



CENTER *for* RURAL AFFAIRS

RURAL NEBRASKA'S SHIFTING LONG-TERM CARE SYSTEM

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I. EXECUTIVE SUMMARY

This analysis identifies the number of long-term care facilities in Nebraska's nonmetropolitan, micropolitan, and metropolitan counties, and tracks the number of licensed beds in each of these county classification categories. Trends relating to the growth or loss of both beds and facilities in Nebraska's 93 counties are highlighted.

Additionally, this analysis investigates other factors that impact elder health care in Nebraska. Those factors include the availability of health care providers, the impact of federal programs like Medicaid and Medicare, and the changing demographics of rural populations as they relate to long-term care facilities.

II. DEFINITIONS

"Long-term care facilities," as defined by the National Institute on Aging, are facilities that offer a variety of health care services designed to meet a person's health or personal care needs during a period of time.¹ The most common type of long-term care is personal care, or help with everyday activities such as bathing, dressing, grooming, eating, and moving from place to place. More commonly, these facilities are referred to as nursing homes. In this white paper, only facilities

classified as nursing homes or long-term care facilities by the Nebraska Department of Health and Human Services are discussed.

For this analysis, U.S. Department of Agriculture (USDA) definitions will be utilized to categorize Nebraska's counties based on population. These classifications come from the 2013 USDA – Economic Research Service's Atlas of Small Town and Rural America.² See Figure 1 on page 2.

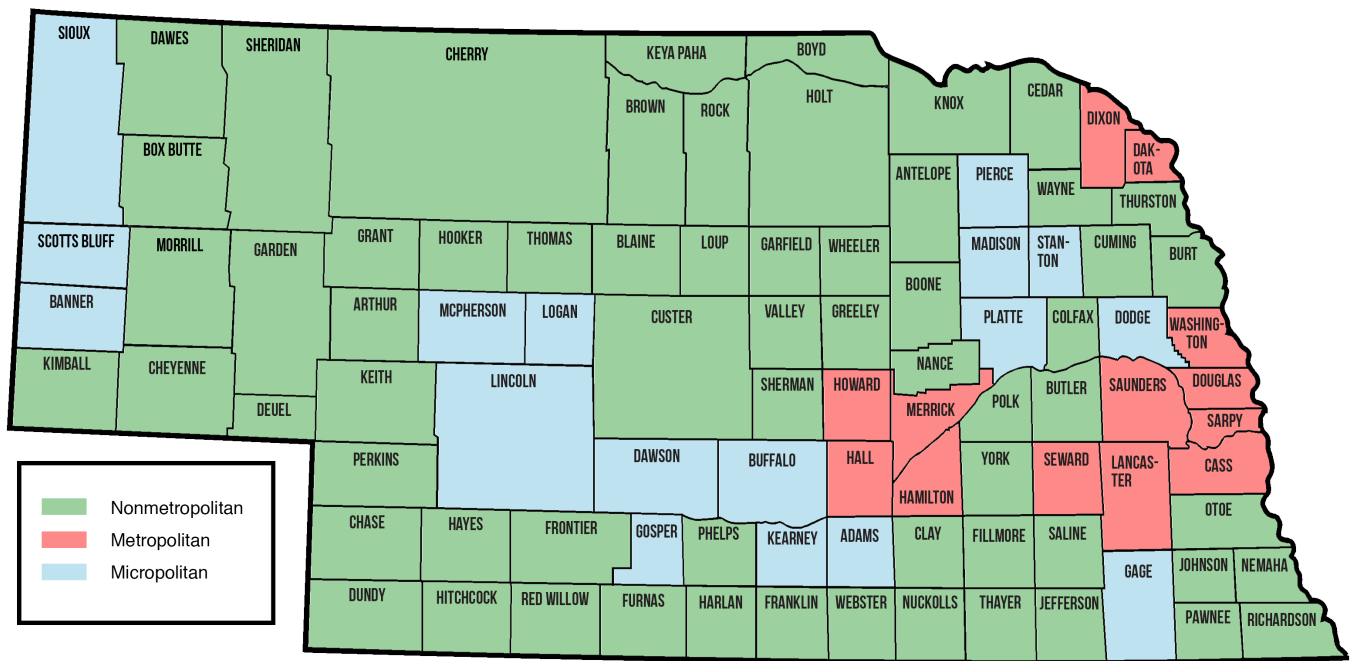
- In general, metropolitan counties are defined as containing one or more urbanized areas: high-density urban areas with 50,000 people or more.
- Micropolitan counties have one or more urban areas containing 10,000 to 49,999 people.
- Nonmetropolitan counties are outside the boundaries of metropolitan areas and have no urban areas with 50,000 residents or more.

Any use of the term "rural" refers to nonmetropolitan and micropolitan counties.

¹ "What Is Long-Term Care?" National Institute on Aging, U.S. Department of Health and Human Services, May 1, 2017, nia.nih.gov/health/what-long-term-care. Accessed July 2018.

² "Documentation." Atlas of Small Town and Rural America, U.S. Department of Agriculture, Economic Research Service, June 7, 2018, ers.usda.gov/data-products/atlas-of-rural-and-small-town-america/documentation/#nonmet2010. Accessed July 2018.

FIGURE 1: NEBRASKA COUNTY CLASSIFICATIONS, 2013



III. AGING IN RURAL AREAS

As the rural population ages at a rate greater than in urban areas, Nebraskans are making tough decisions about long-term health care for themselves and their loved ones. Access to a level of care that meets their unique needs can determine if families remain together, or if their loved ones will have to move miles away. Long-term care facilities are crucial to providing a level of care that many families cannot offer to their loved ones. In rural areas of the state, accessing long-term care is becoming increasingly challenging.

Although the ages of a county’s residents do not directly indicate the demand for a long-term care facility, these numbers help paint a picture of where a larger portion of the state’s older residents reside. Older residents may have a greater need for long-term care facilities.

Nationally, 15.5 percent of the nursing home population is under age 65 and 7.8 percent are over 95 years of age, indicating that 76.7 percent of nursing home patients are between the ages of 65 and 95 years old.³ Areas with larger elderly populations would likely indicate an increased need for facilities and greater capacity to handle the demand for long-term care. In Nebraska, various examples paint a more somber picture.

3 Centers for Medicare and Medicaid Services. “Nursing Home Data Compendium 2015 Edition.” U.S. Department of Health and Human Services, 2015, pp. 10, Baltimore, Maryland, [cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareMedicaidStatSupp/index.html](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareMedicaidStatSupp/index.html). Accessed July 2018.

The national average percentage of the population 65 or older was 14.0 percent for metropolitan counties and 17.7 percent in nonmetropolitan and micropolitan counties in 2016.⁴ This indicates rural populations are older than their urban counterparts at the national level. The same is true for Nebraska. In 2016, the percentage of the population that was 65 or older living in metropolitan counties was 12.2 percent and 18.5 percent for nonmetropolitan and micropolitan counties; this shows a 6.3 percent difference. In addition, the top 43 Nebraska counties with the highest 65 and older population are nonmetropolitan counties.

In several instances, nonmetropolitan counties with the highest percentage of elderly populations have fewer long-term facilities. For example, in Hooker County, with 37.4 percent of residents over the age of 65, there is one long-term care facility. This one facility has 30 beds for approximately 250 residents over the age of 65 who are more likely to need long-term care. The next closest facility is located in Valentine, a 74-mile drive from the facility in Hooker County. Additionally, there are no long-term care facilities in the five counties adjacent to Hooker County.

The counties with the greatest percent of population 65 and older were:

- 1) Hooker, 37.4 percent;
- 2) Grant, 27.4 percent; and
- 3) Garfield, 26.9 percent.

4 "Rural Data Explorer – Rural Health Information Hub." Defining Health Promotion and Disease Prevention – RHIfhub Toolkit, Health Resources and Services Administration of the U.S. Department of Health and Human Services, 2016, ruralhealthinfo.org/data-explorer?id=187. Accessed July 2018.

IV. METHODOLOGY

The data in this analysis was obtained by comparing and contrasting the 2008⁵ and 2018⁶ State of Nebraska Roster of Long-Term Care Facilities. Nonmetropolitan, micropolitan, and metropolitan counties were identified, their facilities and beds counted in 2008, and subsequently compared with the 2018 roster. The results indicated the growth or shrinkage of the number of facilities and beds in Nebraska's 93 counties. Provider shortage, demographic, and insurance data come from the Rural Health Information Hub.⁷ Micropolitan counties, although they technically qualify as nonmetropolitan counties, are separated into their own category to illustrate the impact on small towns.

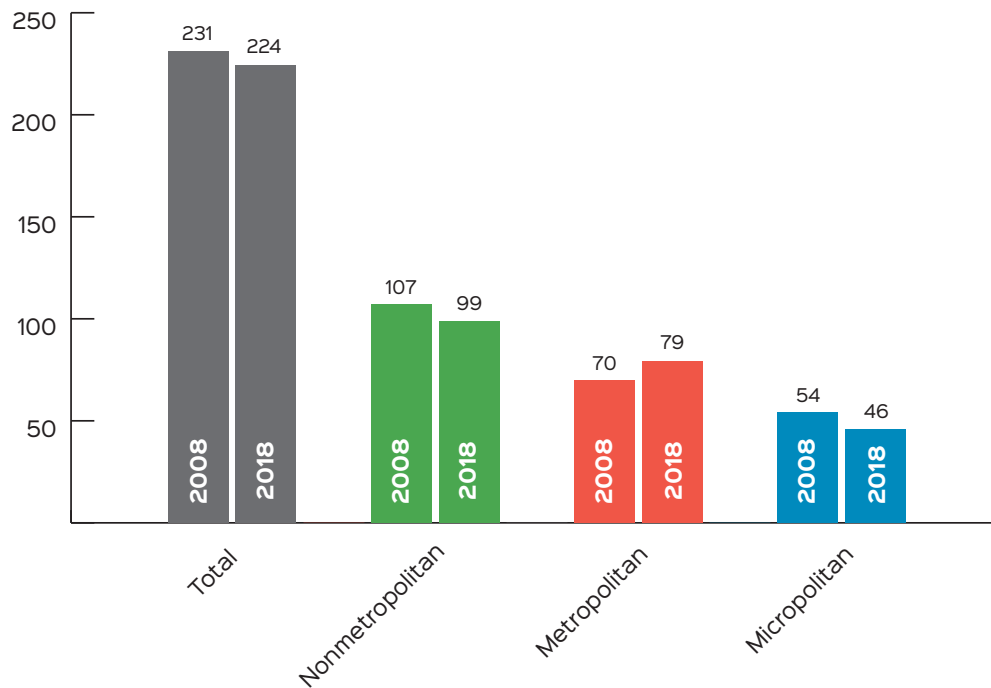
A. FACILITIES

Facilities in nonmetropolitan, micropolitan, and metropolitan areas have shuttered, opened, and moved in differing amounts. As population shifts and demand changes around the state, it is expected that some facilities will continue to operate and others will not. However, there are a few notable trends regarding the difference in closures in rural communities, small towns, and metropolitan centers. A closure in one community could leave hundreds of Nebraskans without access to long-term care.

5 Nebraska Department of Health and Human Services. "State of Nebraska Roster Long Term Care Facilities." State of Nebraska, June 6, 2008, govdocs.nebraska.gov/epubs/H8310/D001-2008.pdf. Accessed June 2018.

6 Nebraska Department of Health and Human Services. "State of Nebraska Roster Long Term Care Facilities." State of Nebraska, June 15, 2018, dhhs.ne.gov/publichealth/Documents/LTCRoster.pdf. Accessed June 2018.

7 "Rural Data Explorer – Rural Health Information Hub." Defining Health Promotion and Disease Prevention – RHIfhub Toolkit, Health Resources and Services Administration of the U.S. Department of Health and Human Services, 2013, ruralhealthinfo.org/data-explorer. Accessed July 2018.

FIGURE 2: NUMBER OF LONG-TERM CARE FACILITIES

Across Nebraska, there were 231 facilities in 2008 and 224 facilities in 2018. See Figure 2. Comparative data reveals that, during the 10-year period, 30 facilities closed and 23 new facilities opened; this indicates a net loss of 7 facilities statewide. An analysis of nonmetropolitan, micropolitan, and metropolitan counties reveals a variation in the amount of closures.

- In nonmetropolitan counties, the total number of licensed facilities in 2008 was 107; in 2018, this total fell to 99 – indicating a net loss of 8 facilities. A more detailed look shows that during this 10-year period, 13 nonmetropolitan facilities closed and only 5 facilities emerged.
- In micropolitan counties, the total number of licensed facilities in 2008 was 54; in 2018, this total fell to 46 – indicating a net loss of 8 facilities. A closer look shows that during this 10-year period, 10 micropolitan facilities closed and only 2 facilities emerged.
- In metropolitan counties, the total number of licensed facilities in 2008 was 70; in 2018, this total grew to 79 – indicating a net gain of 9 facilities. A more detailed look shows that

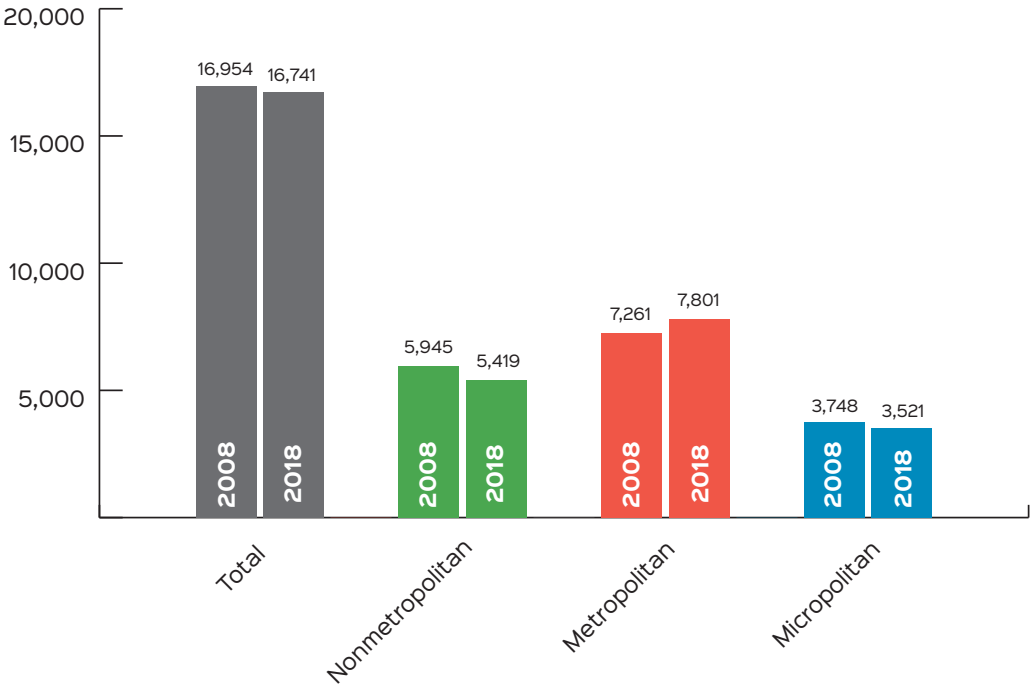
during this 10-year period, 7 metropolitan facilities closed and 16 new facilities emerged.

While metropolitan counties gained 9 facilities, an increase of 13 percent, the opposite occurred in nonmetropolitan and micropolitan counties. In rural areas, 23 rural nursing facilities closed in the last 10 years and only 7 new facilities emerged – a net loss of 16 facilities, or 15 percent. As a result of the decline in the number of facilities, many Nebraskans may have been left without access to care.

This is significant given that 652,806 Nebraskans, or nearly 35 percent of the state’s residents, live in rural areas.⁸ Although there has been an overall population shift to urban areas, rural populations are older as a whole and have a demand for long-term care services. Without suf-

8 U.S. Census Bureau, Population Division. “Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2016.” Washington, D.C., December 2016, factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2017_PEPANNRES&prodType=table. Accessed June 2018.

FIGURE 3: NUMBER OF BEDS AT LONG-TERM CARE FACILITIES



efficient access to a long-term care facility, rural Nebraskans may be forced to uproot their families or forego life-sustaining care.

B. CAPACITY

While some rural Nebraskans may have access to long-term care facilities, it is important to analyze the capacity, or number of licensed beds, these facilities have to offer. If demand is high in a certain region of the state and the available facilities cannot provide the number of needed beds, Nebraskans could be left without access to the long-term care.

Each facility on the 2008 and 2018 Nebraska Rosters of Long-Term Care Facilities indicates a total number of licensed beds. See Figure 3. In 2008, there were 16,954 beds; in 2018, there were 16,741 beds. These totals were compared between facilities and separated into the county classifications of nonmetropolitan, micropolitan, and metropolitan to indicate the number of beds in rural areas of the state. Subsequent to the comparison of beds in facilities that remained open during the 10-year

window, new facilities and the beds they offer were added to the data. This comparison revealed there was a net loss of 213 beds over this 10-year period – most of them in rural areas.

- In nonmetropolitan counties, the total number of beds in 2008 was 5,945; in 2018, this total fell to 5,419 – indicating a net loss of 526 beds. A more detailed look shows that during this 10-year period, 718 beds were lost while only 192 new beds became operational.
- In micropolitan counties, the total number of beds in 2008 was 3,748; in 2018, this total fell to 3,521 – indicating a net loss of 227 beds. A more detailed look shows that during this 10-year period, 407 beds were lost while only 180 new beds became operational.
- In metropolitan counties, the total number of beds in 2008 was 7,261; in 2018, this total rose to 7,801 – indicating a net gain of 540 beds. A more detailed look shows that during this 10-year period, 616 beds were lost while 1,156 new beds became operational.

Results discovered through comparison of the 2008 and 2018 rosters indicate rural areas lost both facilities and capacity at a rapid pace. Rural areas had 2,432 more beds when compared to metropolitan counties in 2008, but in 2018, this difference shrank to only 1,139. Meanwhile, the number of residents 65 and older per bed increased in all counties during the last 10 years. This number is calculated by taking the total number of beds divided by the total number of residents who are 65 and older and may indicate a lack of capacity in some areas. This population metric serves as an indicator for Nebraskans who are the most likely to need access to long-term care.

- For nonmetropolitan counties, the number of Nebraskans aged 65 and older grew from 68,457 to 69,745 between 2010 and 2016. This growth in the state's aging population brought the number of residents per bed up from 11.5 to 12.9.
- For micropolitan counties during the same period, the number of Nebraskans aged 65 and older grew from 52,240 to 55,323. This growth brought the number of residents per bed up from 13.9 to 15.7.
- For metropolitan counties, the number of Nebraskans aged 65 and older grew from 127,031 to 147,584 which brought the number of residents per bed up from 17.5 to 18.9.

This data shows that, statewide, the number of residents per bed has increased over the last several years. Metropolitan nursing homes have a higher number of residents per bed, which is reflective of the differing access to facilities and the number of people living in metropolitan counties. There are approximately 22,516 more Nebraskans age 65 and older that live in metropolitan counties than in micropolitan and nonmetropolitan counties. However, this metric does not account for the geographical scattering that is unique to rural areas. In rural parts of the state, distances between facilities can be several miles – this affects access to beds even if the number of residents per bed is lower.

For Nebraskans in rural areas, not having access to facilities with the capacity to meet their needs can mean they must leave their home communities in search of care. Often times, the lack of access to long-term care can lead to deteriorat-

ing health conditions for elderly patients who willingly choose to forego, or lack the resources to access, life-sustaining care. This has major implications for the future of rural Nebraska's elderly population, which is demonstrably growing in size and shows no indication of slowing. This growth is constant and steady; the total number of Americans 65 and older is expected to double by 2060.⁹

V. BARRIERS TO ACCESS

A. PROVIDER SHORTAGES

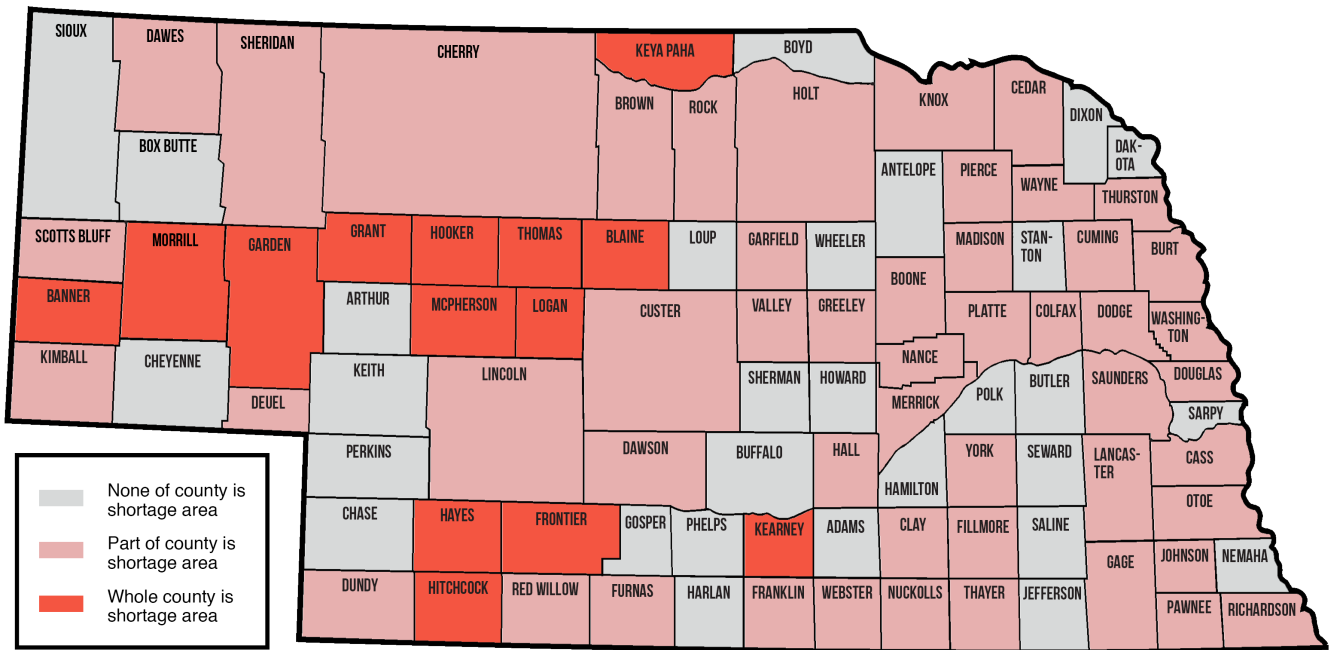
Nebraska struggles with primary care health professional shortage areas, or areas that face a shortage of qualified health professionals such as doctors and nurse practitioners. In 2016, 64 of the state's 93 counties, or 68.8 percent, were confronting this issue in some capacity. See Figure 4 on page 7.¹⁰ Statewide, 50 counties are partially in a primary care health professional shortage area leaving many Nebraskans with limited access to preventative care. Of the 50 counties partially located in a shortage area, 35 are nonmetropolitan counties, 8 are micropolitan, and 7 are metropolitan.

Across the state, there are 14 counties wholly located in a primary care health professional shortage area. Of these counties, 10 are nonmetropolitan and 4 are micropolitan, highlighting another challenge to accessing care in rural Nebraska; none are metropolitan counties. Only 29 of Nebraska's counties are excluded from primary care health professional shortage areas. Staffing and recruiting is a significant, expensive challenge for rural long-term care facilities and will continue as such until more professionals are made available.

9 "Medicaid's Role In Nursing Home Care." Henry J. Kaiser Family Foundation, June 2017, files.kff.org/attachment/Infographic-Medicoids-Role-in-Nursing-Home-Care. Accessed June 2018.

10 "Rural Data Explorer – Rural Health Information Hub." Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), July 2, 2018, ruralhealthinfo.org/data-explorer?id=210&state=NE. Accessed July 2018.

FIGURE 4: HEALTH PROFESSIONAL SHORTAGE AREAS: PRIMARY CARE BY COUNTY, 2016



Primary care health professional shortages have major implications for rural long-term care facilities as primary care providers are essential for recommending treatment options, prescribing medication, and managing long-term care programs. However, this data fails to illustrate a concurrent shortage of assisting staff who often work directly with patients. Nursing assistants, physical therapists, medical assistants, and other professionals are often difficult to find in rural areas. Many long-term care facilities outsource this constant search for staff to third party recruiting agencies at a premium cost. This adds a layer of financial uncertainty.

B. INSURANCE, MEDICAID, AND MEDICARE

Private insurance, Medicaid, and Medicare comprise a large share of ratepayers in Nebraska’s rural long-term care facilities. An estimated 11.4 percent of Nebraskans are uninsured, and the rates of uninsured people in rural areas are noticeably higher than their

urban counterparts.¹¹ The average uninsured rate for Nebraskans ages 18 to 64 in nonmetropolitan and micropolitan counties is 12.1 percent. Conversely, this number in metropolitan counties is 10.6 percent.^{12,13}

11 “Rural Data Explorer – Rural Health Information Hub.” Defining Health Promotion and Disease Prevention – RHInhub Toolkit, Health Resources and Services Administration of the U.S. Department of Health and Human Services, 2015, ruralhealthinfo.org/data-explorer?id=212&state=NE. Accessed June 2018.

12 Centers for Medicare and Medicaid Services. “Nursing Home Data Compendium 2015 Edition.” U.S. Department of Health and Human Services, 2015, pp. 1-243, Baltimore, Maryland, cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-andReports/MedicareMedicaidStatSupp/index.html. Accessed July 2018.

13 “Rural Data Explorer – Rural Health Information Hub.” Defining Health Promotion and Disease Prevention - RHInhub Toolkit, Health Resources and Services Administration of the U.S. Department of Health and Human Services, 2015, ruralhealthinfo.org/data-explorer?id=212&state=NE. Accessed June 2018.

The variation in the rates of uninsured Nebraskans is striking and may be indicative of other issues in rural areas of the state. However, the large majority of nursing home residents meet the 65-year-old age requirement for Medicare eligibility.

Nationally, only 15.5 percent of nursing home patients are under 65.¹⁴ Medicare, however, rarely covers the total cost of long-term health care services which leads many patients to combine their benefits with other methods of payment such as Medicaid, private insurance, and private pay.

Across the state's 93 counties, long-term care facilities rely heavily on Medicaid payments to cover their residents' health care costs. Medicaid pays for one in two dollars spent on long-term care; and one of every two nursing home residents are covered by Medicaid.¹⁵

The reimbursement rate, or the amount long-term care facilities get from Medicaid and Medicare to cover health care costs incurred by eligible patients, often fail to cover all the costs. This leads to a complex system that can create confusion and expense for the resident and the provider.

This complicated mixture of ratepayers carries many restrictions on services that are eligible for reimbursement which often shifts the financial burden on residents – many of whom cannot afford these high costs. Nationally, the annual cost of nursing home care in 2016 was \$82,000 per person, or nearly three times the annual income of most seniors.¹⁶ Long-term care provid-

ers often withstand the financial pressures created by these unpaid medical bills by denying care to patients who are unable to pay. If these providers admit the patients, rather than deny them, this scenario is commonly referred to as uncompensated care and contributes to thin, or negative, profit margins for many rural long-term care facilities.

In Nebraska, Medicaid reimbursement rates provide funding that is substantially lower than the costs incurred to administer care. This leaves long-term care facilities to deal with the financial consequences if their residents cannot pay the additional expenses, known as a Medicaid shortfall. Nationally, the average Medicaid shortfall for long-term care facilities in 2015 was \$22.46, meaning that for an average daily cost of \$190.34 to provide needed care, long-term care providers were only reimbursed for \$167.88 of those costs.¹⁷

In Nebraska, for the same year, the shortfall was \$25.06, meaning nursing homes were reimbursed for \$161.87 of the daily cost of \$186.93 for delivering care. This resulted in a \$58,318,153 Medicaid shortfall for long-term care providers statewide.¹⁸ In 2017, this gap grew to about \$36, which means long-term care facilities were not reimbursed for about 17.6 percent of their costs.¹⁹ Medicaid shortfalls can critically impact the bottom line of long-term care facilities.

Reimbursement rates are controlled by the state, but there are policies that can be adopted to expand health care coverage and, consequently, reduce the amount of uncompensated care across the population.

14 Centers for Medicare and Medicaid Services. "Nursing Home Data Compendium 2015 Edition." U.S. Department of Health and Human Services, 2015, pp. 1-243, Baltimore, Maryland, [cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-andReports/MedicareMedicaidStatSupp/index.html](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-andReports/MedicareMedicaidStatSupp/index.html). Accessed July 2018.

15 "Fast Facts on Medicaid In Rural Communities." Modern Medicaid Alliance, modernmedicaid.org/wp-content/uploads/2018/04/MMA-Fast-Facts-on-Medicaid-in-Rural-Communities.pdf. Accessed August 2018.

16 "Medicaid's Role In Nursing Home Care." Henry J. Kaiser Family Foundation, June 2017, [files.kff.org/attachment/Infographic-Medicoids-Role-in-Nursing-Home-Care](https://www.kff.org/attachment/Infographic-Medicoids-Role-in-Nursing-Home-Care). Accessed August 2018.

17 Eljay, LLC, and Hansen Hunter & Company, PC. "A Report on Shortfalls in Medicaid Funding for Nursing Center Care." American Health Care Association, April 2016, [ahcancal.org/research_data/funding/Documents/2015%20Medicaid%20Underfunding%20for%20Nursing%20Center%20Care%20FINAL.pdf](https://www.ahcancal.org/research_data/funding/Documents/2015%20Medicaid%20Underfunding%20for%20Nursing%20Center%20Care%20FINAL.pdf). Accessed August 2018.

18 Ibid.

19 Stoddard, Martha. "Nursing Homes Struggle with New Medicaid Rates; Number of Facilities down in Nebraska." Omaha World Herald, Sept. 2, 2018, [omaha.com/news/plus/nursing-homes-struggle-with-new-medicoid-rates-number-of-facilities/article_747702d9-96a3-50bd-968e-19478c1385ef.html](https://www.omaha.com/news/plus/nursing-homes-struggle-with-new-medicoid-rates-number-of-facilities/article_747702d9-96a3-50bd-968e-19478c1385ef.html). Accessed September 2018.

For example, expanding Medicaid coverage to those earning between 101 percent and 138 percent of the federal poverty level, or less than \$16,753 annually, would provide coverage for nearly 90,000 Nebraskans who currently fall into the coverage gap.²⁰

Insuring those currently in the coverage gap would increase access to preventative care services and decrease uncompensated care levels, creating long-term cost savings as well as improvements in individual and overall population health. Investments in Medicaid and preventative care services can decrease the need for treatment of chronic diseases and other conditions as people age, lessening the premature need for costly long-term care services.

VI. CONCLUSION

Access to long-term care facilities in Nebraska is an issue that impacts thousands of families across the state. Rural facilities are closing and their capacity is dwindling as long-term health care services shift to a handful of metropolitan counties. While a net total of 16 rural facilities have closed, 9 new facilities have opened in metropolitan counties creating a disparate elder care system. At the same time, rural areas lost 753 beds. All of this is occurring as residents of rural communities across Nebraska continue to age and the need for these life-saving services is growing.

For rural residents, lack of access to long-term care is exacerbated by severe shortages of providers and the financial stresses of staffing qualified, consistent employees. At differing levels, 68.8 percent of Nebraska's counties are facing a shortage of primary care providers – leaving rural Nebraskans with limited access to preventative and long-term health care.

Medicaid, Medicare, and private insurance, even when combined, are often not enough for patients to cover their long-term care expenses. This creates immense, often unsurmountable, financial pressure for many facilities, especially those in rural areas that tend to rely more heavily on federal programs. Furthermore, many Nebraskans

who need long-term care cannot afford private health insurance. This leaves them unable to cover their accrued expenses, and facilities have to deal with the consequences.

Medicaid shortfalls for long-term care facilities have grown over the last several years, leaving gaps in profit margins for facilities that provide care for a large share of Medicaid beneficiaries. Rural facilities tend to rely on Medicaid more heavily than their urban counterparts. Low reimbursement rates force many long-term care providers to operate at a loss from the start, to deny patients access to needed care based on their ability to pay, or to close their doors altogether.

Every day, Nebraskans are making tough decisions about long-term health care – crucial services that they, or their loved ones, need to survive. For rural residents, this decision is increasingly pushed out of their hands.

There is no substitute for strong leadership and innovative policy solutions in this area; Nebraskans deserve access to quality long-term health care regardless of where they live.

ABOUT THE CENTER FOR RURAL AFFAIRS

Established in 1973, the Center for Rural Affairs is a private, nonprofit organization with a mission to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities.

20 “Our Fight.” Insure the Good Life, August 2018, insurethegoodlife.com/our-fight/. Accessed September 2018.

