



MEMORANDUM

TO: Dan Kaplan, Chair
Long Term Care Coordinating Council Finance and Public Policy Work Group

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SUBJECT: Long Term Care Middle Income Study - Population Analysis

The Controller's Office is pleased to share the results of our population analysis of San Francisco's seniors and persons with disabilities using available US Census data. This memo includes a brief background, methodology description, and results overview. This analysis was conducted in close partnership with the Human Services Agency Planning Unit and is part of the larger Long Term Care Middle Income Population Study, currently in progress.

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BACKGROUND

In order to understand the full spectrum of issues and options for individuals that need home and community-based long term care services (referred to as “LTC” hereafter), the Controller’s Office, in partnership with the Human Services Agency, is researching the population in San Francisco likely to need LTC services but who cannot qualify for publicly-funded programs nor can afford to pay out of pocket (aka, the “middle income” or “near poor” population). This project idea was initiated and has been guided by the members of the Finance and Public Policy Work Group under the City’s Long Term Care Coordinating Council (LTCCC).

The analysis of census data summarized in this memo specifically seeks to identify the size and demographic characteristics of individuals age 65 and over, plus younger adults with disabilities age 18-64, who would not qualify for Medi-Cal or In-Home Supportive Services (IHSS) due to having income and assets above the eligibility levels. By this analysis, the project sponsors seek to describe the universe of people who are at risk of not being able to afford LTC, were they to need it. This memo does not describe the group of people who actually need LTC. Coming out of the work done to conduct this first step, the memo provides some future considerations in trying to identify that population.

METHODOLOGY & DATA SOURCES

Income and cost thresholds

The analysis used 2015 Medi-Cal eligibility levels to determine the income range above which individuals cannot qualify for publicly-funded programs, and used cost of care estimates to determine the income below which an individual might not be able to afford to pay out of pocket for their LTC services.

The lower income threshold was determined by the income cost cut-off at which individuals, or couples, no longer qualify for Medi-Cal, including the additional income amount that can be disregarded when applying for Medi-Cal.

Exhibit 1 *Lower income threshold: Medi-Cal plus income disregard*

	Medi-Cal	Income disregard	Medi-Cal + Income disregard = Total lower threshold
Single	\$11,770 per year	\$3,000 per year	\$14,770 per year
Couple	\$15,130 per year	\$3,960 per year	\$19,090 per year

The upper threshold was determined by using the most recent Elder Economic Security Index (EESI), a self-sufficiency standard that recognizes cost variation by county and housing status, and adding the estimated cost of long term care (LTC). The California EESI is a county-specific measure of the minimum income needed to cover all of a retired adult’s (65+) basic expenses, including housing, food, health care, and transportation. The EESI provides self-sufficiency standards for singles and couples who are renters, owners with mortgages, and owners without mortgages.¹ The EESI does not provide a self-sufficiency standard for elder households greater than 2, thus households of 3 or more were excluded from the study population since there was no upper threshold to

¹ The analysis used the 2013 Elder Index provided by the Insight Center and UCLA Center for Health Policy Research. 2013 was the most recent EESI available at the time of the analysis. The EESI has been updated every other year since 2007.

apply to them. (Note: in this memo the term “study population” hereafter refers to the specific group resulting from this methodology).

To the EESI, the Controller’s Office added an estimated cost of LTC provided by the UCLA Center for Health Policy Research and the Insight Center.² The LTC costs were estimated at low, medium, and high levels of care for individuals. An example of the LTC cost components for a single renter can be seen in Appendix A. This analysis assumed couples would share the cost of care, so the LTC costs were estimated at the same amount regardless of household status as single or couple. The table below includes the resulting upper cost thresholds. For example, a single homeowner would need a total of \$27,132 per year, at the low level of care, \$43,589 per year at the medium level of care, and \$73,298 per year at the high level of care. The cost thresholds provide our best estimation of how much income an individual or couple would need to pay for low, medium, or high levels of care. It is important to note the cost thresholds do not indicate the actual number of people who need care.

Exhibit 2 Upper income threshold: EESI plus the long term care costs

Household status	Household Ownership	EESI	Low level of care	Medium level of care	High level of care
Single	Owner	\$18,036	\$27,132	\$43,589	\$73,298
	Owner with mortgage	\$41,556	\$50,652	\$67,109	\$96,818
	Renter	\$30,312	\$39,408	\$55,865	\$85,574
Couple	Owner	\$24,496	\$33,592	\$50,049	\$79,758
	Owner with mortgage	\$50,016	\$59,112	\$75,569	\$105,278
	Renter	\$38,772	\$47,868	\$64,325	\$94,034

Population data

The population data was from the United States Census American Community Survey (ACS), provided through the Integrated Public Use Microdata Series (IPUMS).³ The analysis used the most recent three-year IPUMS dataset available, 2010-2012.⁴ (A comparison of the distinguishing features of using 1, 3, and 5-year ACS estimates is included in Appendix B.)

In order to define the size and demographics of the study population the analysis used income, household size, home ownership status, and age to match the income threshold criteria as closely as possible. In addition, individuals with disabilities between ages 18-64 were included. Institutionalized individuals and youth under age 18 were excluded. (See Appendix C for the disability definitions in the survey data.)

² The Controller’s Office used the 2007 Long-Term Care Service Package Cost components and adjusted them to match 2015 costs using the sources/methods developed by the UCLA Center for Health Policy Research. This update was done in consultation with the UCLA Center.

³ Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0. Minneapolis: University of Minnesota, 2010.

⁴ Slightly different years were used in the methodology and analysis in order to utilize the most recent data available. The costs of the Long-Term Care Service Packages were determined with 2015 data and combined with 2013 data from the EESI to determine the upper cost thresholds. The Long-Term Care Service Packages costs per the UCLA Center methods did not change significantly over time.

DEMOGRAPHIC OVERVIEW

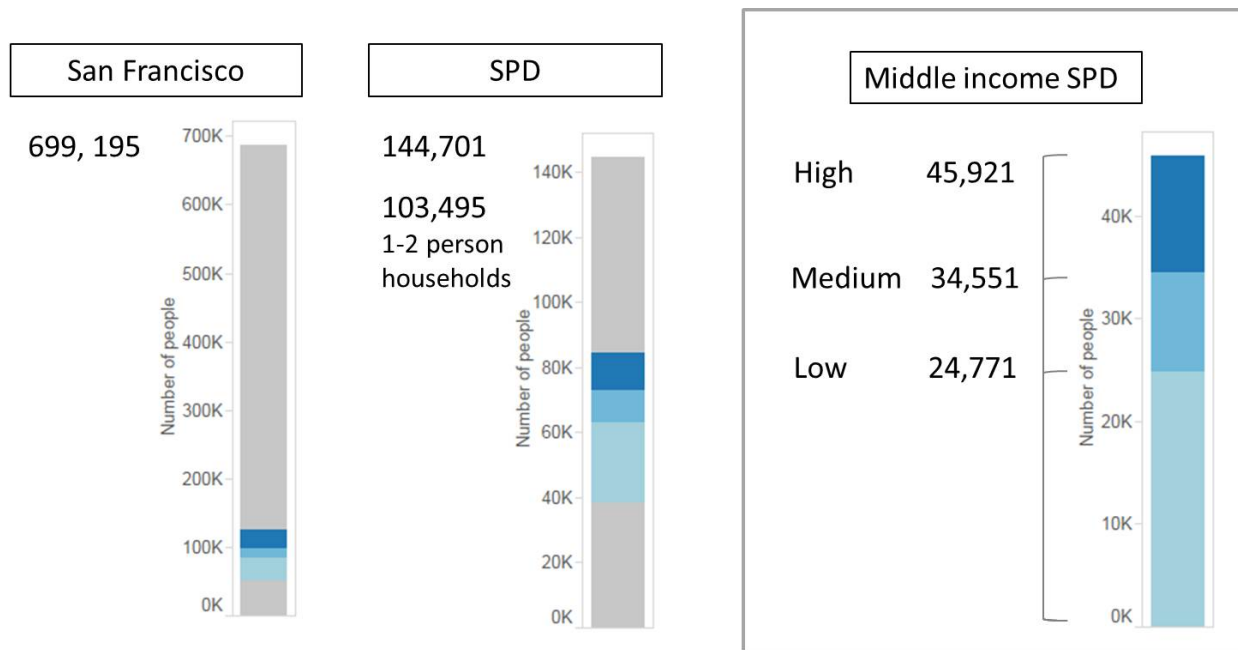
Size of the study population

The San Francisco population is 699,195 people without youth under 18 or institutionalized individuals. The seniors and people with disabilities (SPD) population is 144,701, making up 21% of the larger adult population. 103,495 live in 1-2 person households. After applying the lower and upper thresholds described in the methodology above, the resulting study population is composed of 45,921 people (“Middle Income SPD” below). This group makes up 44% of the SPD population in similar household categories⁵.

In the chart below, the grey represents the people who do not meet the criteria of the study population. In the center graphic (SPD), the grey portion below the blue represents the estimated group of people who are very low income qualifying for public assistance (Medi-Cal or IHSS), and the grey portion above the blue represents the higher income people who would be able to pay out of pocket for LTC, were they to need it.

This result provides the City with a picture of the entire universe of individuals at risk of not being able to afford LTC, were they to need it. Note that the 45,921 total for the Middle Income SPD/study population includes all individuals estimated not able to afford the cost of LTC, whether at the low, medium, or high cost levels.

Exhibit 3 Size of the study population compared to the San Francisco and SPD populations



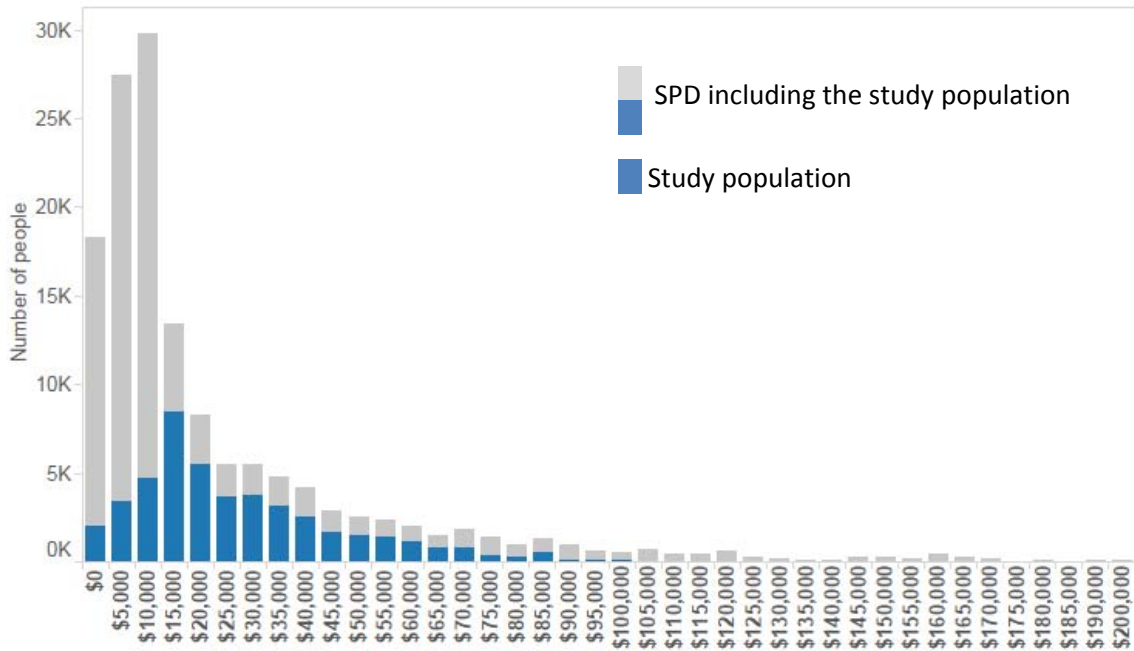
Income distribution

As distributed based on their individual incomes, the number of seniors and people with disabilities (SPD) is concentrated around an annual income of \$10,000-\$15,000 and tends to decrease as income increases. The

⁵ As explained on pages 2-3 of the Methodology section, the analysis was limited to 1 and 2 person households due to no benchmark economic data in the Elderly Economic Security Index for households of 3 or more. Some of these may have unmet needs.

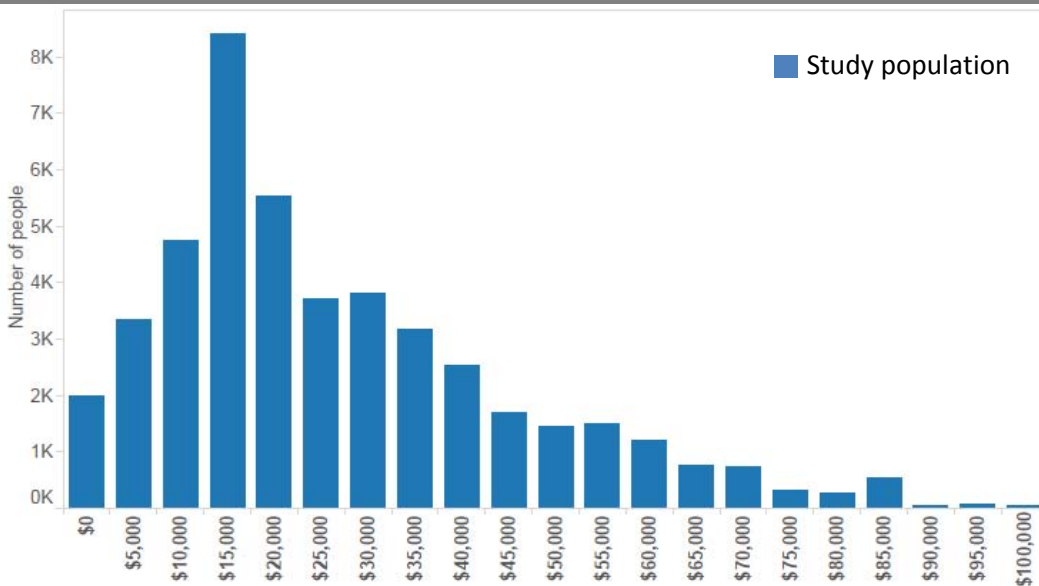
study population has a higher median income of \$15,000-\$20,000. The study population is depicted within the chart of the SPD population in blue as a subset of the greater SPD population.⁶

Exhibit 4 *Income distribution of individuals in the SPD population*



Note: The X-axis uses \$5,000 increments labeled with the lower end of each range. For example, the study population peak at \$15,000 represents those between \$15,000-\$19,999. The X-axis continues further to the right but is not shown here.

Exhibit 5 *Income distribution of individuals in the study population*



⁶ The charts displaying the income distribution of the study population and SPD are based on individual income, while parameters for inclusion in the analysis are based on household income. Individuals who make under \$14,770 are in a household of 2 with a partner whose combined income puts the couple over the minimum threshold to qualify for Medi-Cal.

Housing

Single or couple status and home ownership are criteria in the EESI. The EESI self-sufficiency standard associated with each group plus the LTC costs of this analysis were applied to the Census data to determine how many people fell into low, medium, and high cost categories.

Renters make up almost half of the study population (47%), the rest being homeowners split fairly evenly between those with and without a mortgage (25% and 28% respectively).

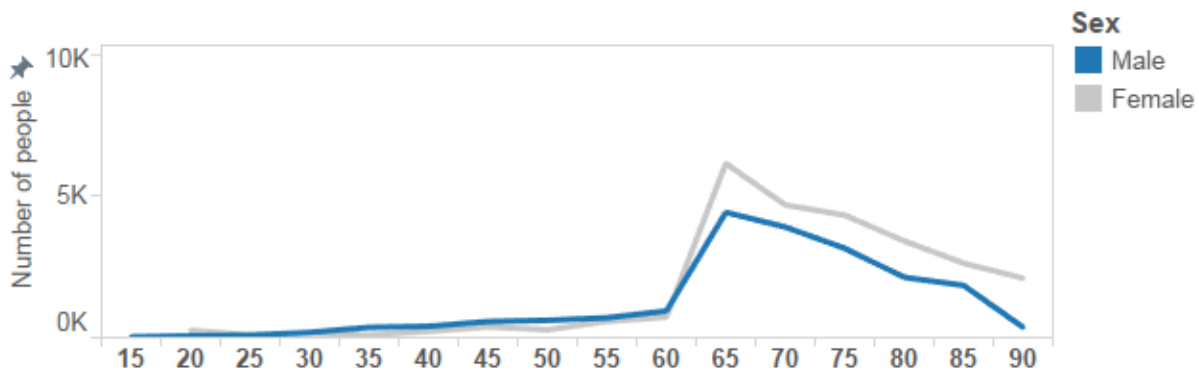
Exhibit 6 Housing of the study population⁷

Household	Ownership	Low	Medium	High	Low	Medium	High
		LTC cost	LTC cost ⁶	LTC cost ⁶	LTC cost	LTC cost	LTC cost
Single	Owner	2,051	3,982	5,096	8%	12%	11%
	Owner with mortgage	1,988	2,887	3,745	8%	8%	8%
	Renter	7,932	9,634	11,040	32%	28%	24%
Couple	Owner	2,308	4,539	7,762	9%	13%	17%
	Owner with mortgage	3,724	4,947	7,628	15%	14%	17%
	Renter	6,768	8,562	10,650	27%	25%	23%
Total		24,771	34,551	45,921	100%	100%	100%

Age and Gender

By nature of the criteria for inclusion in the analysis, 85% of the study population is 65 or older. Women make up 57% of the overall study population. Women noticeably begin to outnumber men at age 65, making up 60% of the 65+ study population.

Exhibit 7 Age distribution of the study population

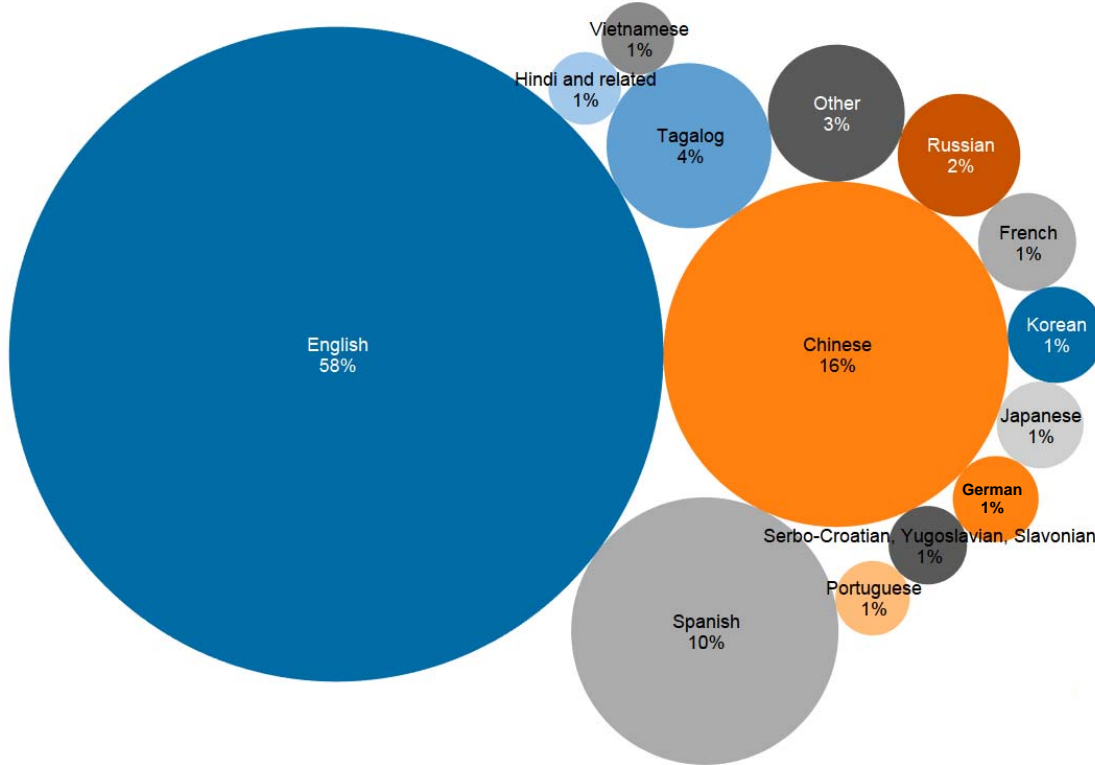


⁷ The number of people who fit in the medium and high LTC cost categories is cumulative since the people who can't afford the low cost also cannot afford the medium or high cost. That is, counts shown in this memo under "Medium LTC Cost" include low + medium; counts under "High LTC Cost" include low+medium+high.

Language

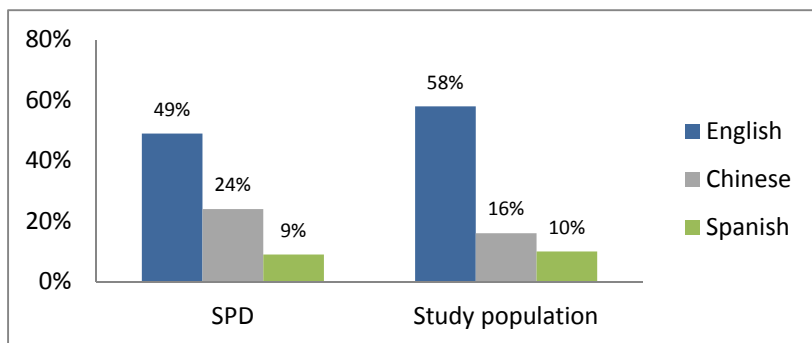
The study population is 58% English speaking, 16% Chinese speaking, 10% Spanish speaking, and the remaining 16% speak a variety of other languages.

Exhibit 8 Languages of the study population ⁸



The study population includes a greater percentage of English speakers than the SPD population and the greater San Francisco population.⁹ Languages spoken at each LTC cost level may be found in Appendix D.

Exhibit 9 Top 3 languages of the SPD population and the study population



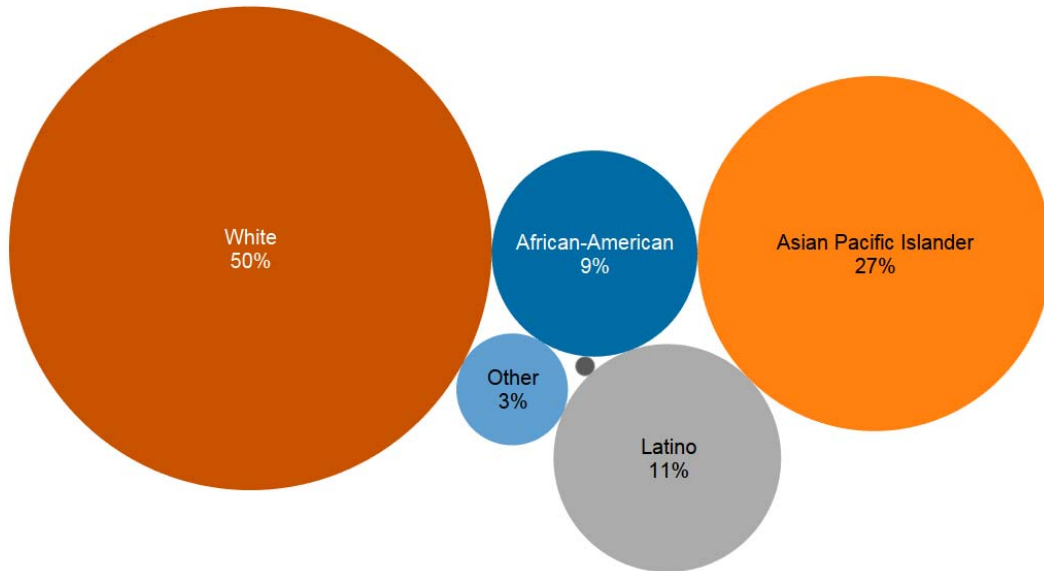
⁸ This chart includes the entire study population, at the high LTC cost.

⁹ The SPD population in 3+ person households has a larger Chinese speaking population and smaller English speaking population than the smaller household categories. However, households of 3 or more were not included in the study population, as explained in the Methodology and Data Sources section.

Race

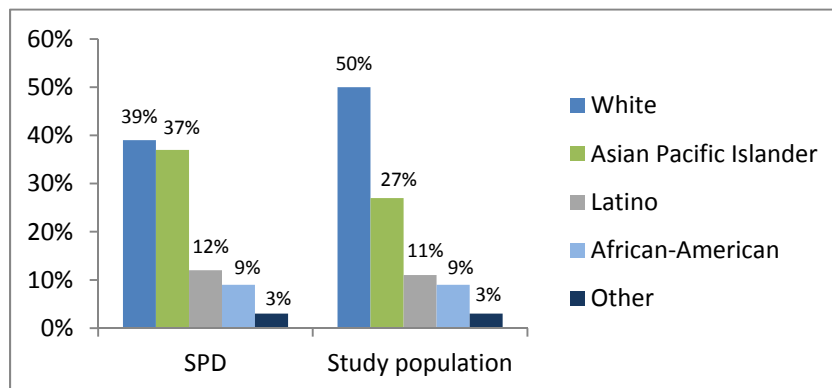
Based on the categories used in the Census survey, the study population is 50% White, 27% Asian Pacific Islander, 11% Latino, 9% African-American, and 3% Other. The small grey dot in the exhibit below is Native American, at 0.08%.

Exhibit 10 Races of the study population ¹⁰



The study population has a greater percentage of people who identify as White and a lower percentage of people who identify as Asian Pacific Islander compared to the SPD population and the overall San Francisco population.¹¹ Races at the low, medium, and high LTC cost levels may be found in Appendix E.

Exhibit 11 Race of the SPD population and the study population



¹⁰ This chart includes the entire study population, at the high LTC cost.

¹¹ The SPD population in 3+ person households has a larger percentage of people who identify as Asian Pacific Islander and a lower percentage of people who identify as White than the smaller household categories. However, households of 3 or more were not included in the study population, as explained in the Methodology and Data Sources section.

Employment status

The employment of the study population does not differ substantially from the employment status of the SPD population. It is noticeable those in the higher cost of care category have a somewhat greater percentage of people in the labor force (i.e., those employed or seeking employment/"unemployed").¹²

Exhibit 12 Employment of the study population

Study population

Employment status	Low LTC cost	Medium LTC cost	High LTC cost	% of total
Employed	3,609	5,571	8,222	18%
Not in labor force	20,720	28,321	36,770	80%
Unemployed	442	659	929	2%
Grand Total	24,771	34,551	45,921	100%

In the labor force (employed + unemployed)	16%	18%	20%
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FUTURE CONSIDERATIONS

This analysis describes the demographics of San Francisco's senior population (65 and above) and adults with disabilities (ages 18-64) who fall into the "middle income" ranges described earlier in the Methodology section. Not all of the people in the resulting study population need LTC, but this study population helps describe the universe of people who are at risk of being unable to afford LTC, were they to need it. This study population will be utilized to better understand the spectrum of issues and options for individuals who cannot qualify for publicly-funded programs (Medi-Cal and IHSS) nor can afford to pay for LTC services out of pocket.

Potential next steps and key considerations include:

Needs analysis: Identify the current and potential future needs of the study population, including if possible, a calculation of those with actual needs.

In 2014-15, the LTCCC Finance and Public Policy Work Group provided input into the planning of a series of **focus groups** which are currently underway (December 2015 to January 2016). In coordination with the Controller's Office and HSA, the survey consulting firm D&A Communications is leading the focus group development and implementation process to capture the types of services needed, including

¹² That the analysis shows higher income individuals more likely to be in the labor force may reflect the limitations of the study methodology (using thresholds based on income versus having needs-based data).

personal assistance, nutrition, health, or any other. The Work Group identified a list of priority locations at community based organizations (CBOs) with the goal of completing seven focus groups. The CBOs will work with D&A Communications to best reach the target population served at their sites (which include one caregiver focus group). The survey consultant will gather responses through structured group sessions and use experienced facilitators, including translators as needed, to lead the group sessions. Reporting is expected by the end March 2016.

Also, DAAS within HSA is currently researching and conducting their required **Older Americans Act Needs Assessment** pursuant to federal requirements. While this assessment is focused on the low-income population, the data collection and analysis may yield relevant information for future work in this area.

The City also may wish to explore **additional research** done on similar populations in comparable jurisdictions, or by other studies. This would ideally include the frequency and prevalence of specific LTC services, in the effort to apply a quantitative analysis to the study population to estimate actual needs.

Also in partnership with the LTCCC Finance and Public Policy Work Group, the Controller's Office and HSA are currently exploring the possibility of a **formal survey** to this population. D&A Communications will be examining how a valid sample group can be obtained, what would be required in such a survey, and providing recommendations on this to the City. Depending on the size and resources available, D&A Communications may implement a survey (e.g., by website and outreach) to capture additional information, or this effort may require a new project. Ideally the formal survey would include the same questions and response categories as the focus groups to allow comparison and validation of results.

The stakeholders and sponsor agencies may wish to have an **updated census data analysis** on this population next year, when new information becomes available. One-year data for 2014 is currently available on the US Census site and the next three-year dataset (used in this analysis) is expected to be available in early 2016. Note that due to the usual time lag in Census data collection and publication, the updates would be only for data through 2014 (and through 2013 for three-year data).

Appendix A

2015 LTC Service Package Costs-Single Renter

Elder Economic Security Index - LTC Service Package Costs, 2015	Hourly/Unit Cost	Low (6hrs/week) Cost per month	Medium (16 hrs/wk) Cost per month	High All in-home care (36 hrs/wk) Cost per month
Personal Care/Homemaker	\$ 28.00	\$ 728.00	\$ 1,932.00	\$ 2,912.00
Home Health Aide	\$ 28.00	-	-	\$ 1,456.00
Adult Day Health Care (6 hrs/day 3 days/wk)	\$ 12.67	-	-	-
Case Management	\$ 39.76		\$ 79.52	\$ 119.28
Supplies	\$ 87.89	-	\$ 87.89	\$ 87.89
Personal Emergency Response System (PERS)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Long-Term Care Total Cost per Month		\$ 758	\$ 2,129	\$ 4,605
Long-Term Care Total Cost per Year		\$ 9,096	\$ 25,553	\$ 55,262
Elder Economic Security Index, (EESI) Single Renter for San Francisco County 2013		\$ 30,312	\$ 30,312	\$ 30,312
Total Annual Costs: EESI + Long Term Care		\$ 39,408	\$ 55,865	\$ 85,574

Appendix B

Distinguishing features of the American Community Survey's 1-year, 3-year, and 5-year estimates

1-year estimates	3-year estimates	5-year estimates
12 months of collected data <i>Example:</i> 2012 ACS 1-year estimates <i>Date collected between:</i> January 1, 2012 and December 31, 2012	36 months of collected data <i>Example:</i> 2010-2012 ACS 3-year estimates <i>Date collected between:</i> January 1, 2010 and December 31, 2012	60 months of collected data <i>Example:</i> 2008-2012 ACS 5-year estimates <i>Date collected between:</i> January 1, 2008 and December 31, 2012
Data for areas with populations of 65,000+	Data for areas with populations of 20,000+	Data for all areas
Smallest sample size	Larger sample size than 1-year	Largest sample size
Less reliable than 3-year or 5-year	More reliable than 1-year; less reliable than 5-year	Most reliable
Most current data	Less current than 1-year estimates; more current than 5-year	Least current
Best used when	Best used when	Best used when
Currency is more important than precision Analyzing large populations	More precise than 1-year, more current than 5-year Analyzing smaller populations Examining smaller geographies because 1-year estimates are not available	Precision is more important than currency Analyzing very small populations Examining tracts and other smaller geographies because 1-year estimates are not available

Source: <http://www.census.gov/programs-surveys/acs/guidance/estimates.html>

Appendix C

Definitions of Disability (as used in the Census American Community Survey IPUMS data)

- Cognitive disability: indicates whether the respondent has cognitive difficulties (such as learning, remembering, concentrating, or making decisions) because of a physical, mental, or emotional condition.
- Ambulatory disability: indicates whether the respondent has a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying.
- Independent living difficulty: indicates whether the respondent has any physical, mental, or emotional condition lasting six months or more that makes it difficult or impossible to perform basic activities outside the home alone. This does not include temporary health problems, such as broken bones or pregnancies.
- Self-care difficulty: indicates whether respondents have any physical or mental health condition that has lasted at least 6 months and makes it difficult for them to take care of their own personal needs, such as bathing, dressing, or getting around inside the home. This does not include temporary health conditions, such as broken bones or pregnancies.
- * Vision difficulty: indicates whether the respondent is blind or has serious difficulty seeing even with corrective lenses.
- * Hearing difficulty: indicates whether the respondent is deaf or has serious difficulty hearing.

Notes: Disability definitions and responses in the Census data are not mutually exclusive. *The last two categories were not used alone in this analysis to indicate a disabled respondent. If any of the individuals in the sample had at least one of the other disabilities above they were considered disabled for the purpose of this analysis. For example, a single individual could have a cognitive, independent living, and hearing difficulty and they would be considered a single disabled individual.

Appendix D
Study Population Languages

LTC Cost Level

Language	Number of people			Percent of total		
	Low	Medium	High	Low	Medium	High
English	13,037	18,969	26,718	53%	55%	58%
Chinese	4,295	6,000	7,436	17%	17%	16%
Spanish	2,629	3,571	4,462	11%	10%	10%
Tagalog	1,359	1,516	1,699	5%	4%	4%
Other	704	864	1,169	3%	3%	3%
Russian	628	713	938	3%	2%	2%
French	148	414	600	1%	1%	1%
Korean	360	509	576	1%	1%	1%
Japanese	302	402	470	1%	1%	1%
German	286	405	460	1%	1%	1%
Serbo-Croatian, Yugoslavian, Slavonian	351	384	384	1%	1%	1%
Portuguese	156	270	347	1%	1%	1%
Hindi and related	285	285	333	1%	1%	1%
Vietnamese	231	249	329	1%	1%	1%
Totals	24,771	34,551	45,921	100%	100%	100%

Note: Counts are cumulative. "Medium" includes Low+Medium; "High" include Low+Medium+High.

Appendix E
Study Population Races

LTC cost level

Race	Number of people			Percent of total		
	Low	Medium	High	Low	Medium	High
White	10,644	16,016	22,995	43%	46%	50%
Asian Pacific Islander	7,579	9,901	12,391	31%	29%	27%
Latino	3,196	4,247	5,112	13%	12%	11%
African-American	2,542	3,331	4,157	10%	10%	9%
Other	773	1,019	1,229	3%	3%	3%
Native American	37	37	37	0%	0%	0%
Totals	24,771	34,551	45,921	100%	100%	100%

Note: Counts are cumulative. "Medium" includes Low+Medium; "High" includes Low+Medium+High.