each year return home. In Ohio, Mehdizadeh, Applebaum and Straker (2001) found that after three months, 47% of those admitted during the time studied were no longer residing in the nursing home; 60% were no longer in the nursing home after six months and 72% were not residents after one year. The same study noted that about one-fifth of those discharged were due to death, while the remainder were reintegrated into the community. Similar information has been voiced on an informal basis by leaders of Illinois nursing home industry associations at several meetings of Illinois' Older Adult Services Committee.

A government study conducted by Stucki and Mulvany (2000), found up to half (48%) of nursing home residents did not need the intensive medical care provided by nursing homes. "Many severely impaired residents likely could maintain their independence if they received adequate long-term care services in the home (p. 21)." Factors that impact the need for relocation such as costs, size and demographics are emphasized in a number of works by Golant (1979, 1984, 1992).

John Barbour, the Executive Director of the Champlain Valley Agency on Aging in Vermont, as cited in Langnado (2006) states "It makes it impossible for people to go back home because for the most part they don't have the ability to maintain another residence." This statement was referencing Medicaid's treatment of an individual's Social Security and other income sources used to help pay the costs of the institutional long-term care and the spending-down of financial resources prior to eligibility determination. Returning to the community without the Medicaid indirect financial portion that pays for room, board and medical expenses and the reduction or loss of savings makes transitioning to home and community-based living a challenge.

The Mehdizadeh, Applebaum and Straker (2001) study examining length of stay of nursing home admissions from the hospital identified that "Non-Medicaid residents were more likely to be discharged (76.3%) than Medicaid recipients (71.4%). About 12 percent of those entering as non-Medicaid residents required Medicaid assistance in the fourth quarter" (9 to 12 months after admission) and represented 53% of the remaining residents left in the facility (p.11).

The statistics relating to nursing home length of stay suggests that the longer a nursing home resident remains in the facility the likelihood of relying on Medicaid for payment increases. The Mehdizadeh, Applebaum and Straker (2001) study also suggests that if a person has financial resources, they are more likely to return to community residency. Consequently, the re-establishment of community residency is challenging when assets are spent down to pay for the extended nursing home stay and/or the older adult's home or apartment no longer exists in the community. One might wonder if we are creating the need for government subsidies to support community reintegration. These reports speak to the benefits of early and frequent intervention before the demise of financial resources occurs.

Possibly in response to the depletion of resources, recent programs and services designed to target older adults and enable reintegration to the community have included funding for

transition and reintegration. The Illinois *Home Again* pilot project is one such example providing for transitional costs for reintegration. Indiana uses a one-time grant of $1,000 to transition persons under its Aged and Disabled HCBS waiver (Reinhard & Farnham, 2006). These transition funds may be used to start-up utilities, pay security deposits on apartments or replace furniture and household items that are now gone.

The need for both reintegration funds and on-going financial resources becomes intensified as the decrease in resources coincides with increased expenses and needs. A study published in 1997 by AARP (Hermanson & Citro, 1999) found that 85 percent of older adults want to stay in their homes and never move, but poor health and insufficient funds are reported as barriers to maintaining community residency. Stucki and Mulvey (2000) state that "Costs for services such as personal care, adult day care and assisted living could quadruple by 2030" (p. 23). The same article states that "Relying on the government to pay for these services is risky, because public programs restrict the number of clients they service in the home and community and set strict eligibility requirements for middle-income elders" (p. 23). In Illinois, quotas for the CCP are not barriers because of its entitlement status. However, waiting lists, early depletion of annual funding grants and disparities between Illinois communities for Older Americans Act funded services and other publicly funded programs and services are not unusual.

In most cases for persons over the age of 60, income is less than it was in years prior to retirement. The person is retired and must rely on savings and pensions, including Social Security. Additionally, this population may be relying on one person's resources rather than two because of the loss of a spouse. Additionally, former low wage earners have an even more difficult time because they are more likely to have little savings or pensions. They are now living on a significantly reduced income level. Reinhard and Fahey (2003) reported referring to New Jersey older adults in this situation, "They get public financial support more readily if they go to a nursing home" (p.3). Meaning that it is easier to apply and receive Medicaid nursing home coverage.

Stanfield (1998) reports in a series of focus groups with aging Philadelphia homeowners conducted by Mary Frances Davis that "Nine out of 10 people want to remain in their homes as long as they possibly can, but almost all of them needed some kind of repairs in order to remain in their homes" (p. 3). In a separate study, Wagnild (2002) suggests that other barriers to maintaining residency include the lack of formal and informal supports, but the "Most frequent response was an inability to maintain property followed by inadequate finances, illness, need for safety and security and inadequate family supports (p. 79)." These studies again suggest that barriers to maintain independence in the community relate to finances.

In the previous report written on behalf of the Illinois Systems Change grant entitled, *Clarification of Roles and Responsibilities of Existing Aging Network Providers Participating in the Nursing Home Transition Process* a number of recommendations were made to enhance the outcomes of current nursing home transitions. One of the recommendations was to provide early and mandated assessment and care management assistance to persons who recently entered a nursing home.

In summary, the literature speaks to a number of realities. Home is an older adult's preference of where to live and grow old. Additionally, while persons frequently do return home from nursing homes as indicated in the Ohio research, insufficient income and depleted assets are barriers to

accessing private pay home and community-based long term care services. For persons in the community, similar issues of insufficient and/or reduced income and depleted assets are the biggest obstacles to an older adult's ability to maintain community residence and its related expenses particularly when there is a medical crisis or decline in health status.

Related Research and Concurrent National Efforts to Quantify Costs and Expenses

Illinois' Systems Change

Twenty-four focus groups were conducted between Fall 2006 and Winter 2007 with 240 older adult consumers, caregivers and service providers as part of the Systems Change grant activities. Structured questions for these focus group meetings addressed access to services, thoughts about current services and the identification of service gaps. The consumer and caregiver focus group participants reported three barriers in relationship to finances. These were:

1. An inability to access many of the government programs and services due to eligibility standards. In particular, they reported being over the Federal Poverty Index which is the threshold for determining if an applicant contributes a CCP co-payment or cost share.
2. Costs of private pay services were often out of financial reach.
3. Family caregivers had to provide a major time commitment for which they were uncompensated.

Many caregiver and consumer focus group participants reported having assets over the Illinois Department on Aging's Community Care Program (CCP) $17,500 currently allowable asset level for eligibility. Others reported that while they may be under the asset based threshold for CCP, they self-selected themselves out of the program because of inadequate incomes to cover the co-payment or cost share required for incomes over the Federal Poverty Index. The current Federal Poverty Index is currently at $10,210 per year for a one person household and $13,690 for a two person household. Older adult CCP participants are required to make a co-payment or cost share towards the cost of the CCP service on a sliding scale based on need, hours of service and the income perceived, by rule, to be available over the Federal Poverty Index. These cost sharing expenses were being viewed along with all of life's expenses including food, medical costs, utilities, rent/mortgage and transportation which are theoretically included in the Federal Poverty Index.

Eligibility thresholds and cost-share requirements were reoccurring themes amongst the middle and lower middle socio-economic class focus group participants. In general, they felt that costs and fees associated with government services and unrealistic eligibility thresholds were barriers to accessing home and community-based resources.

More affluent consumers and caregivers expressed similar thoughts for private pay home and community-based services. Many home and community-based supportive services were seen as unaffordable and threatened existing resources.

Secondly, caregiver focus group participants expressed concern of the high cost they experienced as caregivers to maintaining older adult family members in their home or shared homes. There was concern that while they accepted this caregiving responsibility, they were looking for compensation. There were comments that stated that "I could not leave my mother alone, so I had to quit my job" or "reduce my hours" to provide the care and supervision. Another participant stated, "My aunt could not return to work," after her grandmother had a stroke.

Several participants stated that "It would cost the state a lot more if my mother was in a nursing home." There were additional comments that some of the government programs and services, particularly targeting home improvements and retrofitting took into consideration the caregiver's income in this shared housing situation, when the older adult would be the beneficiary of the program and/or service. They felt this practice to be unfair.

A comprehensive report discussing the exploration and assessment of service gaps identified in the Systems Change project will be provided in a future 2007 issue brief.

Texas Study

In September 2002, the Center for Public Policy Priorities of Austin, Texas, a not-for-profit and bi-partisan research organization developed the Family Security Index. This Index details cost of an array of what the report states as essential items required to sustain a family with basic, safe and decent standards of life in specific regions throughout Texas. The assumption behind the Family Security Index is a belief that the official poverty threshold does not accurately reflect the income necessary to cover a family's basic needs. The identified needs of the Index looked at family types, housing, food, child care, medical expenses, transportation and other necessities such as telephone, clothing and personal care products.

While, the Texas Family Security Index is directed at families and not older adults, it effectively highlights the problems with the Federal Poverty Index which is used to base many of our programs and services, including the cost share for CCP. Specifically, the Texas Family Security Index estimates that in 2002 the combined wages of $3,389 per month from a household of two adults in Texas are required. Annualizing the monthly income requirement over 12 months is $40,669 and represents 233% of the Federal Poverty Index (Finet and Hammond, 2002).

Wider Opportunities for Women and Illinois' Health and Medicine Policy Research Group

In a similar direction, the Gerontology Institute of the University of Massachusetts in Boston has been engaged in calculating the Elder Economic Security Standard. Different from the Texas Family Security Index, the Elder Security Standard focuses on individuals 65 years of age or older and as they describe it, what it would take for them to age-in-place with dignity. It uses existing federal and state data sources to build a household budget consisting of housing, transportation, food and health care expenses. It also takes into consideration other variables that may intervene with the financial welfare of an older adult such as their health status, geographic location, housing and marital status. It tracks individuals as homeowners and renters, variations in their health status, single and double occupancy households and the need for long-term care.

In the report using the Elder Economic Security Standard for the Boston, MA area, six specific findings were identified by the researchers (Russell, Bruce & Conahan, 2006).

1. ***Elders in the Boston area cannot make ends meet at the poverty level or at the average Social Security payment in 2006, without subsidies for housing and health care.*** *They estimate that the Elder Standard for the Boston area older adults living alone is 150% to 140% of the average federal poverty guidelines of $9,800 in 2006.*
2. *Elders living alone in the Boston area need $14,900 to $23,600 to cover their basic living costs, depending on their housing and transportation expenses.*

3. *Elder couples in the Boston area need $21,800 to $30,600 to cover their basic living costs, depending on their housing and transportation expenses.*
4. ***Elder households spend about the same percentage of their budgets on housing and food as all households, and twice the percentage of all households on health care.***
5. *Some elders who are currently making ends meet face an uncertain future if their life circumstances change, such as losing a spouse or experiencing a change in health status.*
6. *The need for long-term care can more than double an elder's expenses, significantly increasing the income needed to meet basic needs.*

It should be noted that these findings were for the Boston, MA area. However, it would appear logical that similar findings might be identified for the metropolitan Chicago area. In fact, Wider Opportunities for Women is working with the Health and Medicine Policy Research Group (HMPRG) in Chicago to replicate the Boston study and develop an Illinois Elder Economic Security Standard which has a goal of identifying the true costs associated with aging across the state of Illinois.

Preliminary Illinois' Home Again/Enhanced Transition Data

In 2007, HMPRG is expected to produce a written evaluation of data available of the *Home Again*, enhanced transition program currently underway in selected areas of Illinois. This program is targeting potential nursing home residents in six communities including Chicago and its northern suburbs, Quincy, Carterville, Rock Island and Rockford. It focuses on CCP eligible candidates (Adler, 2006). "Under this demonstration, seniors receive financial assistance for expenses such as housing and security deposits, utility services, furniture and household items for up to six months and then receive more typical community care services" (Johnson, 2006). This project was implemented by the Illinois General Assembly's amendments to Public Act 93-0902.

Home Again offers individuals assistance with discharge from the nursing home with a one-time grant of up to $5,000 for expenses such as housing deposits, essential furniture/appliances, first month's rent and food, utilities and assistance should these utilities be arrears, home modification, assistive technologies and moving expenses.

The program also offers for direct services not covered by the CCP program, a grant of up to $2,000 per participant per month for services such as home health, personal assistants, medication management, respite care, home delivered meals, emergency home response among other services. It also allows for the maximum allowable cost of $2,323 per month per client for CCP in-home services and $2,995 per month per client for adult day services for fiscal year 2006.

HMPRG's Marianne Brennen (personal communication on August 28, 2007) discussed their preliminary findings of their evaluation efforts of the *Home Again* pilot demonstration sites conducted between July 1, 2005 and June 30, 2007. HMPRG's data provided by the Illinois Department on Aging found that 550 older adults living in nursing homes were assessed with 211 of these older adults successfully transitioned from the nursing home to a community setting. Concerning transitional costs, an average one time cost of $327 was spent. Previously reported expenses were paid-out on an array of household goods including an average of $754 on

furniture and $173 on assistive technologies. Money for the first month's rent and a housing deposit were one of the most common expenses.

Jaime Hersh-White (personal communication on February 21, 2007), who is responsible for implementation of the Chicago Department on Aging's *Home Again* demonstration site also shared preliminary data. Ms. Hersh-White's data is included in the Health and Medicine Policy Research Group's statistics. Ms. Hersh-White reports that as of February 21, 2007, 26 individuals had been transitioned out of Chicago area nursing homes. Their average expenditure was $2,174 for the one-time start-up funds as previously described. The one-time funds were used for security deposits for rent and first month's rent, a month's worth of food, furniture, additional clothing, medicines and various household items necessary to begin community residency. Additionally, an average of 42 hours of CCP homemaker service was initiated to provide assistance with activities of daily living. It should be noted that CCP is funded by a mixture of federal and state Medicaid dollars for the Medicaid eligible population or state general revenue funds for those over the federal poverty threshold. Four out of the total of 26 re-integrated older adults to a community setting were linked with home delivered meals funded through the Chicago Department on Aging's Older Americans Act (OAA) funds and three were planning to utilize congregant dining sites, also funded by OAA and city funds. Ms. Hersh-White also reported that 21 of the 26 older adults transitioned-out of the nursing homes moved to subsidized housing programs. Specifically, three moved into the state's Supportive Living Facility (SLF) sites, six moved into Chicago Housing Authority senior buildings and twelve transitioned to not-for-profit subsidized buildings offered by agencies such as Housing Opportunities for the Elderly (HOME) and the Council for Jewish Elderly (CJE).

It is unclear from Ms. Hersh-White's comments if the older adults required the housing subsidies provided by the community residency living environments and/or if these types of residences were required to insure successful community reintegration. However, one might consider that due to the older adult's asset and income levels, fair market housing was not an option or in the case of the older adults moving to the SLF's, the in-house assisted living component was necessary. It is recommended that future research pertaining to the Illinois *Home Again* demonstration project consider these indirect financial supports in their analysis.

In a request to IDOA staff regarding the breakdown of DON scores as provided by HMPRG, it was reported that the average age was 76 years old and the average DON score for persons transitioned to the community from the nursing home in the *Home Again* project is 54 points. Prior preliminary data shared indicated DON scores for persons remaining in the nursing home to be 51.5. The scores appear to be in close range.

Summary

All of the research efforts speak to concerns about the cost of long-term care and the costs associated with living in the community, including access to home and community-based services. While the planned research concerning an Illinois Senior Security Index to be conducted by the HMPRG and Wider Opportunities for Women is in process, it appears that older adults and their caregivers are making choices and for those that are making choices to remain in the community, they are finding it financially difficult. The Federal Poverty Index used as a financial threshold for CCP co-payments or cost-sharing is a barrier for many to access needed services. This study and report is to identify more completely the costs for sustaining community residence.

Money Management Data

Comparison of Home Again/Enhanced Transition and Money Management Populations

The beginning of this section attempts to draw similarities between the *Home Again* and Money Management Program data. This is being done as the *Home Again* population represents older adults that have been transitioned-out of a nursing home to community residency, and the research goal for the data analysis of the Money Management Program is to help identify a floor of income required to cover community residency expenses in order to attain successful transition of older adults from a nursing home to community residency.

Home Again data figures (as of June 30, 2007) were provided by staff of the Illinois Department on Aging and HMPRG. The methodology for data collection concerning the Money Management participants was previously described. Figures 1 and 2 indicate there are differences in the two groups and unfortunately gaps in the comparative data, but the two groups show similarities. It also supports the cited research that persons in nursing homes have low asset levels.

Figure 1

	Size of Population Sample	Average Age	Average DON Score	Average Annual Income	Average Assets	Average Annual Expenses
Home Again	550	75	54+	$5,861.00	$2,533.00	NA*
Money Management	555	76	46	$11,964.00	NA*	$12,540.00

* NA refers to not available.

\+ DON score for persons transitioned from nursing home to community residency.

Figure 2

% Living Status	*Home Again* *	Money Management
- Alone	30%	80%
- With Spouse	5%	8%
- With Children	4%	6%
- With Other Relatives	1%	3%
- With Non Relative	8%	2%
- Other	52%	1%
* Living Status After Relocation to Community		
% Marital Status		
- Married	19%	10%
- Divorced	20%	19%
- Separated	2%	1%
- Never Married	14%	14%
- Widowed	45%	55%
- Other	0%	1%
% Gender		
- Male	44%	30%
- Female	56%	70%

% Race	*Home Again*	Money Management
- White	87%	86%
- African American	10%	11%
- American Indian/First Nation	0%	0%
- Hispanic	1%	2%
- Asian/Pacific Islander	2%	1%
- Other	0%	0%

The large percentage of 52% reported in the "Living Status" column as "other" (Figure 2) for the *Home Again* population is unclear. IDOA staff, in conversation, was unable to definitively clarify this percentage. It is this researcher's speculation that it corresponds to persons who might have relocated to assisted and supportive living facilities from the nursing home. If this is correct, then the number of persons "living alone" for both the *Home Again* and Money Management populations is about equal.

While there are a number of slight differences between the two populations, income stands out. However, by any standard, the reported income levels for both population samples are low. Figures 3, 4 and 5 show income for the Money Management participants only. For married couples, additional income includes spouse's income.

While the average or mean total family annual income (Figure 3) is $11,964.00, **the total median family income of $913.00 per month or $10,956.00 on an annual basis might be a better number to examine.** This is due to a small number of outliers at the high end that maybe skewing the data. Note that only 25% have incomes higher than $1,150.91 per month or $13,810.92 annually. The most common income or mode is $623.00 per month which is the SSI standard. **One should also focus on Figure 5 that separates married and single, as most persons transitioning out of the nursing home in the *Home Again* project are single individuals.**

Figure 3

Money Management Participant Monthly Income		Social Security	Additional Income	Total Family Income	Total Family Income Annualized
Number	Valid	554	554	555	555
	Missing	1	1	0	0
Mean		$726.59	$267.57	$997.00	$11,964.00
Median		**$756.00**	**$99.90**	**$913.00**	**$10,956.00**
Mode		$0.00	$0.00	$623.00	$7,476.00
Range		$2,143.00	$3,795.00	$4,699.00	$56,388.00
Minimum		$0.00	$0.00	$66.00	$792.00
Maximum		$2,143.00	$3,795.00	$4,765.00	$57,180.00
Percentiles	25	$524.00	$0.00	$683.00	$8,196.00
	50	$756.00	$99.90	$913.00	$10,956.00
	75	$966.50	$394.50	$1,150.91	$13,810.92

Figure 4

Money Management Income by Marital Status		Social Security	Additional Income	Total Family Income	Total Family Income Annualized
Married	Mean	$806.01	$585.15	$1,390.36	$16,684.27
	Median	**$708.00**	**$431.00**	**$1,315.90**	**$15,790.80**
N=58	Minimum	$0.00	$0.00	$232.01	$2,784.12
	Maximum	$2,143.00	$1,892.00	$3,080.00	$36,960.00
Divorced	Mean	$654.50	$230.07	$896.01	$10,752.11
	Median	**$716.50**	**$92.19**	**$809.00**	**$9,708.00**
N=104	Minimum	$0.00	$0.00	$298.00	$3,576.00
	Maximum	$1,560.00	$1,493.36	$1,996.24	$23,954.88
Separated	Mean	$553.86	$210.38	$764.24	$9,170.88
	Median	**$708.00**	**$60.68**	**$708.00**	**$8,496.00**
N=7	Minimum	$0.00	$0.00	$603.00	$7,236.00
	Maximum	$1,008.00	$603.00	$1,056.00	$12,672.00
Never Married	Mean	$627.87	$306.18	$934.09	$11,209.04
	Median	**$627.50**	**$109.05**	**$781.58**	**$9,378.96**
N=78	Minimum	$0.00	$0.00	$352.00	$4,224.00
	Maximum	$1,300.00	$3,795.00	$4,765.00	$57,180.00
Widowed	Mean	$764.19	$211.88	$977.79	$11,733.53
	Median	**$818.00**	**$72.80**	**$931.00**	**$11,172.00**
N=305	Minimum	$0.00	$0.00	$66.00	$792.00
	Maximum	$1,677.00	$2,035.65	$2,126.04	$25,512.48

The chart, Figure 5 below combines data from Figure 4. **Specifically, "Single" represents persons who are Divorced, Separated, Never Married and Widowed.** It should be noted that statistics for the category of "Widowed," are higher**. If the data for older adults who are Widowed were extracted from the Single category below, the median Total Family Income for the revised "Single" category would be $792.58 per month and $9,510.96 per year.**

Figure 5

Money Management Income by Marital Status		Social Security	Additional Income	Total Family Income	Total Family Income Annualized
Married	Mean	$806.01	$585.15	$1,390.36	$16,684.27
	Median	**$708.00**	**$431.00**	**$1,315.90**	**$15,790.80**
N=58	Minimum	$0.00	$0.00	$232.01	$2,784.12
	Maximum	$2,143.00	$1,892.00	$3,080.00	$36,960.00
Single	Mean	$717.30	$230.44	$951.10	$11,413.15
	Median	**$765.50**	**$81.00**	**$885.00**	**$10,620.00**
N=497	Minimum	$0.00	$0.00	$66.00	$792.00
	Maximum	$1,677.00	$3,795.00	$4,765.00	$57,180.00
Total	Mean	$726.59	$267.57	$997.00	$11,964.00
	Median	**$756.00**	**$99.90**	**$913.00**	**$10,956.00**
N=555	Minimum	$0.00	$0.00	$66.00	$792.00
	Maximum	$2,143.00	$3,795.00	$4,765.00	$57,180.00

Summary of the Comparisons between the Home Again and Money Management Populations

No claim is being made that the Money Management participant group is representative of persons in nursing homes. Again, this comparison was drawn in order to view the Money Management data and to build the case that analysis of the Money Management data is helpful in making decisions regarding programs and services for persons considered for community re-integration.

It is recognized that there are weaknesses in our attempt to draw a comparison between the two groups. If we had access to the raw data from the *Home Again* project, we might have been able to complete a test to compare the two groups to determine a level of significance regarding differences.

The two populations show similarities.

- The two sample populations' ages are within one year.
- Concerning activities of daily living, there appears to be an 8 point DON score difference between the average scores for the *Home Again* and the Money Management participant samples. The differences between the two scores might in actuality be smaller if we were able to compare Part A DON scores only. Unfortunately, the *Home Again* data does not provide a breakdown of Part A and B. If Part A had been isolated, the data would provide us with a look only at the impairment levels which would be helpful in making further comparisons between the two groups. The total DON score includes Part B or the points relating to need for care. The lower DON score for the Money Management participant might indicate more supports in the community. The data specific to the Money Management participants does isolate the Part A and B DON scores.

The financial data as shown in Figures 1 and 5 from the two sample populations when compared to each other and then studied in relationship to other states' statistics (Mehdizadeh, Applebaum and Straker, 2001) might suggest that persons who reside in nursing homes for an extended period of time spend-down their assets. The *Home Again* population appears to be largely a Medicaid eligible population while the Money Management population has a slightly higher income (Figure 1). Unfortunately, we have no asset data for the Money Management participants. The reduction in *Home Again* participant income might be in relationship to declining assets. Many assets are income generating and when depleted, income is reduced.

It is possible too that the nursing home resident in the case of the *Home Again* participant in addition to his/her presenting medical need at the time of admission seeks out the facility for housing and/or has inadequate community supports. We cannot make these determinations by looking at the financial data.

For comparison purposes, the Median Total Family Income level for a single person of $885.00 per month or $10,620.00 annualized as shown in Figure 5 is probably the most representative of a single person transitioning from a nursing home to community residency. Consequently, the statistical data analysis of the Money Management Program isolates the Median Total Family Income for a Single individual.

Money Management Data Analysis

The charts on the following pages provide descriptive statistics of the 555 sample participants in the Money Management Program. Each chart is labeled as to what it reports. Additional and detailed information pertaining to the data and its analysis may be obtained upon request.

There is a general word of caution when examining the data. While the UIC researchers entered the data as provided, some of the expense data appears to be low. For example the numbers that relate to housing expenses, taxes and personal care expenses appear to be low. Where appropriate, the narrative attempts to raise some of these critical issues.

Money Management Participants' Age

Figure 6

Age of Money Management Participants		
Number	Valid	502
	Missing	53
Mean		76
Median		76
Mode		76
Minimum		61
Maximum		104
Percentiles	25	69
	50	76
	75	82

Note that 25% of the participants are over the age of 82 with a few over the age of 100.

Money Management Participants' Living Arrangement

One Money Management participant was reported to be residing in a long-term care facility. This may reflect a temporary situation. Additionally, there were 343 participants out of the 555 total where "Living Arrangement" data was missing. No other reason than inconsistent data collection can be cited for the large number of missing data.

Figure 7

Living Arrangement	Frequency	Percent	Valid Percent
Own Home or Apt	98	18%	46%
Home of Relative	8	1%	4%
Apt. Housing for Elderly	95	17%	45%
Long-Term Care Facility	1	0%	0
Other	10	2%	5%
Total	212	38%	100%
Missing Data	343	62%	
Total	555	100%	

Money Management Participants' Type of Housing

In Figure 8 concerning "Type of Housing," 34% reside in public subsidized housing and 1% reside in CHA (Chicago Housing Authority) Apartments. Combining these two percentages, it suggests that 35% in this sample reside in subsidized housing. One might imagine that this is due to an inability to find affordable housing in the community. This percentage is consistent with commentary provided in the preliminary data of the *Home Again* demonstration project from the City of Chicago where 21 out of the 26 persons transitioned from the nursing home to the community moved into apartments for the elderly, largely representing various types of subsidized housing environments. Again, note that there is missing data for 131 participants out of the sample size of 555.

Figure 8

Type of Housing	Frequency	Percent	Valid Percent
Private Home	155	28%	37%
Private Apt.	50	9%	12%
CHA Apt.	8	1%	2%
Group Apt.	3	1%	1%
Assisted Living	19	3%	4%
Public Subsidized Housing	188	34%	44%
Unknown	1	0%	0%
Total	424	76%	100%
Missing Data	131	24%	
Total	555	100%	

For both previous categories of "Living Arrangement and Type of Housing," persons residing in the state's Supportive Living Program (SLF's) are not represented in the sample. While this is generally considered community residency, residents do not receive case management services from the CCUs. Case management services are provided by the facility. The 19 "assisted living" participants or 3% indicated in Figure 9 are most likely private pay residents of assisted living facilities.

The data also does not factor in the government financial supports that are not being incurred by the Money Management participant. However, as indicated in Figure 8, approximately 35% of the participants residing in some form of subsidized housing. The next chart (Figure 9) provides a cross-sectional analysis showing that additional 10% or 42 out of 424 participants live with children or other relatives. This again indicates a housing expense that is reduced due to presumed sharing of expenses. **Consequently, it would appear that in order for an older adult to be transitioned from a nursing home to community residency, the housing expenses variable is complex. If the older adult is going to be living alone or dependent on a single income, he/she is likely to require financial assistance in the form of housing assistance or subsidies.**

Figure 9

	Private Home	Private Apartment	CHA Apartment	Group Home	Assisted Living	Public Subsidized Housing	Long-term Care Facility	Total
Alone	99	39	8	1	18	176	0	341
With Spouse	27	3	0	0	1	10	0	41
With Children	20	2	0	0	0	2	0	24
With Other Relative	5	2	0	1	0	0	1	9
With Non-Relative	3	3	0	1	0	0	0	7
With Spouse & Children	1	1	0	0	0	0	0	2
	155	50	8	3	19	188	1	424

Money Management Participants' Determination of Need Scores

Figure 10

Impairment and Need for Care by Determination of Need (DON) Scores		DON Total Score	DON Part A (Impairment Level)	DON Part B (Need for Care)
Number of Participants	Valid	553	553	554
	Missing	2	2	1
Mean		46	26	20
Median		44	25	19
Mode		41	22	19
Percentiles	25	37	21	15
	50	44	25	19
	75	54	30	24

A total DON score of 29 points is the eligibility threshold for the nursing home placement or to access CCP home and community-based services. A total mean DON score of 46 points is well above the threshold number for nursing home admission. Part A scores refer to a level of impairment and Part B represents the need for care and/or lack of family or community supports to provide assistance. The greater the score in Parts A and B, the greater is the need for assistance. A participant may score a maximum of 45 points in Part A and 45 points in Part B for a combined maximum of 90 points. The mean and median appear to be well in the midpoints of possible scores. Looking back at the comparison chart (Figure 1) the average DON score of 54 points for the *Home Again* participant is the same DON point score as 25% of the Money Management participants' points as indicated in Figure 10.

Money Management Participant's Income

Figures 3, 4 and 5 show the Money Management Participant's Income. According to Elizabeth Essex, PhD (in conversation on June 28, 2007) it is not uncommon when examining income data that income figures at each end of the distribution are likely to skew the means or averages. In addition, since the majority of older adults transitioning from a nursing home to community residency are single **one should focus their attention to the median income for the single person as shown in Figure 5**. These numbers will be helpful and more reflective of an older adult's financial situation when considering his/her needs associated with community living expenses and community reintegration.

Money Management Participants' Monthly Expenses

In the comparisons made previously with the *Home Again* participants, these earlier figures appear to indicate that the characteristics of the Money Management population are similar to persons residing in nursing homes. There appears to be little reason to question the income data and its ability to be used for comparative purposes. However, while the expense data shown reflects exactly the data provided by the CCUs, there is concern for generalizing this to the population of persons transitioning from the nursing home to community residency. The expense data does not take into account the cost of providing long-term care services. In particular, CCP services which most of the Money Management participants receive is a subsidized government program. However, CCP co-payments or cost share expenses were frequently reported under personal care and miscellaneous expenses. As indicated, these numbers are low.

Additionally, rent and mortgage expenses were combined and appear to be extremely low. They too maybe are skewing the housing costs. Figure 8 shows that 37% of the participants live in their own home or apartment with the numbers in Figure 10 indicating that 16% reside with children or non-relatives. In addition, the older adult participant's mortgage could be an expense nearing fulfillment of the loan as a result of payment and residency at a property for close to 30 years. Another 46% of the participants (including CHA – Chicago Housing Authority) reside in subsidized housing. Again, all of these numbers indicate a concern for generalizing the total monthly expenses to any older adults transitioning from a nursing home to community residency.

Figure 11

Expenses	# of Respondents	Average Expenses per Month
Total Expenses	555	$1,045.03
Rent/Mortgage	555	$231.08
Gas/Heating Oil	555	$45.05
Electricity	555	$35.71
Water/Sewer	555	$14.05
Phone	555	$43.17
Cable	555	$32.11
Food	555	$159.99
Transportation	555	$22.27
Doctor	555	$7.90
Personal Care	555	$17.42
Medications	555	$37.02
Personal (Non-ADL related)	555	$96.45
Loans	555	$168.32
Taxes	555	$13.25
Insurance	555	$92.13

Analysis of Income and Expenses by Region

As a result of previously expressed concerns pertaining to a few outliers in reported income and personal care, taxes and housing expenditures in the reported expenditures, in the regional analysis, only the Money Management participant's **median total family income figures for a single individual is shown. As stated previously, a single individual is more likely to resemble a candidate for transition from a nursing home to community residency,** plus the number of married persons in the data set per region in some cases is very small.

Due in large measure to how the data was provided, participants were able to be grouped using the first three digits of the zip code. This methodology provides a way of examining the costs by region of the state with the goal of recognizing minimally required income levels necessary to cover the costs for persons to be reintegrated into a community setting.

600 -- Parts of Cook, Lake and McHenry Counties – Northern Suburbs of Chicago

Figure 12

Zip Code Region	Marital Status		Total Monthly Income	Total Monthly Expenses
600	Single	N	29	29
		Mean	$1,134.87	$1,090.79
		Median	**$1,050.00**	**$885.00**
		Minimum	$564.00	$469.00
		Maximum	$2,306.69	$3,806.83

601 – Parts of Cook, DeKalb, DuPage, Kane and McHenry Counties

Figure 13

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
601	Single	N	31	31
		Mean	$950.46	$911.54
		Median	**$919.00**	**$915.50**
		Minimum	$535.00	$493.00
		Maximum	$1,689.00	$1,562.00

602 & 603 – Parts of Cook County – Evanston and Oak Park, IL

Figure 14

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
602 & 603 Combined	Single	N	16	16
		Mean	$1,067.13	$894.20
		Median	**$833.34**	**$714.50**
		Minimum	$562.70	$243.96
		Maximum	$4,765.00	$4,035.00

605 – Parts of Cook, DuPage, Kane and Kendall Counties

Figure 15

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
605	Single	N	6	6
		Mean	$891.01	$1,223.06
		Median	**$835.50**	**$699.00**
		Minimum	$505.00	$412.00
		Maximum	$1,524.03	$3,926.63

609 -- Parts of Ford, Iroquois, Kankakee, Livingston and Vermilion Counties

Figure 16

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
609	Single	N	13	13
		Mean	$931.69	$1,781.89
		Median	**$794.00**	**$659.59**
		Minimum	$609.00	$307.27
		Maximum	$2,025.00	$14,380.59

610 – Parts of Boone, Carroll, JoDavies, Lee, Olge, Stephenson, Winnebago and Whiteside Counties

Figure 17

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
610	Single	N	34	34
		Mean	$954.24	$824.06
		Median	**$900.50**	**$779.77**
		Minimum	$603.00	$363.10
		Maximum	$1,708.00	$1,518.00

611 – Parts of Ogle and Winnebago Counties

Figure 18

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
611	Single	N	33	33
		Mean	$985.88	$890.80
		Median	**$949.00**	**$832.00**
		Minimum	$603.00	$549.00
		Maximum	$1,689.00	$1,641.00

612 – Parts of Carroll, Henry, Mercer, Rock Island and Whiteside Counties

Figure 19

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
612	Single	N	35	35
		Mean	$871.48	$804.85
		Median	**$759.00**	**$687.50**
		Minimum	$66.00	$290.68
		Maximum	$1,627.12	$1,887.53

613 – Parts of Bureau, LaSalle, Lee, Livingston, Marshall and Putnam Counties

Figure 20

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
613	Single	N	19	19
		Mean	$889.90	$832.95
		Median	**$926.00**	**$741.33**
		Minimum	$352.00	$384.50
		Maximum	$1,277.00	$1,840.66

614 – Parts of Fulton, Hancock, Henderson, Henry, Knox, McDonough, Mercer, Stark, Schuyler and Warren Counties

Figure 21

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
613	Single	N	35	35
		Mean	$1,013.39	$859.07
		Median	**$894.00**	**$761.94**
		Minimum	$428.50	$292.95
		Maximum	$2,096.13	$1,680.79

615 – Parts of Fulton, Marshall, Mason, Peoria, Tazewell and Woodford Counties

Figure 22

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
615	Single	N	20	20
		Mean	$911.04	$880.86
		Median	**$886.09**	**$867.00**
		Minimum	$446.00	$381.00
		Maximum	$1,599.00	$1,811.00

616 -- Parts of Peoria and Tazewell Counties

Figure 23

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
616	Single	N	15	15
		Mean	$987.75	$977.14
		Median	**$885.00**	**$837.00**
		Minimum	$606.00	$515.60
		Maximum	$1,677.00	$1,715.00

617 – Parts of DeWitt, Ford, Logan, Livingston, Macon, McLean and Woodford Counties

Figure 24

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
617	Single	N	15	15
		Mean	$879.40	$1,993.82
		Median	**$691.00**	**$582.00**
		Minimum	$563.00	$211.70
		Maximum	$1,439.00	$10,672.00

620 – Parts of Calhoun, Fayette, Greene, Jersey, Macoupin, Madison and Montgomery Counties

Figure 25

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
620	Single	N	11	11
		Mean	$864.72	$1,072.54
		Median	**$818.00**	**$786.23**
		Minimum	$613.00	$437.92
		Maximum	$1,470.00	$3,644.75

624 -- Parts of Clark, Clay, Coles, Crawford, Effingham, Fayette, Jasper, Lawrence, Richland, Shelby and Wabash Counties

Figure 26

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
624	Single	N	8	8
		Mean	$979.05	$901.26
		Median	**$975.09**	**$903.00**
		Minimum	$634.00	$599.00
		Maximum	$1,390.00	$1,358.01

625 – Parts of Christian, Logan, Macon, Montgomery, Sangamon and Shelby Counties

Figure 27

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
625	Single	N	31	31
		Mean	$974.92	$1,660.13
		Median	**$864.00**	**$860.00**
		Minimum	$298.00	$392.00
		Maximum	$2,035.65	$21,202.67

626 – Parts of Cass, Logan, Macoupin, Mason, Menard, Morgan, Sangamon, Scott and Schuyler Counties

Figure 28

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
626	Single	N	18	18
		Mean	$975.50	$1,015.63
		Median	**$789.00**	**$869.53**
		Minimum	$535.50	$439.97
		Maximum	$2,126.04	$2,530.17

627 – Parts of Sangamon County

Figure 29

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
626	Single	N	34	34
		Mean	$777.22	$744.41
		Median	**$737.50**	**$692.50**
		Minimum	$570.00	$430.00
		Maximum	$1,558.00	$1,835.00

628 – Parts of Clay, Edwards, Franklin, Jefferson, Hamilton, Mason, Marion, Wabash, Wayne, Washington and White Counties

Figure 30

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
628	Single	N	27	27
		Mean	$796.54	$714.94
		Median	**$813.00**	**$730.53**
		Minimum	$386.54	$423.33
		Maximum	$1,072.00	$1,032.00

629 – Parts of Alexander, Franklin, Gallatin, Hardin, Jackson, Johnson, Massac, Perry, Pope, Pulaski, Saline, Union and Williamson Counties

Figure 31

Zip Code Region	Marital		Total Monthly Income	Total Monthly Expenses
629	Single	N	46	46
		Mean	$966.45	$800.58
		Median	**$992.67**	**$798.00**
		Minimum	$579.00	$254.99
		Maximum	$1,737.83	$1,222.50

Analysis of Expenses by Select Regions Using Fair Market Rent Substitution

In order to compensate for what appears to be weaknesses in the Money Management data concerning housing costs especially for the goal of comparison to older adults seeking community reintegration, UIC researchers extracted the housing expenses consisting of rent and mortgage payments and substituted Fair Market Rent Information. This data was obtained from the American Housing Survey Information database (2007) for a select number of communities/regions of the state. **It is believed that using this methodology, a more accurate reflection of the cost to be incurred for an older adult to be transitioned from a nursing home to community residency will be realized.**

As discussed in *Money Management Participants' Monthly Expenses* section, the Money Management participants' housing expenses appear to be low. This may be the result of paid-up mortgages, persons residing in shared housing situations or renting subsidized housing units.

Again, figures are provided for only single persons. They are more likely to resemble an older adult transitioning from a nursing home to community residency. Note that the areas for the Fair Market Rent Information data do not exactly match with the Money Management Data zip code areas. Consequently, for demonstration purposes, four areas of the state zip code areas were combined for comparison purposes. **The comparisons indicate that in at least three out of the four demonstration areas studied, it would be difficult for an older adult to transition from a nursing home and resume community residency without financial subsidies for housing expenses.**

Total Expenses column uses Fair Market Rent data of $832.00 per month for a one bedroom apartment in the Chicago, Naperville and Joliet areas. Figure 32

Zip Code Region	Marital		Total Monthly Income	Total Expenses ($832 per month FMR - One Bedroom)
600	Single	N	29	29
		Mean	$1,134.87	$1,424.75
		Median	**$1,050.00**	**$1,300.00**
		Minimum	$564.00	$924.77
		Maximum	$2,306.69	$3,353.57

Total Expenses column uses Fair Market Rent data of $501.00 per month for a one bedroom apartment in Winnebago County (Rockford, IL area). Figure 33

Zip Code Region	Marital		Total Monthly Income	Total Expenses ($501 per month FMR - One Bedroom)
611	Single	N	33	33
		Mean	$985.88	$1,100.41
		Median	**$949.00**	**$1,044.00**
		Minimum	$603.00	$840.00
		Maximum	$1,689.00	$1,622.00

Total Expenses column uses Fair Market Rent data of $470.00 per month for a one bedroom apartment in the Moline and Rock Island area with Money Management data from Bureau, Henry, LaSalle, Mercer and Rock Island Counties. Figure 34

Zip Code Region	Marital		Total Monthly Income	Total Expenses ($470 per month FMR - One Bedroom)
612 & 613 Combined	Single	N	54	54
		Mean	$877.96	$996.70
		Median	**$874.00**	**$893.35**
		Minimum	$66.00	$625.00
		Maximum	$1,627.12	$1,922.13

Total Expenses column uses an average for Fair Market Rent data of $418.00 per month for a one bedroom apartment in Jackson County with Money Management data from parts of Alexander, Franklin, Gallatin, Hardin, Jackson, Johnson, Massac, Perry, Pope, Pulaski, Saline, Union and Williamson Counties Figure 35

Zip Code Region	Marital		Total Monthly Income	Total Expenses ($418 per month FMR - One Bedroom)
629	Single	N	46	46
		Mean	$966.45	$883.55
		Median	**$992.67**	**$887.00**
		Minimum	$579.00	$429.00
		Maximum	$1,737.83	$1,448.00

Comparison with Nursing Home Costs for Selected Areas

The data in the next chart represents Medicaid nursing home costs in a few select areas of the state. These areas were selected due as representative of population centers and to compare with the Money Management data. It was provided by Bill Dart of the Illinois Department of Healthcare and Family Services (HFS), Bureau of Long-term Care on May 29, 2007.

Medicaid Costs for Nursing Home Placement

Figure 36

Zip Code Region	Number of Nursing Homes in Area*	Weighted Average Daily Rate+	Weighted Average Monthly (30 days) Rate+	Weighted Average Yearly Rate+
600	59	$110.76	$3,322.74	$39,872.82
601	38	$114.10	$3,423.11	$41,077.35
606	84	$110.61	$3,318.25	$39,818.98
611	15	$98.73	$2,961.96	$35,543.51
612	21	$95.30	$2,858.92	$34,307.05
614	21	$95.00	$2,850.13	$34,201.52
629	22	$83.55	$2,506.45	$30,077.38
Grand Total	260	$108.13	$3,243.96	$38,927.54

* 20 nursing homes in the area were excluded due to a change in the provider's status between FY06 and 5/11/07, which complicated extraction of the data.

+ The weighted average rate takes into account the rate and the number of days of service delivered at that rate. Larger nursing homes or those with more occupied beds get a higher weight than smaller homes.

Dart cautions that when **you make the contrast between nursing home costs and living in the community, it is critical to remember that nursing homes operate 24 hours, seven days per week.** Also, Medicaid reimbursements to nursing homes not only cover room and board expenditures, but in that **daily rate, nursing homes provide a host of personal care and general healthcare equipment and supplies for residents including non-custom medical equipment (including wheelchairs), denture supplies, hearing aid batteries, aspirin and others necessities.**

In the next chart (Figure 37), information shown in Figures 32 through 35 is illustrated with CCP costs and nursing home costs (Figure 36). **This data should be viewed with caution and understanding. The costs associated with community living appear in three of the four areas examined to be less expensive than costs associated with nursing home care.** However, nursing homes operate on a 24 hour, seven days per week basis. **Costs would certainly change if the same levels of care provided in the nursing home were provided in the community. However, as indicated in the *Home Again* demonstration project, older adults that were successfully reintegrated to community residency required significantly less than 24 hour, seven days per week service. Also, costs for providing CCP services do not apply a quantitative measure to the qualitative measure of older adults' preferences to grow old in the community.**

Costs for CCP are generally not more than nursing home care. In Figure 37 below, the allowable service maximum for a score of 54 points was used to determine the two scenarios. Fifty-four points was the average DON score of the *Home Again* participant reintegrated into the community.

- § Homemaker option: $1,049.00 per month of cost for CCP homemaker service represents approximately 77 hours per month at the current homemaker reimbursement rate of $13.62.
- § Adult Day Service and Personal Emergency Response Program System (PERS) option: $1702.00 represents 23 days of 8 hours per day of Adult Day Service per month at a current cost of $7.02 per hour and two one-way trips per day at $8.30 per one-way trip for transportation. PERS is a once per month cost at the current rate of $28.00.

Figure 37

Zip Code Area	Marital	Money Manage-ment Partici-pant Income Level	Total Monthly Income of Money Management Participants	Total Monthly Expenses using FMR* rates for a one Bedroom apartment	Total Annual Expenses Using FMR	Total Annual Expenses Using FMR + $1,049** CCP Homemaker cost per month	Total Annual Expenses using FMR* + $1702. ADS*** + $28. PERS CCP costs per month	Weighted Average Yearly Nursing Home Rate
600	Single	Median	$1,050.00	$1,300.00	$15,600.00	$28,188.00	$36,360.00	$39,872.82
611	Single	Median	$949.00	$1,044.00	$12,528.00	$25,116.00	$33,288.00	$35,543.51
612	Single	Median	$874.00	$893.35	$10,720.20	$23,308.20	$31,480.20	$34,201.52
629	Single	Median	$992.67	$887.00	$10,644.00	$23,232.00	$31,404.00	$30,077.38

* FMR, Fair Market Rent figures as shown in Figures 32 through 35.
** $1,049.00 represents the service cost maximum for CCP Homemaker for 77 hours per month at a cost of $13.62 per hour.
*** $1702.00 represents the service cost maximum for 23 days of 8 hour Adult Day Service and two-way transportation plus a one time per month $28 for a personal emergency response system.

When considering cost savings to the state, it is important to remember that approximately one-half of the Medicaid dollars for both nursing home and CCP expenditures for those Medicaid eligible participants are paid for by the federal government. Illinois provides matching funds for the other one-half. Also Figure 37 examines only expenditures. The older adult and/or family's contributions to the cost of care and living expenses is not included.

Money Management Data Analysis Summary

This analysis of the Money Management participants was intended to establish a required income floor necessary to cover projected expenses to be incurred for a person transitioning from the nursing home to community residency. The weakness in our ability to do so may be the result of the quality of the data and access to comparative data.

Many of the *Home Again*, as well as the Money Management participants reside in subsidized housing which significantly reduced cost of living expenditures. Also, many of the Money Management participants reside in shared housing situations. Consequently, the substitution of Fair Market Rental Expenditures for the Money Management housing costs in select regions of the state suggests perhaps the best of the data outputs. The results may have brought us closer to realizing the most realistic picture of what may be required as a floor of income necessary to transition an older adult from the nursing home to community residency. Interestingly, the

revised numbers for the Chicagoland area closely resemble the basic living costs indicated in the Elder Economic Security Index for the Boston area.

The data, in general, possibly suggests that:

- Lower income older adults, particularly with health and physical challenges are finding it simply too expensive to continue community residency without housing subsidies or shared housing environments.
- Asset levels, including asset protections and various programs for home owner exemptions should be preserved and strengthened.

Likewise, for those nursing home residents that remain in the facility beyond the short-term post hospital stays, the revised data with the Fair Market Rental Expenditures substitution may suggest that some older adults are seeking nursing home placement as a housing resource verses its intended purpose of providing care to persons requiring 24 hour care and/or supervision.

The revised Money Management data using the Fair Market Rental Expenditure substitution when used in comparison to nursing home expenditures indicates that in three out of the four areas studied, it appears less expensive to reside in the community with services than to reside in a nursing home. This depends greatly on the amount of service needed and the recognition that nursing homes operate on a 24 hour, seven day per week basis. Nursing home residents transitioned to community residency might be able to manage with intermittent care and creative plans of care that utilizes various housing options and assistance. Additionally, it is hard to put cost figures on issues of consumer choice and preference.

At a minimum, the data analysis is worthy of consideration and reflection. It is hoped that it sensitizes the reader to consider:

- True costs of living and income required to successfully consider and maintain community residency. When Fair Market Rental Expenditures is substituted, it shows a gap between income and expenses with little or no room to sufficiently cover expenses and to contribute cost sharing or private paying for care required in the community setting.
- The need for housing incentives, rental subsidizes and protections for maintaining housing resources.
- Realistic financial eligibility requirements for programs and services. It raises the following questions:
    - Are we providing the necessary incentives for older adults to stretch existing financial resources and community supports?
    - Are we promoting the depletion of financial resources and losing community supports whereby costs will ultimately be incurred by the state through Medicaid either in a nursing home or in a community setting?

Strategy Recommendations to Address Funding Needs

UIC agreed to develop recommendations and strategies to address funding needs of our older adults concerning transitional services. Most of the programs, services and best practices mentioned in this section are not specifically targeted to transitional services, but focus on long-

term care and the prevention of permanent institutional long-term care placement. This researcher believes there is a relationship between the two.

Defining responsibility of the costs for long-term care between public and private resources presents difficulty. "It is easy to agree that care for an elderly women who is alone, impoverished and frail should be a public responsibility, but what if her husband is alive, or there is money in the bank – should she still qualify for public services?" (Ikegma, Hirdes & Carpenter, 2001, p. 27).

Medicaid waivers for home and community-based services are required to have cost-containment measures and demonstrate that average per capita expenditures not exceed the average per capita cost of services in an institution (Wiener, Tilly & Alecxih, 202, p.106). Consequently, Medicaid waiver programs such as CCP offers home and community-based long-term care programs and services to avoid or delay nursing home placement at a cost less than nursing home care. It targets those at greatest risk of premature nursing home placement due to the lack of caregiving support and the lack of funds to remain in the community.

The recommendations for consideration in this section offer options for both the public and private sectors and operationalize many of the recommendations expressed in the previous section specifically relating to the Money Management data analysis. The five suggested areas are from the report *Diversion and Transition Services in the U.S.: Promising Practices and Options for the Future (*O'Connor, Long and Quach, 2006).

1. Increase Public Awareness about Community Options

Implement the "Own Your Future" Campaign

"Own Your Future" encourages consumers to plan ahead for funding their future long-term care. The program is a joint initiative of Administration on Aging (AoA), Centers for Medicare and Medicaid, and the Office of the Assistant Secretary for Planning and Evaluation (ASPE) that provides education and information on financial planning, housing, and health care to older persons and their families so they can plan to meet their future long-term care needs. Maryland's "Own Your Future" educates consumers about long-term care insurance, home and community-based services, reverse equity mortgages, and estate planning.

These campaigns do not provide funding for community options. They are a preventative education model to inform consumers that funds will be needed for retirement which may well last into a person's nineties and to increase the public's awareness about community options. We may want to increase our efforts at promoting and encouraging programs and policies that support home ownership and savings.

Promote Long-term Care Insurance Partnership Policies

Illinois has legislation in place to establish Long-term Care Insurance Partnership policies. Under the terms of the Partnership products, individuals who purchase these Long-term Care Partnership policies and utilize the policy's benefits are able to retain a defined amount of assets and still be eligible for Medicaid. Whether the re-emergence of an Illinois Long-term Care

Partnership product will ultimately save the state money is an unknown, but it is a strategy for older adults to fund the cost of their long-term care needs.

2. Increase Care Coordination for Targeted Groups

Adequately fund Illinois' Comprehensive Care Coordination

Illinois has taken appropriate initial steps with the adoption of a more comprehensive approach to care/case management. Through targeted care coordination to older adults, comprehensive care coordination goes beyond assessment of eligibility for CCP, but touches upon a dozen domains. Case managers, if adequately funded could function much like the "life coaches" in the disability community who help individuals' access affordable and accessible housing, provide information on personal care assistants, and facilitate linkages with governmental and non-governmental support programs and services.

Support Cash and Counseling

The program is sponsored by The Robert Wood Johnson Foundation (RWJF), the Office of the Assistant Secretary for Planning and Evaluation in the United States Department of Health and Human Services (ASPE/DHHS), and AoA. It began with demonstration projects in three states. In 2005, the program was expanded to include 12 states by RWJF, and Illinois was independently awarded a grant by the Retirement Research Foundation. The program allows Medicaid waiver participants, such as those receiving CCP, greater flexibility and ownership of the plan of care. With assistance from a case manager, older adults decide what services they will receive and who will provide them. Funds can be used for home modifications and to pay family members to provide care. Evaluations indicate that costs vary under Cash and Counseling. Cost savings appears in lower non-agency delivered services, but has the potential to impact quality. Also, potential savings are dependent upon rates paid for service delivery. It is a challenge to quantify the effect on participants, but the evaluations speak of better health and quality of life outcomes. Cash and Counseling supports consumer direction and choice, especially when options are limited due to limited financial resources.

Quantify cost savings

Cost savings in plans of care should be documented. "Milliman, Inc. estimate that the potential savings for nursing home diversion programs for one year is an average of $10,000 per person diverted (based on average of 9.2 months duration) and an average of $9,000 per person transitioned (based on average 8.8 months duration). They expect the savings to be lower in the year following diversion or transition, but note that data are insufficient at this point to measure this." (Reinhard & Farnham, 2006, p.9). This represents savings to a state's Medicaid program.

CCU Care managers should borrow from the insurance industry such as Milliman to calculate and quantify savings of alternative plans of care. They are in a unique position to identify, assist and link older adults with alternative resources to nursing homes and with transitioning older adult nursing home residents into the community.

3. Increase Transitional (and Affordable) Housing Options

Expand funding for housing voucher programs and housing subsidies

The Money Management data analysis points to the challenge of finding and keeping affordable housing. According to Stephen F. Gold, disability rights' attorney, "Affordable, accessible, integrated housing has been identified throughout the country as a major barrier, for persons with disabilities and older Americans who are in nursing facilities, to return to their communities" (Gold, 2007). Gold in a separate bulletin references Alphonso Jackson, Secretary of the U.S. Department of Housing and Urban Development (HUD) who encourages public housing authorities to set local preferences and to use public housing units, housing vouchers and collaboration between state Medicaid, aging and disability offices (Gold, 2006).

One program is the use of HOME funds through HUD providing opportunities for tenant-based rental assistance programs or TBRA. HOME funds in Illinois are administered by the Illinois Housing Development Authority (IHDA) and from local entities called participating jurisdictions or "PJs." They have been used for assistance to homebuyers in the purchase and/or rehabilitation of single-family owner occupied homes and small rural rental properties. According to Jennifer Novak, Assistant Director, Office of Housing Coordination Services for IHDA (personal communication on May 17, 2007) many older adults have been recipients. Ms. Novak cautions that this rental assistance is only available for two-year maximum increments and if used for ongoing funding, the availability would be greatly diminished. In FY 2005, public housing authorities were allocated over $729 million under the federal Housing Choice Voucher Program versus $24 million for the HOME program.

IHDA is in process of launching Illinois' Comprehensive Affordable Housing Plan which will place a $10 surcharge on real estate document recordings under the name of the Rental Housing Support Program. It is expected to generate more than $25 million dollars each year and assist an estimated 4,000 households annually. In this program, Local Administering Agencies (LAAs) will contract with landlords to provide units targeting low wage earners that consequently enable families and persons with disabilities/special needs affordable rental units. This is in addition to other IHDA efforts to assist older adults with home modification programs in various parts of the state. IHDA uses state HOME funds for small rental property and single family owner occupied rehab, multi-family housing development and predevelopment funds to Community Housing Development Organizations interested in developing affordable housing. For FY 2007-08, IHDA in collaboration with IDOA is assisting older adults with assistive technology needs through the CCP's Flexible Senior Services demonstration.

In Illinois, the Department of Commerce and Economic Opportunity (DCEO) administers the Section 8 program which offers housing vouchers also funded by HUD. Approximately 220 vouchers or 220 households are assisted each year in Illinois. In FY 2006 DCEO received $680,000. Additionally, DCEO administers grants for services to assist low-income persons through the Community Development Block Grant for single family rehabilitation and accessibility modification.

A number of recommendations were written for the state of Pennsylvania by the Pennsylvania Intra-Governmental Council on Long-Term Care in the March 2002 report entitled, *Home and Community-Based Services Barriers Elimination Workgroup Report.* Specifically, the lack of

available funding for housing was identified. The report indicated that some states were working with local housing authorities to set aside Section 8 vouchers specifically for at-risk older adults. It also recommended:

- § State agencies collaborate to increase affordable housing options for persons with long-term care needs with a goal of dedicated funding; evaluate creative solutions to making services accessible on a 24 hour basis such as clustering residents in housing units in close proximity to others for sharing the hire of 24-hour intermittent assistance.
- § The state should pay a housing subsidy to waiver recipients at home if the total state cost is less than the state cost of paying for that consumer to reside in a nursing home.

Promote Reverse Mortgages

A reverse mortgage is a loan against the equity of one's home; as such it supports traditional housing as an option. It allows older adults aged 62 and older to convert this equity into cash while they continue to live at home. The cash can be used to pay for long-term care expenses such as home modifications, in-home care or adult day services. In actuality, the money can be used for anything from yearly property taxes to a trip or child's wedding expenses. However, the cash is a loan and is reducing the equity of the home. The loan is ultimately due upon the sale of the house or when the last of the borrowers on the loan moves-out or dies. During the life of the loan the borrowers have no monthly mortgage payments in relationship to this reverse mortgage loan.

Supper and Cocozza (2006) point out that "Upfront cost for the FHA program can range from 6 percent to 12 percent of the amount borrowed; private loans can be even more expensive" (p. 18). For older adults that desire to leave a legacy to their children, the equity in the property has been reduced. However, according to the National Council on Aging's report, *Use Your Home to Stay at Home Program Study Shows That Reverse Mortgages Can Help Many with Long-Term Care Expenses (2004)*, reverse mortgages offer retirees looking for ways to supplement fixed incomes and defray living expenses a very viable option and one that could be promoted to effectively reduce the costs of long-term care to the state. It delays the use of Medicaid funds to pay for institutional long-term care as one spends-down their assets and maintains community residency.

4. Assistance that Links Housing and Supportive Services

There are number of options for older adults that link residents to home and community-based supportive services and encourage the maintenance of the home as the place in which to receive long-term care services and grow old. These efforts are worthy of support.

Recognize Naturally Occurring Retirement Communities (NORCs)

The State of Indiana Family and Social Services Administration Division of Aging in collaboration with the University of Indianapolis Center for Aging and Community is currently seeking applications for organizations to develop what they have termed as neighborhood naturally occurring retirement communities. They are seeking to replicate the success of the Indianapolis Jewish Federation's NORC project where a defined neighborhood is being transformed.

A NORC is defined by Hunt (2001) as a community in which 50 percent of the population is over the age of 60 and have maintained residency for a period of time. A 1997 study by AARP (Hermanson & Citro, 1999), found that 27% of persons 55+ years of age were already residing in communities where the majority of residents were 60+ years of age. Consequently, because NORCs, by definition are high concentrations of older persons, they provide opportunities to:

- Deliver health and supportive services cost-efficiently;
- Increased service availability;
- Organize cooperative health promotion, crisis prevention and community improvement initiatives;
- Develop new human, financial and neighborhood resources for the benefit of older residents.

Hunt (2003) sees successful NORC communities in urban and rural settings as having four components. These components are:

- Social engagement where relationships are fostered and the environment exists much like a college dormitory where apartment doors are open to public spaces;
- Services are provided to meet the needs of the NORC residents;
- Management is supportive of the older adults desire to age in place;
- Design and planning which may include physical changes such as retrofitting of doors, bathrooms and kitchen to make them conducive to an older adult that may be experiencing declining abilities to perform activities of daily living.

The NORC phenomenon has potential for enhanced delivery of home and community-based support responsive to the needs and desires of this aging society who wish to remain in their home and community. Similarly, while difficult to quantify the cost savings of providing home and community-based services in NORC communities, current programs and service providers should receive fiscal incentives to capitalize on naturally occurring community structures and environments in the delivery of services. These actions should yield present and future cost savings to the state by reducing the real and perceived need for nursing home placement.

There have been a few NORC demonstration projects in Illinois. At the present time, the Council for Jewish Elderly in the metropolitan Chicago area has two project sites in-place. Their results, as well as, the results of other research underway throughout the United States may prove to be beneficial and adaptable to Illinois communities where 50 percent of the population is over the age of 60 and where the community can be transformed through the enhancement of home and community-based supportive services to create the environment where persons can comfortably grow old.

Expand Comprehensive Care in Residential Settings (Illinois)

Beginning in 1998 as Community Based Retirement Facilities and renamed by legislative action of the Illinois General Assembly in 2004 as Comprehensive Care in Residential Settings, the program provides affordable assisted living for CCP clients residing in a number of specific buildings. This program is administered by IDOA in partnership with IHDA for housing development. Maximizing the strengths of older adults residing in congregant settings, CCP clients may receive their package of services intermittently throughout the day, provided by a single provider. The provider receives a capitated rate which allows the dollars to be spent on an

array of services including those not traditionally provided by the CCP program. This allows a plan of care that is client centered. The CCP recipient privately pays the rent.

Plans of care for Comprehensive Care in Residential Settings clients should include a measurement of cost containment verses traditional CCP, as well as, nursing home expenses. This measurement should demonstrate the strength of this approach in terms of a cost/benefit savings.

Extend Program(s) of All-Inclusive Care for the Elderly (PACE)

The Program of All-Inclusive Care for the Elderly (PACE) which is administered by Illinois HFS is a managed care concept that incorporates the continuum of care services, including nursing home, however "the goals of PACE are to maximize each enrollee's autonomy and continued community residence and to provide quality care at lower cost to Medicare, Medicaid, and private-pay enrollees relative to their payments in the traditional system" (Hansen, 1999). The older adult enrollee must be at least 55 years of age and have difficulties with their activities of daily living.

Similar to the other programs described above, PACE has an identified geographic area; however the community is usually much larger than the NORC or Comprehensive Care in Residential Settings. Also similar to the Comprehensive Care in Residential Settings model, it too utilizes a capitated rate. The PACE rate is a combination of Medicare and Medicaid. In turn, the participant is eligible for an array of medical and non-medical services to meet their needs. It is strongly based on a prevention model in order to keep catastrophic costs from materializing and represents another model for potential cost savings.

5. Increase Incentives for Diversion and Transition

In addition to targeted care coordination mentioned previously, Illinois has in-place a number of incentives for diversion and transition. Specifically, the ability to access CCP on a temporary or *Interim* basis before eligibility is established is one strategy that is recommended in the literature (O'Connor, Long & Quach, 2006). However, as indicated in the Money Management data analysis the use of the Federal Poverty Index as the threshold point for cost sharing in CCP once eligibility is established is impacting many older adults from taking advantage of the program.

Strengthen IDOA's *Choices for Care* and *Home Again* Enhanced Transition

Choices for Care and the *Home Again* programs target diversion. *Choices for Care* provides a pre-admission screening, information, access to CCP and other home and community-based supportive service options and voluntary follow-up. The earlier Illinois' Systems Change grant report entitled *Clarification of Roles and Responsibilities of Existing Aging Network Providers Participating in the Nursing Home Transition Process* recommended changes to Illinois pre-admission process in terms of re-emphasizing choices in care and mandating timely case management follow-up. As a result, there has been some interest by members of the Illinois General Assembly to consider adoption of mandatory timeframes for follow-up once a person has been admitted to a nursing home.

The *Home Again* program, described previously in this report is another example of Illinois' current efforts at addressing diversion and transition. This program, while the outcomes are still being learned, appears to show success. Encouraging these demonstration projects to become available statewide should enhance the over-all state effort at increasing the incentives for diversion and transition.

Enable payment to families who provide care

In discussions in focus groups conducted with caregivers for research on behalf of the Systems Change grant concerning service needs, the desire by family caregivers to be paid for providing care was identified. This concept of paying families is not new. Linsk, Keigher, Simon-Rusinowitz and England (1992) specifically examined payment to families studying Illinois' Community Care Program. Amongst a number of issues, payment was seen as a strategy to address the hard to serve individual that may be the result of environmental or behavioral issues. Even in 1985 when their research was being conducted, it was seen as a means to address worker shortage issues. The literature pertaining to Cash and Counseling program speaks to this as an option.

Simon-Rusinowitz, Mahoney and Benjamin (1998) point out that service plans identify unmet needs and focus on addressing these unmet needs. Current CCP plans of care consider the role of family and significant others in providing care. The paying of family members would be for the additional time beyond what they are currently providing and are not able to assist, without an income source to meet their financial responsibilities. The same article speaks to this desire for payment amongst "low-income people with minimal education, work skills and experience" (p.70) and this option might attract not presently providing this care to consider it. Interestingly, the request for payment came from the focus groups where participants were representative of lower socio-economic status.

There has been a fear expressed by policy personnel that if one offered an attractive benefit, such as those described on the following page under *Money Follows the Person* and paying families to provide care, those persons who might not normally take advantage of these types of incentives would come out of the woodwork (Simon-Rusinowitz, Mahoney and Benjamin, 1998, p. 71). Studies show that eligibility standards for programs would still need to be in-place to assure that those in need receive the services. In particular, Tilly, Wiener and Cuellar (2000) examined four European countries and the United States and stated that "none of the observers reported that expenditures were out of control. Every country has strict limits on eligibility, benefits and funding of consumer-directed programs" (p.75). Consequently, paying family members for unmet needs may be a strategy to address long-term care costs and a means of preserving a family's ability to support and provide long-term care. Illinois could examine the state's Division of Rehabilitation Services and Division of Developmental Disabilities experiences as models.

Explore all options under the Deficit Reduction Act

The federal Deficit Reduction Act (DRA) of 2005 has a number of provisions that impact individual and state costs towards long-term care and designed ultimately as suggested in the title of the Act, to reduce the national deficit. These provisions include the opportunity for states to impose cost-sharing requirements and premiums by permitting restrictions on benefits for certain Medicaid enrollees. Based on responses of Systems Change focus group participants, these

actions run counterproductive to persons already feeling squeezed by living costs and inadequate incomes. The DRA also has a provision for targeted case management which has already been discussed above.

Since the DRA is in large measure a rebalancing initiative or a shifting of dollars to home and community-based services, it begins to expand the opportunities for at-home services and choice over institutional care. The older adult becomes the beneficiary of these incentives. The DRA allows states to provide specified home and community-based services to beneficiaries with incomes below 150% of the poverty index level without obtaining a waiver. The DRA has provisions for Medicaid Transformation Grants, demonstration projects for health opportunity accounts and state drug rebate programs.

Support Money Follows the Person

Illinois will be a participant in *Money Follows the Person* under the auspices of HFS. It is a program and concept that individuals residing in nursing homes and on Medicaid would be allowed to utilize the same or similar level of funding to provide home and community-based services upon discharge from the nursing home. This concept builds upon the Supreme Court's mandate in Olmstead v. L.C., 527 U.S. 581 (1999) which requires states to place qualified individuals in community settings or the least restrictive environment, rather than institutions. Provisions offering states the option to create *Money Follows the Person* demonstration programs were incorporated in the DRA of 2005.

Medicaid programs initiated as a result of the *Money Follows the Person* concept should be relatively cost neutral and perhaps less expensive for states as assistance provided by family and/or even hired caregivers may be less than those paid for while residing in a nursing home.

The target group for *Money Follows the Person* programs would be persons that may at one time required 24 hour skilled care, but now have primarily custodial care needs such as help with medicine, dressing, bathing and other personal care. There are a number of states even prior to the DRA that have incorporated *Money Follows the Person* concepts in their waiver programs. Ormond, Sommers and Black (2006) reported on Texas' experiences stating that persons who are interested in leaving a nursing home were assigned a case worker to work with a home care agency to develop an individual service plan. "Respondents reported finding reliable contractors for minor home modifications and maintaining quality personal attendant services as the most frequent challenges to a small transition (p.3). The report also states that about one-third of the participants moved to assisted living from the nursing home.

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