

NATIONAL TRENDS IN LONG-TERM CARE SERVICES

LONG-TERM CARE USE RATES

According to a publication from The Lewin Group entitled *Nursing Home Use by "Oldest Old" Sharply Declines*, support for older adults in the United States has changed significantly in the last two decades with a large shift away from nursing homes. The National Nursing Home Survey indicates that the percentage of older adults (age 65 and older) in nursing homes declined from 4.2 percent in 1985 to 3.6 percent in 2004. The use rate among the oldest old (age 85 and older) experienced the greatest decline falling from 21.1 percent in 1985 to 13.9 percent in 2004. Several factors contributed to the decline in the nursing home use rate, including:

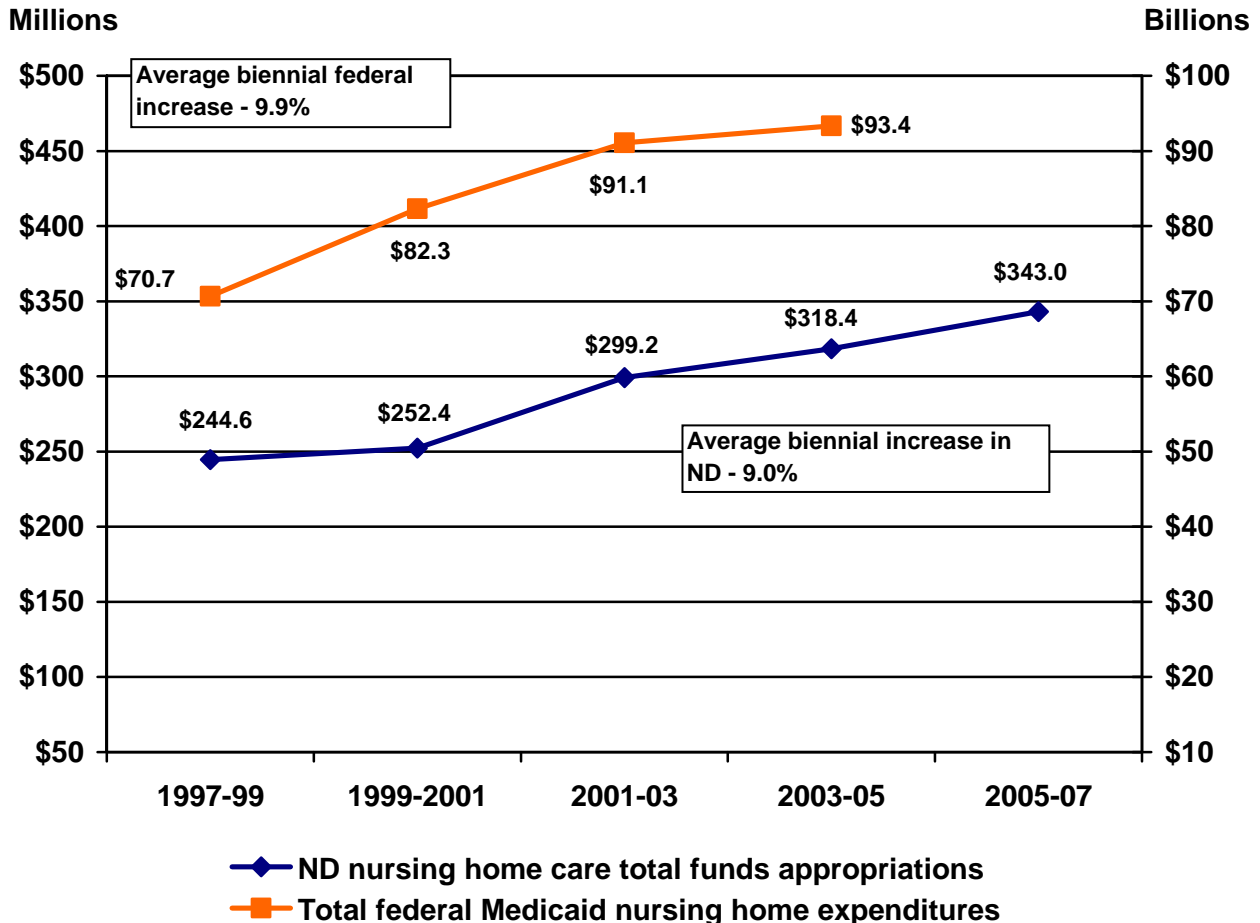
- A healthier and wealthier older adult population.
- The continued development of alternatives to nursing homes.
- Increased availability of private long-term care insurance.
- Active efforts by states to reduce the number of Medicaid recipients in nursing homes by

providing more home and community-based services.

MEDICAID LONG-TERM CARE EXPENDITURES

According to information prepared by Thomson Healthcare in August 2007, Medicaid long-term care expenditures totaled \$99.3 billion for federal fiscal year 2006 (October 2005 through September 2006), an increase of 3.4 percent from federal fiscal year 2005. Medicaid nursing home expenditures increased .5 percent, from \$47.5 billion to \$47.7 billion, and Medicaid home and community-based care expenditures increased 8 percent, from \$35.8 billion to \$38.7 billion, for the same period.

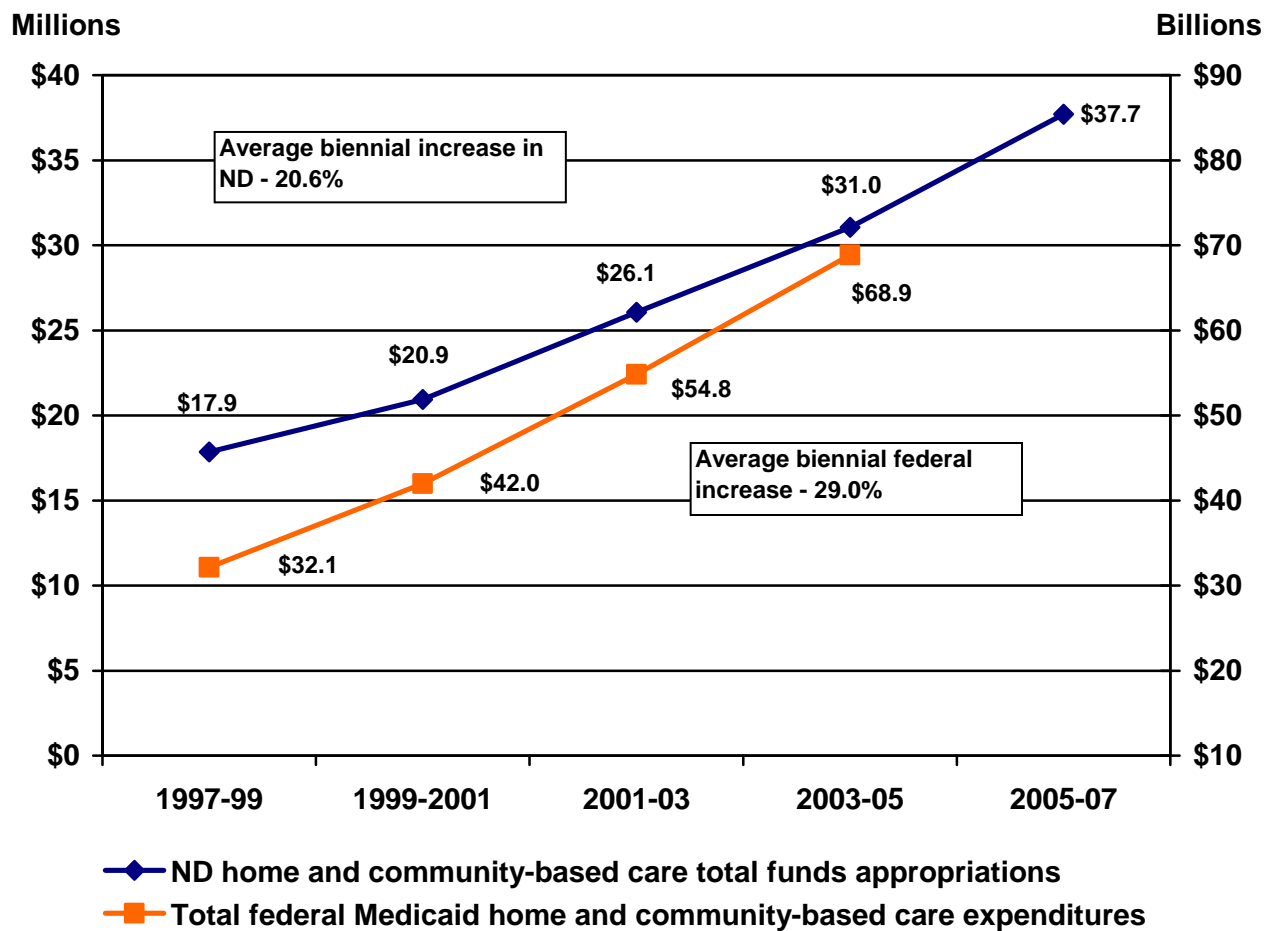
The following chart is a comparison of North Dakota (ND) total funds appropriations for nursing home care and total federal Medicaid nursing home expenditures for the 1997-99 through 2005-07 bienniums:



	North Dakota Nursing Home Care Total Funds Appropriations	Total Federal Medicaid Nursing Home Expenditures
1997-99 biennium		
Federal fiscal year 1998		\$34,290,797,000
Federal fiscal year 1999		36,390,373,000
Total	\$244,579,665	\$70,681,170,000
1999-2001 biennium		
Federal fiscal year 2000		\$39,582,996,000
Federal fiscal year 2001		42,727,565,000
Total	\$252,358,444	\$82,310,561,000
2001-03 biennium		
Federal fiscal year 2002		\$46,382,717,000
Federal fiscal year 2003		44,696,978,000
Total	\$299,239,949	\$91,079,695,000
2003-05 biennium		
Federal fiscal year 2004		\$45,880,253,000
Federal fiscal year 2005		47,471,512,000
Total	\$318,444,621	\$93,351,765,000
2005-07 biennium		
Federal fiscal year 2006		\$47,706,590,000
Federal fiscal year 2007		
Total	\$343,013,040	

The following chart is a comparison of North Dakota total funds appropriations for home and community-based care and total federal Medicaid

home and community-based care expenditures for the 1997-99 through 2005-07 bienniums:



	North Dakota Home and Community-Based Care Total Funds Appropriations	Total Federal Medicaid Home and Community-Based Care Expenditures
1997-99 biennium		
Federal fiscal year 1998		\$15,175,583,000
Federal fiscal year 1999		16,960,089,000
Total	\$17,859,304	\$32,135,672,000
1999-2001 biennium		
Federal fiscal year 2000		\$18,869,535,000
Federal fiscal year 2001		23,090,418,000
Total	\$20,937,426	\$41,959,953,000
2001-03 biennium		
Federal fiscal year 2002		\$25,955,119,000
Federal fiscal year 2003		28,865,861,000
Total	\$26,064,530	\$54,820,980,000
2003-05 biennium		
Federal fiscal year 2004		\$33,042,032,000
Federal fiscal year 2005		35,825,991,000
Total	\$31,047,946	\$68,868,023,000
2005-07 biennium		
Federal fiscal year 2006		\$38,707,125,000
Federal fiscal year 2007		
Total	\$37,697,922	