

The future of long-term care requires investment in both facility- and home-based services

The COVID-19 pandemic highlights how elder-care facilities have failed to protect older adults in many countries — investing in home care while also reimagining facility-based models is required.

David C. Grabowski

COVID-19 has been devastating for older individuals living in elder-care homes around the globe. In data from 21 countries, nearly half of all COVID-19 deaths have occurred among residents of long-term care facilities¹. These facilities have also restricted visitations from family members and friends in many countries, leading to high rates of loneliness and isolation among residents².

The high concentration of fatalities coupled with isolation among residents has led some to call for reimagining elder-care homes³, while others have argued for abolishing these facilities and instead investing in community-based alternatives⁴. These two opposing viewpoints represent a false dichotomy in the care of older adults. Improving long-term care in a post-pandemic world will require increased investment in community-based care while also changing the nature and scale of elder-care homes.

In the USA, elder-care homes are known as nursing homes, typically providing assistance to older adults unable to perform activities of daily living (ADLs) independently, such as bathing, dressing and toileting. Nursing home care is largely financed by the US government through Medicaid, a means-tested program that pays facilities a rate that is often below the costs of care. An important development in US long-term care policy over the past 30 years has been the growth of Medicaid-funded home- and community-based services (HCBS). Home-care services can range from periodic help with shopping and cleaning to full-time assistance with ADLs. Community-based services include adult foster care and adult day care programs, which are drop-off centers providing ADL assistance and social and companion services for older adults.

Encouraging home-based care

In 1995, Medicaid spent 18 cents out of every long-term care dollar on HCBS⁵. Today, Medicaid devotes 57 cents of every long-term care dollar to HCBS. Although

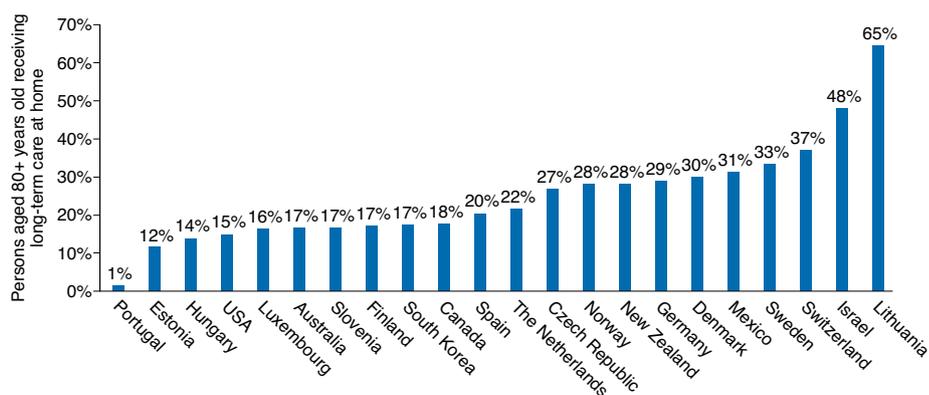


Fig. 1 | Proportion of older adults receiving long-term care at home in OECD countries. All data are from 2018 except Canada, Mexico and the USA, which are from 2016, and the Netherlands and Slovenia, which are from 2017. Data obtained from ref. ¹⁶.

the increased investment in HCBS has allowed many individuals to remain in the community, the USA still has roughly one million older adults receiving care in nursing homes. If the goal were to abolish nursing homes, the USA and almost every other industrialized country around the world would have a long way to go.

A key principle of long-term care is that it should be delivered in a setting consistent with the preferences of the individual and their family members. A large majority of long-term care recipients want care in the home and the community. Relative to other OECD countries, only 15% of older adults aged 80 years or older in the USA receive long-term care in their home, which is far below the Netherlands (22%), Norway (28%) and Sweden (33%) (see Fig. 1). These countries have all invested in HCBS in a meaningful way, while the US Medicaid program has rationed these services. Hundreds of thousands of individuals are on waitlists for Medicaid HCBS in the USA, and many individuals receiving Medicaid HCBS still have unmet needs.

The Dutch, Norwegian and Swedish systems of prioritizing HCBS is the better approach, but this approach is not cheap.

Public spending on long-term care as a share of GDP in the Netherlands (3.7%), Norway (3.3%), and Sweden (3.2%) far exceeds the USA (0.5%). For individuals residing in the community, the USA relies more heavily on unpaid care from family members and friends.

Following the pandemic, countries like the USA should increase their overall government spending on long-term care, and the bulk of that additional spending should go to HCBS. The median OECD country spends roughly 15% of their healthcare budget on long-term care services. In countries that allocate a small percentage of healthcare spending to long-term care such as Australia (2%) and the USA (5%), dollars could be taken from general healthcare spending and reallocated to HCBS⁶. This increased spending on HCBS would not only benefit the care recipients but also their family members, who often must take time away from their jobs and risk their own health to provide this care.

Reimagining nursing home care

Even with this increased spending on community-based services, many countries like the USA will also need to transform

nursing homes. The optimal balance of spending on HCBS and elder-care homes will vary across countries based on the demographics of the country, the cost-effectiveness of these services and preferences for each type of care⁷. For various reasons, however, there will always be some individuals that require nursing home services. Sometimes it is economics: some individuals lack a home to receive care in the community. Sometimes it is social: many older adults are isolated and lonely in the community. Finally, sometimes it is care-related: as cognitive issues arise, individuals and their families are increasingly more likely to favor institutional settings^{8,9}.

When it comes to long-term care, one size does not fit all. Abolishing nursing homes might serve some individuals well, but it also may leave others without access to needed services. For these individuals requiring nursing home care, the problem is not nursing homes per se but rather the way in which countries like the USA structure their nursing homes. It is not that countries like the USA need to spend less on nursing homes, they need to spend their nursing home dollars differently.

As the late Robert Kane used to say, the term ‘nursing home’ is often a misnomer. Many US nursing homes have little in the way of nursing and do not really feel much like a home. US nursing homes are often understaffed due to low pay for direct caregivers. Moreover, the buildings are institutional in feel and the care is not directed by the residents. New evidence is also emerging that larger nursing homes were less effective at protecting residents from COVID-19 during the pandemic¹⁰. The time is ripe to reimagine what a nursing home could be in a post-pandemic world.

The goal should be to fund and support nursing homes with well-compensated staff providing resident-directed care in a small-home setting. As the name implies, small-home settings provide housing and care for groups of older adults in a more home-like, less institutional setting. Small-home models like the Green House model have been found to provide higher quality care relative to traditional nursing homes¹¹. During the pandemic, Green House residents were recently found to be one-fifth as likely to get COVID-19 compared to those who live in typical nursing homes, and one-twentieth as likely to die from COVID-19 (ref. ¹²). Most importantly, perhaps, they provide residents with a higher quality of life with engagement

and meaning. In his book *Being Mortal*, Dr Atul Gawande spent some time at a Green House with a 94-year-old resident Lou Sanders¹³. Dr Gawande wrote, “it struck me that, for the first time I can remember, I did not fear reaching his phase of life... [Lou] was able to live in a way that made him feel that he still had a place in this world. They still wanted him around. And that raised the possibility that the same could be the case for any of us.”

Not surprisingly, small-home models that pay higher wages to caregivers are more expensive than traditional nursing homes. As a result, adoption of these innovations has been relatively limited in the USA. By comparison, the small-home model has flourished in the Netherlands¹⁴. Dutch nursing homes have more nursing and they often feel like homes. Like with other goods and services, the old saw, you get what you pay for, is true in nursing home care.

COVID-19 has put long-term care under the microscope

Similar to other countries, the USA has considered major long-term care reforms in the past. Progress has been steady but incremental. However, the USA long-term care system is both underfunded and not well matched to what many older adults want from this system. Many other countries around the globe like Canada and Australia have similar issues with their long-term care systems. Major change will require massive funding similar to the USA’s ‘war on cancer’ and other major health initiatives.

The pandemic has brought unprecedented attention to long-term care around the globe. In the USA alone, there has been strong media coverage, multiple congressional hearings, a White House task force and a National Academy of Sciences, Engineering and Medicine commission. A key takeaway is that large institutional elder-care homes have struggled to protect individuals from COVID-19 (ref. ¹⁰). Lots of staff entering larger facilities have made it challenging to keep the virus out when it is present in the surrounding area where the staff live. Older adults that received long-term care in the community or within smaller home models have remained safer. Many older adults and their families have long preferred these models, but countries such as the USA have underinvested due to the higher cost.

If there is a silver lining to COVID-19 and long-term care, the pandemic will hopefully accelerate the decades-long push towards expanding HCBS while also causing

a reconceptualization of nursing home care¹⁵. These are not competing goals but rather complementary ones. The goal should not be to abolish nursing homes, but rather abolish the institutional models and the underfunding of HCBS that have plagued long-term care for far too long. □

David C. Grabowski 

Department of Health Care Policy, Harvard Medical School, Boston, MA, USA.

✉e-mail: grabowski@med.harvard.edu

Published online: 14 January 2021
<https://doi.org/10.1038/s43587-020-00018-y>

References

- Comas-Herrera, A. et al. Mortality Associated with COVID-19 in Care Homes: International Evidence (International Long-Term Care Policy Network, 2020); <https://ltccovid.org/wp-content/uploads/2020/10/Mortality-associated-with-COVID-among-people-living-in-care-homes-14-October-2020-4.pdf>
- Grabowski, D. C. & Mor, V. *J. Am. Med. Assoc.* **324**, 23–24 (2020).
- Davidson, J. The American nursing home is a design failure. *New York Magazine* (25 June 2020); <https://nymag.com/intelligencer/2020/06/the-american-nursing-home-is-a-design-failure.html>
- Luterman, S. It’s time to abolish nursing homes. *The Nation* (11 August 2020); <https://www.thenation.com/article/society/abolish-nursing-homes/>
- Watts, M. O., Musumeci, M. & Chidambaram, P. *Medicaid Home and Community-Based Services Enrollment and Spending* (Kaiser Family Foundation, 2020); <http://files.kff.org/attachment/Issue-Brief-Medicaid-Home-and-Community-Based-Services-Enrollment-and-Spending>
- Tikkanen, R. *Multinational Comparisons of Health Systems Data, 2018* (The Commonwealth Fund, 2018); https://www.commonwealthfund.org/sites/default/files/2018-12/Multinational%20Comparisons%20of%20Health%20Systems%20Data%202018_RTikkanen_final.pdf
- Konetzka, R. T. *Med. Care* **54**, 219–220 (2016).
- Wolff, J. L., Kasper, J. D. & Shore, A. D. *J. Aging Soc. Policy* **20**, 182–200 (2008).
- Guo, J., Konetzka, R. T., Magett, E. & Dale, W. *Med. Decis. Making* **35**, 106–113 (2015).
- Abrams, H. R., Loomer, L., Gandhi, A. & Grabowski, D. C. *J. Am. Geriatr. Soc.* **68**, 1653–1656 (2020).
- Afendulis, C. C., Caudry, D. J., O’Malley, A. J., Kemper, P. & Grabowski, D. C. *Health Serv. Res.* **51** (Suppl.), 454–474 (2016).
- Tan, R. Nontraditional nursing homes have almost no coronavirus cases. Why aren’t they more widespread? *Washington Post* (3 November 2020); https://www.washingtonpost.com/local/green-house-nursing-homes-covid/2020/11/02/4e723b82-d114-11ea-8c55-61e7fa5e82ab_story.html
- Gawande, A. *Being Mortal: Illness, Medicine and What Matters in the End* (Henry Holt and Company, 2014).
- Glass, A. P. *Seniors Hous. Care J.* **22**, 74–81 (2014).
- Grabowski, D. C. *Strengthening Nursing Home Policy for the Postpandemic World: How Can We Improve Residents’ Health Outcomes and Experiences?* (Commonwealth Fund, 2020); <https://www.commonwealthfund.org/publications/issue-briefs/2020/aug/strengthening-nursing-home-policy-postpandemic-world>
- Long-term Care Resources and Utilisation: Long-term Care Recipients* (OECD.Stat, 2020); https://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_LTCR

Competing interests

D.G. received research grants from the National Institute on Aging, the Agency for Healthcare Research and Quality, Donaghy Foundation, Warren Alpert Foundation and the Arnold Foundation. D.G. received personal fees from naviHealth, Medicare Payment Advisory Commission, Compass Lexecon, Analysis Group, Abt Associates and the Research Triangle Institute.