Rebalancing in Rhode Island: The Shift to Home and Community-Based Care for Older Adults

BY

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How can Rhode Island rebalance its long-term care system for older adults?

Many older adults have limited incomes and struggle to afford long-term care. The average cost of home care services in Rhode Island is 111% of seniors’ annual median income.

Wages for paid caregivers are low and have declined in real terms in recent years. This leads to a shortage of care workers, making it harder for older adults to find care.

**Median Hourly Wages for Direct Care Workers in Rhode Island, 2005-2015 (Adjusted for Inflation)**

*Source: American Community Survey*
Like many states, Rhode Island is rebalancing its long-term care system to include more home- and community-based services.

**RESEARCH IN BRIEF**  
Full article, author bios, and endnotes can be found at collaborativeri.org/topic-areas

**CHALLENGE**  
As the elderly population grows and the costs of caring for them rise, many states are transitioning older adults from institutional care to home- and community-based services (HCBS) like home health care, assisted living, and adult day centers. This rebalancing of long-term supports and services (LTSS) is widely accepted as a way to lower costs, increase quality of care, and meet older adults’ preference to age in the community as long as possible. Rebalancing can also impact Rhode Island’s Medicaid budget, over a third of which ($832 million in FY2015) goes toward LTSS for seniors and people with disabilities.

**RESEARCH**  
While rebalancing the long-term care system can have significant benefits, there are a number of elements required to build a robust HCBS system. To better understand rebalancing in Rhode Island, we reviewed the existing research literature on long-term care, analyzed demographic trends on the elderly and the LTSS workforce, and analyzed Medicaid data on the utilization and quality of LTSS in the state. We also conducted interviews with twenty key stakeholders representing trade associations, the Long-Term Care Coordinating Council, nursing home administrators, HCBS providers and program managers, and direct care workers.

**FINDINGS**  
Studies show that HCBS can save seniors and state governments money over institutional care, yet our research revealed that Rhode Island has been slow to rebalance its long-term care system. We identified three key obstacles to rebalancing in the state:

1. A lack of HCBS capacity and coordination, resulting in part from low reimbursement rates for HCBS providers;
2. A shortage of care workers, due primarily to low wages and poor working conditions; and
3. A scarcity of affordable, accessible housing for seniors who wish to remain in their homes and receive care in the community.

**INSIGHTS**  
State policy decisions significantly impact the type and quality of long-term care older adults receive, as well as the state’s budget. Given what is at stake, continuing efforts to rebalance the long-term care system to make it more efficient and effective are essential. If seniors cannot afford the care they need, are unable to find caregivers and services, or do not have a suitable home to live in while receiving care, they may end up unnecessarily institutionalized. By addressing capacity and affordability issues, the state can rebalance its long-term care system to offer seniors more options and provide them with the appropriate care they need.

**Housing Cost Burdens in Rhode Island**

It can be challenging for older adults to secure affordable, accessible housing. Many spend a significant portion of their income on housing, leaving little to pay for long-term care.

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<th>Homeowners</th>
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Cost Burdened  
Spend > 30% of their income on housing  
Severely Cost Burdened  
Spend > 50% of their income on housing
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