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MEPS HIGHLIGHTS

Medical Expenditure Panel Survey

Characteristics of Nursing Home Facilities and Residents

For more information about the 1996 MEPS Nursing Home Component, including the availability of public use data files, contact the MEPS Information Coordinator by calling 301/594-1406; writing to the Agency for Health Care Policy and Research, 2101 East Jefferson Street, Suite 500, Rockville, MD 20852; or contacting the MEPS Project Director by E-mail at mepsdpd@ahcpr.gov. Also see our "Important Information and Updates for MEPS Public Use Data Users" section of the MEPS Web page under "MEPS" at

<http://www.ahcpr.gov/>

For a detailed description of the MEPS NHC design, see:

Potter DEB. Design and methods of the 1996 Medical Expenditure Panel Survey Nursing Home Component. Rockville (MD): Agency

for Health Care Policy and Research; 1997 (forthcoming). *MEPS Methodology Report No. 3*. AHCPR Pub. No. 97-0028.

Bethel J, Broene P, Sommers JP. Sample design of the 1996 Medical Expenditure Panel Survey Nursing Home Component. Rockville (MD): Agency for Health Care Policy and Research; 1997 (forthcoming). *MEPS Methodology Report No. 4*. AHCPR Pub. No. 97-0029.



Nursing Home Update—1996

Characteristics of Nursing Home Facilities and Residents

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Introduction

The dramatic growth in the number of Americans over age 75, the desire to minimize the duration of expensive inpatient hospital care, and the trend toward community-based care all lend importance to data on the nursing home industry.

The Medical Expenditure Panel Survey (MEPS) collects nationally representative data on health care use, expenditures, sources of payment, and insurance coverage. The MEPS Nursing Home Component is now releasing Round 1 data for nursing homes and person-level data collected for persons in residence on January 1, 1996. This Round 1 information was gathered from a nationally representative sample of nursing homes during the first half of 1996.

Briefly stated:

- Of the approximately 16,800 U.S. nursing homes in 1996, most (66 percent) operated for profit. About 68 percent of for-profit homes were part of a chain.
- For-profit nursing homes were much more likely than either nonprofit or government-owned homes to consist of only nursing home beds.
- Formally defined special care units accounted for 6.9 percent of all nursing home beds. Most were dedicated to Alzheimer's disease and related dementias. Twelve percent of all nursing homes had a special Alzheimer's unit.
- Nursing home residents had a high degree of functional difficulty. Over 80 percent needed help with three or more activities of daily living. Nearly half had some form of dementia.
- Fifty-eight percent of nursing home residents had some kind of advance directive, such as a do-not-resuscitate order.
- Most residents were enrolled in Medicare (91.3 percent), with 62.2 percent dually eligible for both Medicare and Medicaid. Only about 4.5 percent were eligible for Medicaid only.

Size and Ownership

About 1.6 million persons were receiving care in approximately 16,800 nursing homes on January 1, 1996. Nearly 1.8 million certified or licensed beds were available for use, with an occupancy rate of 88.8 percent. Almost 66 percent of nursing homes were operated for profit (Figure 1), while another 26.2 percent were nonprofit. The remaining 7.9 percent were owned by Federal, State, or local governments. Forty-five percent of all nursing homes were both for-profit and part of a chain, whereas only 7.4 percent were nonprofit and part of a chain.

Continuum of Care

Compared with nonprofit and government-owned nursing homes, those that operated for profit were more likely to consist solely of nursing home beds (Figure 2). Nonprofit and government-owned nursing facilities were comparatively more likely to be part of a more complex organizational structure—for example, hospital-based nursing homes or those providing or affiliated with non-nursing units such as personal care or independent living.

Over 3,200 facilities (19.3 percent) had formally defined nursing units with a specific number of beds identified and dedicated for residents with specific needs or diagnoses, such as an Alzheimer's, rehabilitation, ventilator/pulmonary, subacute care, or hospice unit. These special care units accounted for 6.9 percent of all nursing home beds. The majority of special care units were dedicated to Alzheimer's disease and related dementias. Approximately 2,100 nursing homes (12.6 percent) had a special Alzheimer's care unit. Alzheimer's units accounted for 73,400 beds and had an average unit size of 34.5 beds.

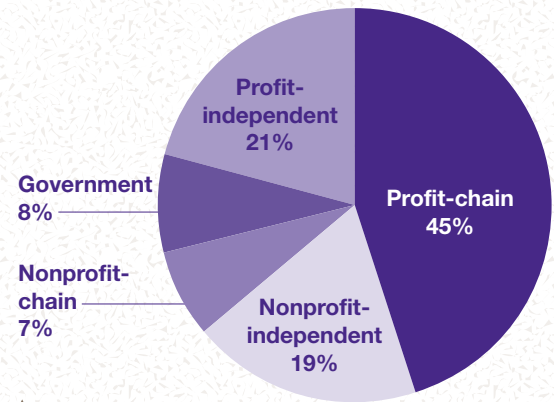
Functional Status and Advance Directives

Measured by their ability to perform activities of daily living (ADLs)—bathing, eating, using a toilet, mobility, dressing, and transferring to a bed or chair—nursing home residents had high levels of functional difficulty (Table 1). Just over 83 percent of residents required assistance with three or more ADLs.

Slightly over 2 percent of residents did not require assistance with ADLs, nor did they have dementia. However, they may have had other functional limitations, such as behavioral problems or incontinence, that resulted in nursing home placement. Full-year data may add more insight into the reasons for nursing home placement.

Data for most residents indicate limitations that require nursing care. Some residents have also directed that constraints be placed on specific types of care that they may

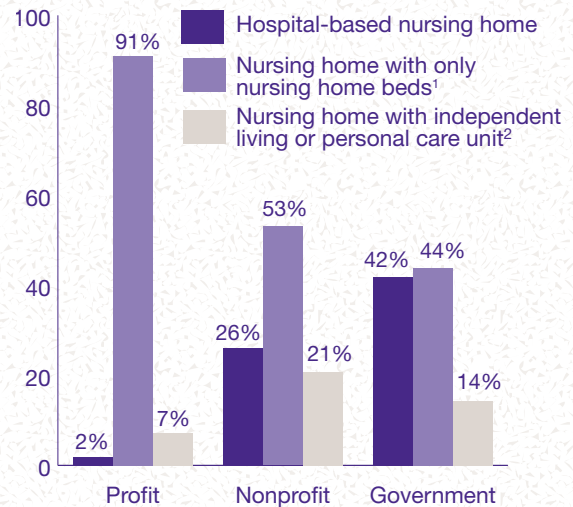
Figure 1. Nursing home distribution by ownership and chain affiliation: 1996



▲ About two-thirds of nursing homes are operated for profit. Over half are part of a chain, either for-profit or nonprofit.

DATA SOURCE: 1996 Medical Expenditure Panel Survey Nursing Home Component, Round 1.

Figure 2. Nursing homes by type and ownership: 1996



▲ For-profit nursing homes are more likely than nonprofit or government facilities to consist of only nursing beds.

¹ Includes a small number of nursing homes (<1% of this category) with units such as an ICF-MR (intermediate care facility for the mentally retarded).

² Includes continuing care retirement communities and retirement centers, and nursing homes that contain or are affiliated with personal care units.

receive. Fifty-eight percent of nursing home residents had some kind of advance directive, in the form of a living will, do-not-resuscitate order, do-not-hospitalize order, or other directive with regard to feeding, medication, or treatment.

Medicare and Medicaid Enrollment

Medicaid is the largest single payer for nursing home care. Although Medicare pays for nursing home care for only a limited duration following a hospitalization, it nevertheless pays for a substantial amount of nursing home care and is the primary source of coverage for most other types of care for the elderly. Most nursing home residents (91.3 percent) were enrolled in Medicare (Figure 3). About 455,300 residents (29.1 percent) were enrolled only in Medicare, and nearly 972,000 (62.2 percent) were dually eligible for both Medicare and Medicaid. About 70,300 residents (4.5 percent) were covered only by Medicaid. About 37,500 residents (2.4 percent) had neither Medicare nor Medicaid coverage. Type of coverage could not be determined for about 28,700 residents (1.8 percent) during this round of data collection. These data reflect insurance coverage only. The actual source of payment for nursing home stays will not be available until the release of full-year nursing home data.

Sample Design and Accuracy of Estimates

All of the data presented here are being explored in more detail in MEPS Research Findings reports that will be published soon. The data were obtained from a representative sample of nursing homes that compose the Nursing Home Component (NHC) of the 1996 MEPS. The NHC provides unbiased national and regional estimates of a range of characteristics of nursing homes and their residents.

The NHC sample was selected using a two-stage stratified probability design. The first stage was used to select facilities; the second stage sampled current facility residents and new admissions. Tests of statistical significance were used to determine whether the

differences between populations existed at specified levels of confidence or whether they occurred by chance. Any comparison made in this Highlights is based on tests using Z-scores having asymptotic normal properties, at the .05 level of significance.

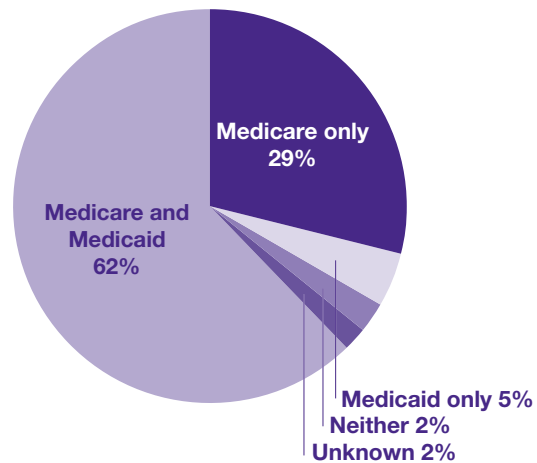
Table 1. Number and percent distribution of nursing home residents by functional limitations and presence of dementia: 1996

Limitation	Number	Percent ¹
Need help with 3 or more ADLs	1,302,200	83.3
Without dementia	643,800	41.2
With dementia	658,400	42.1
Need help with 1-2 ADLs	218,100	14.0
Without dementia	138,900	8.8
With dementia	79,200	5.1
Do not need help with ADLs	43,500	2.8
Without dementia	35,000	2.2
With dementia	8,500	.5

¹ Percents may not add to 100 due to rounding.

DATA SOURCE: 1996 Medical Expenditure Panel Survey Nursing Home Component, Round 1.

Figure 3. Medicare and Medicaid enrollment of persons residing in nursing homes on January 1, 1996



▲ Most nursing home residents are enrolled in both Medicaid and Medicare.